

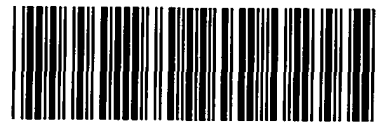
Carrhae Capital Management (UK) Limited

Registration Number: 07654159

Director's Report and Financial Statements

For the year ended 31 March 2015

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Administrative information

Director

A Akay

Registered office

4th Floor Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Auditors

Ernst & Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

Bankers

HSBC Bank Plc.
Oxford Circus Branch
196 Oxford Street
London
W1D 1NT

Strategic report

for the year ended 31 March 2015

The director presents his strategic report and the audited financial statements of Carrhae Capital Management (UK) Limited ("the company") for the year ended 31 March 2015.

Principle activity and business review

The principal activity of the company is to act as designated member of Carrhae Capital LLP (the "LLP"), a limited liability partnership which is authorised and regulated by the Financial Conduct Authority to provide investment management services.

In the opinion of the director, the results for the year and the state of the company's affairs at 31 March 2015 are satisfactory.

Future development

The director does not expect any change in the principal activity of the company in the foreseeable future.

Results and dividends

The results of the company for the year are shown in the profit and loss account on page 7 and its financial position as at the year end is reported in the balance sheet on page 8. Any future profit allocation is at the discretion of the LLP. During the year a dividend of £8,507 was paid (2014: £nil).

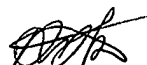
Key performance indicators ("KPIs")

Given the straightforward nature of the business, the director is of the opinion that an analysis of the Company's performance using KPIs is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The principal risk affecting the company is the performance of the LLP's funds under discretionary management. The immediate risk to the company of underperforming funds of the LLP is a decline in revenues, and, longer-term, the risk of redemptions to the funds managed by the LLP. Any decline in the profitability of the LLP would limit the future profit available for allocation to the Company and may impair the carrying value of the Company's investments in the LLP.

By order of the Board



A Akay
Director
19 November 2015

Director's report

for the year ended 31 March 2015

The sole director presents his report for the year ended 31 March 2015.

Director

The director who served the company during the year and up to the date of this report was:

A Akay

Going concern

Whilst the Company has suffered a loss after tax for the current year (2014: £nil) and is in a net current liability position for the current year (2014: net asset position £8,508). The ultimate parent company, Carrhae Capital (Cayman) LP, has informed the company that it is its intention to provide such commercial and financial support as is necessary for the company to continue in operation without any significant curtailment of its operations for the foreseeable future and at least the next twelve months following the date of approval of these financial statements.

As a consequence, the director believes that the company is well placed to manage its business risks successfully. The director has a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the company continues to adopt the going concern basis in preparing the financial statements.

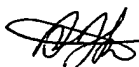
Statement of disclosure of information to auditors

So far as the director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing its report, of which the auditors are unaware. The director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditors are aware of the information.

Auditors

The auditors, Ernst & Young LLP have indicated their willingness to continue in office. A resolution concerning their reappointment as auditors will be proposed at the director's meeting to approve these financial statements.

By order of the Board



A Akay
Director
19 November 2015

Statement of director's responsibilities

The director is responsible for preparing the director's report, the strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the Members of Carrhae Capital Management (UK) Limited

We have audited the financial statements of Carrhae Capital Management (UK) Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Cash Flows and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

As explained more fully in the Director's Responsibilities Statement set out on page 4, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the director's report, strategic report and financial statements to identify material inconsistencies with the audited financial statements, and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

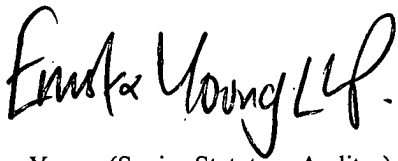
Independent auditors' report (continued)

to the Members of Carrhae Capital Management (UK) Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Julian Young (Senior Statutory Auditor)

For and on behalf of Ernst & Young LLP, Statutory Auditor

London

23 November 2015

Profit and loss account

for the year ended 31 March 2015

	Notes	2015 £	2014 £
Turnover			
Profit allocation from Carrhae Capital LLP	1	-	-
Expenses			
Administrative expenses		-	-
		<hr/>	<hr/>
Operating profit	2	-	-
Tax on profit on ordinary activities	4	(6,833)	-
		<hr/>	<hr/>
Loss for the financial year	10	(6,833)	-
		<hr/> <hr/>	<hr/> <hr/>

All activities are derived from continuing operations.

There were no recognised gains or losses in the current year or previous year other than those shown in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

Notes 1-13 form an integral part of these financial statements

Balance sheet

at 31 March 2015

	Notes	2015 £	2014 £
Fixed assets			
Investments	6	800,000	800,000
		<u>800,000</u>	<u>800,000</u>
Current assets			
Debtors	7	1	7,648
Cash at bank and in hand		497	860
		<u>498</u>	<u>8,508</u>
Creditors: amounts falling due within one year	8	(7,330)	-
		<u>(6,832)</u>	<u>8,508</u>
Net current (liabilities) / assets			
		<u>793,168</u>	<u>808,508</u>
Net assets			
		<u><u>793,168</u></u>	<u><u>808,508</u></u>
Capital and reserves			
Share capital	9	101	101
Share premium	10	799,900	799,900
Profit and loss reserve	10	(6,833)	8,507
		<u>793,168</u>	<u>808,508</u>
Total shareholder's funds	10	<u><u>793,168</u></u>	<u><u>808,508</u></u>

The financial statements were approved by the Director and authorised for issue on 19 November 2015.



A Akay
Director

Notes 1-13 form an integral part of these financial statements

Statement of Cash flows

for the year ended 31 March 2015

	<i>Notes</i>	<i>2015</i> £	<i>2014</i> £
Net cash inflow from operating activities	11 (a)	8,144	5,326
Taxation		-	(5,672)
Financing	11 (b)	(8,507)	-
Decrease in cash during the year	11 (c)	<u>(363)</u>	<u>(346)</u>

Notes 1-13 form an integral part of these financial statements.

Statement of Cash flows

for the year ended 31 March 2015

1. Accounting policies

Basis of accounting

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards. The principal accounting policies are set out below.

Going concern

As disclosed in the director's report, the director has a reasonable expectation that the company will be able to meet its liabilities as they fall due for the foreseeable future. As a consequence, the financial statements are prepared on the going concern basis.

Turnover

Turnover represents profit allocations to the company from the LLP and is recognised when the company obtains the right to the allocation from the LLP.

Expenses

Expenses incurred have been recognised on an accruals basis.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken to the profit and loss account.

Taxation and deferred taxation

Provision is made for corporation tax at the current rates on the excess of taxable income over allowable expenses. Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date other than those differences regarded as permanent. A deferred tax asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Any deferred tax assets and liabilities recognised are provided at the average rate of tax expected to apply when the assets and liabilities crystallise and are not discounted, based on tax rates and laws enacted or substantially enacted at the balance sheet date.

Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

2. Operating profit

Operating profit is stated after charging:

The audit fee for the Company of £7,500 (2014: £7,500) is borne by Carrhae Capital LLP and was not re-charged to the Company. There were no non-audit fees payable to the auditor in the year (2014: £nil).

3. Director's emoluments and employee information

The director did not receive any remuneration for the services to the company during the year (2014: £nil). All such cost associated with the Director's service were borne by the LLP and not re-charged. Apart from the director, the company had no employees (2014: nil).

Statement of Cash flows

for the year ended 31 March 2015

4. Taxation

(a) Analysis of the tax charge for the year

	2015	2014
	£	£
<i>Current tax</i>		
UK corporation tax on profits of the year	6,833	-
Total current tax	6,833	-
Tax on profit on ordinary activities for the year	6,833	-

(b) Factors affecting the tax charge for the year

The tax assessed on the profit on ordinary activities for the year differs from the small companies rate of taxation of 20% (2014: 20%). The differences are explained below:

	2015	2014
	£	£
Profit on ordinary activities before tax	-	-
Profit on ordinary activities multiplied by the small companies rate of tax of 20% (2014: 20%)	-	-
Effects of:		
Difference between tax and accounting allocation from the LLP	6,515	-
Impact of timing differences	318	-
Total current tax (Note 4(a))	6,833	-

5. Dividends

	2015	2014
	£	£
On ordinary shares:		
Final dividend of £84.23p per share (2014: £nil)	8,507	-

Statement of Cash flows

for the year ended 31 March 2015

6. Investments

£

Cost:

At 1 April 2014 and 31 March 2015

800,000

The company has an investment of £800,000 (2014: £800,000) in Carrhae Capital LLP which represents a 95% (2014: 95%) capital interest. Carrhae Capital LLP is engaged in the provision of investment management services to overseas investment funds. The company is a member of the LLP. The LLP is controlled by A Akay, and hence the LLP is not consolidated into these financial statements.

7. Debtors

	2015	2014
	£	£
Amounts due from Carrhae Capital (Cayman) LP	1	1
Amounts due from Carrhae Capital LLP	-	7,647
	<u>1</u>	<u>7,648</u>

8. Creditors: amounts falling due within one year

	2015	2014
	£	£
Corporation tax	6,833	-
Amounts due to Carrhae Capital LLP	497	-
	<u>7,330</u>	<u>-</u>

9. Share capital

	2015	2014
	£	£
Allotted, issued and fully paid:		
101 Ordinary shares of £1 each	101	101
	<u>101</u>	<u>101</u>

Statement of Cash flows

for the year ended 31 March 2015

10. Reconciliation of total shareholder's funds and movements on reserves

	<i>Share capital £</i>	<i>Share premium £</i>	<i>Profit and loss reserve £</i>	<i>Total shareholder's funds £</i>
At 1 April 2014	101	799,900	8,507	808,508
Loss for the year	-	-	(6,833)	(6,833)
Dividends paid	-	-	(8,507)	(8,507)
At 31 March 2015	101	799,900	(6,833)	793,168

11. Notes to cash flow statement**(a) Reconciliation of operating profit to net cash inflow from operating activities**

	<i>2015 £</i>	<i>2014 £</i>
Operating profit	-	-
Decrease in debtors	7,647	5,326
Increase in creditors	497	-
Net cash inflow from operating activities	8,144	5,326

(b) Analysis of cash flows for headings netted in the cash flow statement

	<i>2015 £</i>	<i>2014 £</i>
Financing		
Dividends paid	(8,507)	-

(c) Analysis of changes in net funds:

	<i>At 1 April 2014 £</i>	<i>Cash flows £</i>	<i>At 31 March 2015 £</i>
Cash at bank	860	(363)	497

Statement of Cash flows

for the year ended 31 March 2015

12. Related party transactions

As at 31 March 2015 Carrhae Capital (Cayman) LP owed the company £1 (2014: £1), which is included in debtors.

The company is a member of Carrhae Capital LLP ("the LLP"), a UK Limited Liability Partnership. During the year the company received profit allocations of £nil (2014: £nil) from the LLP. During the year the LLP provided funding to the company of £8,144 (2014: £5,326). As at 31 March 2015, the company owed Carrhae Capital LLP £497 (2014: The LLP owed the company £7,647).

13. Parent undertaking and ultimate controlling party

The share capital of the company is wholly owned by the Carrhae Capital (Cayman) LP, in which A Akay is a director and majority shareholder.

Throughout the year, the company was under the control of A Akay the sole director of the company.