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## **Kedge Capital (UK) Limited**

### **Annual Report and Consolidated Financial Statements**

For the period ended 31 December 2012

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31/05/2013

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COMPANIES HOUSE

Kedge Capital (UK) Limited

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Registered No ~~07849817~~ 7849817  
~~3751389~~

**Directors**

J Arnold

R Singh

**Secretary**

C Breen

**Auditors**

Ernst & Young LLP

Liberation House

Castle Street

St Helier

Jersey

JE1 1EY

**Bankers**

C Hoare & Co

**Registered Office**

1 Curzon Street

London

W1J 5HD

## Directors' report

The directors present their consolidated report and financial statements for the Group for the period from the company's incorporation on 16 November 2011 to 31 December 2012. The Company began trading on 1 April 2012.

### Results and dividends

The consolidated loss on ordinary activities, after taxation, for the period ended 31 December 2012 amounted to £48,650. Included in operating expenses is a charitable donation of £356,000 reducing the profits for the period.

The directors are unable to recommend a dividend payment.

### Principal activity and review of the business

The principal activity of the Group during the period was the provision of fund management support services.

The principal activity of the Company during the period was that of providing fund management support services.

The key performance indicators of the Group are turnover £3,281,773 and operating costs £3,339,390.

### Principal risks and uncertainties

The principal risk to the Group would be a significant reduction in its clients' businesses. However, based on current business expectations, the probability of this occurring is considered to be low.

### Going concern

The Group has a cash balance of £1,916,238 at 31 December 2012 and does not have any external debt. In addition, the directors have the financial support of its parent company, Waypoint Capital Holdings (Jersey) Limited. The directors do not believe any new sources of finance will be required over the next 12 months from the date of this report. On this basis, the directors have a reasonable expectation that the Group has adequate resources to meet its liabilities as they fall due and continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on the going concern basis.

### Directors

The directors who served the Company during the period were as follows:

Appointed on 16<sup>th</sup> November 2011

J Arnold

W Weston (resigned 31/03/2013)

R Singh (appointed 11/06/2012)

### Charitable donations

During the year, the Company donated £356,000. This represents donations to The Bertarelli UK Foundation.

## Directors' report

### Disclosure of information to the auditors

So far as each person who was a 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 auditor is unaware. Having made enquiries of fellow directors and the Groups' auditor, each director has taken all the steps that he/she is obliged to make as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditors

The directors noted that Ernst & Young LLP were appointed as the Company's auditors and that a resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

By order of the board



Ravi Singh  
Director

Date 2<sup>nd</sup> April 2013

## Statement of director's responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have 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 directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors confirm they have complied with the above requirements when preparing these financial statements.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEDGE CAPITAL (UK) LIMITED**

We have audited the financial statements of Kedge Capital (UK) Limited for the period ended 31 December 2012 which comprise the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Cash Flows and the related notes 1 to 18. 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 auditor's 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 directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are 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 group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. 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 group's and the parent company's affairs as at 31 December 2012 and of the group's loss for the period 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

**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 directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

A handwritten signature in black ink, appearing to read 'G. Davies'.

Geraint Davies (Senior statutory auditor)

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

23 April 2013

## Consolidated profit and loss account

for the period from 16 November 2011 to 31 December 2012

	Notes	16 Nov 2011- 31 Dec 2012 £
<b>Turnover</b>	2	3,281,773
Administrative expenses		(3,339,390)
<b>Operating loss</b>	3	(57,617)
Interest receivable and similar income		317
<b>Loss on ordinary activities before taxation</b>		(57,300)
Tax	4	8,650
<b>Loss for the financial period</b>		(48,650)

The profit and loss account has been prepared on the basis that all operations are continuing operations

## Consolidated statement of recognised gains and losses

There are no recognised gains or losses other than the loss attributable to shareholders of the company of £48,650 for the period

# Consolidated Balance sheet

at 31 December 2012

	Notes	31 Dec 2012 £
<b>Fixed assets</b>		
Tangible assets	8	21,641
<b>Current assets</b>		
Debtors	10	66,229
Cash at bank		1,916,238
		1,982,467
<b>Creditors</b> amounts falling due within one year	11	(2,052,757)
<b>Net current liabilities</b>		(70,290)
<b>Total assets less current liabilities</b>		(48,649)
<b>Capital and reserves</b>		
Called up share capital	13	1
Profit and loss account	14	(48,650)
<b>Equity shareholder deficit</b>	14	(48,649)

The financial statements on pages 7 to 19 were approved by the board of directors on 2<sup>nd</sup> April 2013 and were signed on its behalf by



Ravi Singh  
Director



Claire Breen  
Secretary

## Balance sheet

at 31 December 2012

	Notes	31 Dec 2012 £
<b>Fixed assets</b>		
Tangible assets	8	21,641
Investment in subsidiary undertaking	9	—
		<hr/> 21,641
<b>Current assets</b>		
Debtors	10	77,783
Cash at bank		1,275,155
		<hr/> 1,352,938
<b>Creditors</b> amounts falling due within one year	11	(1,423,228)
<b>Net current liabilities</b>		<hr/> (70,290)
<b>Total assets less current liabilities</b>		<hr/> (48,649)
<b>Capital and reserves</b>		
Called up share capital	13	1
Profit and loss account	14	(48,650)
<b>Shareholder deficit - equity interests</b>	14	<hr/> (48,649)

The financial statements on pages 7 to 19 were approved by the board of directors on 2<sup>nd</sup> April 2013 and were signed on its behalf by



Ravi Singh  
Director



Claire Breen  
Secretary

## Consolidated statement of cash flows

for the period ended 31 December 2012

	Notes	16 Nov 2011- 31 Dec 2012 £
<b>Net cash inflow from operating activities</b>	16(a)	1,941,261
<b>Returns on investments and servicing of finance</b>	16(b)	317
<b>Capital expenditure and financial investment</b>	16(b)	(25,126)
<b>Net cash inflow before management of liquid resources and financing</b>		1,916,452
<b>Increase in cash in the period</b>	16(c)	1,916,452

## Reconciliation of net cash flow to movement in net funds

	16 Nov 2011- 31 Dec 2012 £
Increase in cash in the period	1,916,452
<b>Movement in net funds</b>	1,916,452
Opening net funds	—
Movement in foreign exchange	(214)
<b>Net funds as at 31 December</b>	1,916,238

## Notes to the financial statements

at 31 December 2012

### 1 Accounting policies

#### *Basis of preparation*

The financial statements are prepared under the historical cost convention and in accordance with United Kingdom Generally Accepted Accounting Practice

#### *Group financial statements*

The Group financial statements consolidate the financial statements of Kedge capital (UK) Limited and its subsidiary, being Kedge Capital LLP. Kedge Capital LLP's current accounting period is from 15 June 2012 to 31 March 2013

No Company profit and loss account is presented for Kedge Capital (UK) Limited as the Company has taken the exemption under section 408 of the Companies Act 2006

#### *Turnover*

Turnover is accounted for on an accruals basis

#### *Other income and administrative expenses*

Other income and administrative expenses are accounted for on an accruals basis

#### *Tangible fixed assets*

Tangible fixed assets are stated at cost and then depreciated

#### *Depreciation*

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset evenly over its expected useful life, as follows

Computer equipment	–	3 years
Fixtures, fittings & equipment	–	3 years
Bicycles	–	18 months

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

#### *Pensions*

The Group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost charges represent contributions payable by the Group to the funds

#### *Taxation*

Current tax is provided on the Company's taxable profits at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

#### *Deferred taxation*

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

## Notes to the financial statements

at 31 December 2012

### 1. Accounting policies (continued)

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

#### **Foreign currencies**

The functional currency of the Company is GBP and transactions in foreign currencies are recorded at the rate ruling on the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated, into GBP, at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

#### **Investments in subsidiary undertakings**

Investments in subsidiaries are stated at cost less provision for any permanent diminution in value

### 2. Turnover

Turnover is attributable to the provision of fund management support services

	<i>16 Nov 2011- 31 Dec 2012</i>
	<i>£</i>
Turnover attributable to fund management support services	3,281,773
Total turnover for the year	<u>3,281,773</u>

### 3. Operating loss

This is stated after charging/(crediting)

	<i>16 Nov 2011- 31 Dec 2012</i>
	<i>£</i>
Auditors' remuneration – audit services	14,500
Depreciation of tangible assets	3,485
Loss on foreign exchange transactions	214
Members' remuneration charged as an expense (refer note 7)	115,140
Charitable donations	<u>356,000</u>

Auditors' remuneration for audit services in the year for the Company was £10,000

## Notes to the financial statements

at 31 December 2012

### 4. Tax

#### *Company and Group*

(a) Tax on profit on ordinary activities

16 Nov 2011-  
31 Dec 2012  
£

The tax charge is made up as follows

#### *Current tax*

UK corporation tax on profit for the year

Deferred tax

—  
(8,650)

Tax on profit on ordinary activities

(8,650)

(b) Factors affecting the current tax charge for the year

A reconciliation is provided below

16 Nov 2011-  
31 Dec 2012

Loss on ordinary activities before taxation

£  
(57,300)

Loss on ordinary activities before taxation multiplied by the weighted average standard rate of UK corporate tax of 24%

(13,752)

Effects of

Disallowable expenses

Unutilised charitable donations

Difference in tax rates

Adjustments to taxable loss

262  
4,473  
377  
(10)

Current tax charge/(credit) (note 4(a))

(8,650)

### 5. Staff costs

#### *Group and Company*

2012  
£

Wages and salaries

Social security costs

Other pension costs – defined contribution

1,961,421  
255,470  
115,233

2,332,124

Included in Staff costs are the directors' emoluments shown in note 6 below

## Notes to the financial statements

at 31 December 2012

### 5. Staff costs (continued)

The monthly average number of employees during the year was as follows

	<i>2012</i>
	<i>No</i>
Hedge Funds support	8
Private Equity support	2
	<u>10</u>

### 6. Directors' emoluments

*Group and Company*

	<i>2012</i>
	<i>£</i>
Emoluments	218,000
Company contributions to defined contribution pension schemes	57,000
	<u>275,000</u>

	<i>2012</i>
	<i>No</i>
Members of defined contribution pension schemes	1

There was only one salaried director in the period

### 7. Members' remuneration

*Group*

A member's share in the profit or loss of an LLP for the period is accounted for as an allocation of profits or losses

Kedge Capital LLP made distributions of £115,140 to its members in the period, which have been expensed in 'Administration expenses' within the consolidated profit and loss account

## Notes to the financial statements

at 31 December 2012

### 8. Tangible fixed assets

#### Group

	<i>Bicycles</i>	<i>Computer equipment</i>	<i>Total</i>
	£	£	£
Cost or valuation			
At 16 November 2011	—	—	—
Additions	3,439	21,687	25,126
At 31 December 2012	3,439	21,687	25,126
Depreciation			
At 16 November 2011	—	—	—
Charge for the year	955	2,530	3,485
At 31 December 2012	955	2,530	3,485
Net book value			
At 31 December 2012	2,484	19,157	21,641
At 16 November 2011	—	—	—

### 9. Investments

#### The Company

##### Investment undertakings

On the 15<sup>th</sup> June 2012, its date of incorporation, the Company became the managing member of Kedge Capital LLP, a Limited Liability Partnership incorporated in England & Wales. The Company has included the LLP in its consolidated group financial statements.

The managing member is entitled to a 100% profit share from the LLP, the other operating members receive guaranteed expensed drawings.

### 10. Debtors

	<i>Group</i>	<i>Company</i>
	<i>31 Dec</i>	<i>31 Dec</i>
	<i>2012</i>	<i>2012</i>
	£	£
Trade debtors	3,224	—
VAT reclaimable	33,537	33,537
Prepayments and accrued income	20,818	20,818
Amounts due from subsidiary undertakings	—	14,778
Deferred tax asset	8,650	8,650
	66,229	77,783

## Notes to the financial statements

at 31 December 2012

### 11. Creditors: amounts falling due within one year

	<i>Group</i>	<i>Company</i>
	<i>31 Dec</i>	<i>31 Dec</i>
	<i>2012</i>	<i>2012</i>
	<i>£</i>	<i>£</i>
Trade creditors	8,439	8,439
Accruals	41,333	33,833
Pension creditors	15,017	15,017
Payroll creditors	962,000	962,000
Social security	189,045	189,045
Amounts owed to related parties	836,923	214,894
	<u>2,052,757</u>	<u>1,423,228</u>

### 12. Deferred taxation

	<i>2012</i>
	<i>£</i>
<b>Recognised deferred tax asset</b>	
The deferred taxation asset within debtors relates to	
Depreciation in excess of capital allowances	5,196
Other timing differences	3,454
	<u>8,650</u>

There are no unrecognised deferred tax assets at 31 December 2012

Legislation was introduced in Finance Act 2012 to reduce the main rate of corporation tax from 26% to 24% with effect from 1 April 2012 and 23% with effect from 1 April 2013. The effect of this reduction is reflected in the deferred tax asset recorded on the balance sheet.

The UK government has announced its intent to legislate to reduce the rate further to 21% with effect from 1 April 2014 and to 20% from 1 April 2015.

### 13. Share capital

	<i>Authorised</i>	<i>Allotted, issued and fully paid</i>
	<i>31 Dec 2012</i>	<i>31 Dec 2012</i>
	<i>No</i>	<i>£</i>
Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

## Notes to the financial statements

at 31 December 2012

### 14. Reconciliation of shareholders' funds and movements on reserves

*Group and Company*

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total equity shareholder deficit £</i>
At 16 November 2011	–	–	–
Issue of share capital	1	–	1
Loss for the period	–	(48,650)	(48,650)
At 31 December 2012	<u>1</u>	<u>(48,650)</u>	<u>(48,649)</u>

### 15. Pension commitments

The Group operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost charges represent contributions payable by the Group to the funds. Unpaid contributions at the period end which are included in the financial statements as creditors are £15,017.

### 16. Notes to the statement of cash flows

(a) Reconciliation of operating loss to net cash inflow from operating activities

	<i>16 Nov 2011- 31 Dec 2012 £</i>
Operating loss	(57,617)
Depreciation of tangible fixed assets	3,485
Increase in debtors	(57,579)
Increase in creditors	2,052,758
Loss in foreign exchange	214
<b>Net cash inflow from operating activities</b>	<u><u>1,941,261</u></u>

(b) Analysis of cash flows for headings netted in the Statement of Cash Flows

	<i>16 Nov 2011- 31 Dec 2012 £</i>
<b>Returns on investments and servicing of finance</b>	
Interest received	317
<b>Net cash inflow from returns of investments and servicing of finance</b>	<u><u>317</u></u>

## Notes to the financial statements

at 31 December 2012

### 16 Notes to the statement of cash flows (continued)

16 Nov 2011-  
31 Dec 2012  
£

#### **Capital expenditure and financial investment**

Payment to acquire tangible fixed assets (25,126)

Net cash inflow from capital expenditure and financial investment (25,126)

#### (c) Analysis of net funds

	16 Nov 2011 £	Cash flow £	Movement in FX £	31 Dec 2011 £
Net cash				
Cash at bank and in hand	–	1,916,452	(214)	1,916,238
Net funds	–	1,916,452	(214)	1,916,238

### 17. Related party transactions

#### **Group**

Transactions between the Group and related parties are set out below

During the period the Group charged Kedge Capital Fund Management Limited, an entity under common control with the Group, £3,193,923 for support services, of which £656,077 was due at period end (included in creditors note 11)

During the period the Group paid Waypoint Corporate Services Limited, an entity under common control with the Group, £100,659 for shared services and £160,625 for disbursements paid on its behalf, of which £121,849 was outstanding at period end (included in creditors note 11)

At period end amounts due to members of Kedge Capital LLP totaled £58,997 (included in creditors note 11)

#### **Company**

The Company has taken advantage of the exemption in FRS 8 “Related Party Disclosures” relating to transactions between 100% controlled subsidiaries, by not disclosing information on related party transactions with entities that are part of the Group, or investees of the Group qualifying as related parties

## Notes to the financial statements

at 31 December 2012

### 18. Ultimate controlling party

The Company is controlled by Waypoint Capital Holdings (Jersey) Limited. It has included the Waypoint Corporate Services Limited Group in its group financial statements.

In the Directors' opinion, the Company's ultimate controlling party is the Bertarelli family.

Waypoint Capital Holdings (Jersey) Limited's registered address is

28-30 The Parade  
St Helier  
Jersey  
JE1 1ZZ