

# **BlueCrest Capital Management Global Holdings Limited**

Registered number: 8189739

## **Report and Financial Statements**

**For the year ended 31 December 2014**

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## Contents

	Page
Administrative information	1
Directors' report	2
Strategic report	3
Statement of Directors' responsibilities	5
Independent auditors' report	6
Profit and loss account	8
Balance sheet	9
Notes to the financial statements	10

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Registered number: 8189739

**Directors**

P J Dehadray

P A Cox

**Auditors**

Ernst & Young LLP

1 More London Place

London

SE1 2AF

**Bankers**

HSBC Bank Plc

1<sup>st</sup> Floor

60 Queen Victoria Street

London

EC4N 4TR

**Solicitors**

Simmons & Simmons LLP

CityPoint

1 Ropemaker Street

London

EC2Y 9SS

**Registered Office**

40 Grosvenor Place

London

SW1X 7AW

Registered number: 8189739

## Directors' Report

The Directors present their report and the financial statements of BlueCrest Capital Management Global Holdings Limited (the "Company") for the year ended 31 December 2014.

### Principal activity and review of the business

The Company was incorporated on 23 August 2012.

On 3<sup>rd</sup> September 2012, the Company acquired the entire share capital of BlueCrest USA Holdings Limited ("BCUSAHL") from BC Capital Management Services Limited ("BCMSL"). The consideration payable by the Company was discharged by way of the issue and allotment of ordinary shares in the capital of the Company and the issue of loan notes by the Company to BCMSL.

The Company's principal activity is to hold an investment in BCUSAHL, a Company incorporated in England. BCUSAHL holds an indirect interest in BlueCrest Capital Management New York LP and BlueCrest Capital Management Boston LP (the "Partnerships") through its direct partnership interest in BlueCrest Capital USA LP ("BC USA LP"). The Partnerships provide investment management services under sub-investment management agreements with BlueCrest Capital Management LLP ("BCM LLP").

### Disclosure of information to the auditors

So far as the Directors at the date of approving this report are aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of their fellow Directors, each Director has taken all the steps that they are obliged to take as a Director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

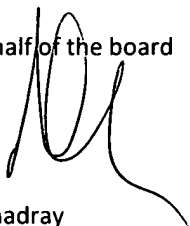
### Directors

The Directors of the Company during the year and up to the date of this report are disclosed on page 1.

### Auditors

The Directors propose that Ernst & Young LLP be reappointed as the Company's auditors pursuant to the deemed reappointment provisions of the Companies Act 2006.

On behalf of the board



P J Dehadray  
Director

20 April 2015

## Strategic Report

### Results and dividends

The loss for the year after taxation is £1,634,000 (prior period profit £1,706,000). The Directors do not recommend the payment of a dividend and the loss has been transferred to reserves.

### Principal risks and uncertainties

The risks and uncertainties the Company faces relate to the performance of the Partnerships. Risk is an inherent component of the Partnerships' business and their ability to earn a return on capital in respect of the funds they manage under the sub-investment management agreements derives from taking risks. Their ability to identify and manage these risks effectively is critical to their continued success. The principal risks facing the Partnerships include:

- **Business risk:** the risk that the market position of the funds managed under the sub-investment management agreements may be adversely impacted resulting in a reduction to the future profitability of the business.
- **Foreign exchange ("FX") risk:** the Partnerships are exposed to FX risk as a result of the foreign currency denominated assets held.
- **Credit risk:** the Partnerships are exposed to credit risk in respect of fees receivable from BCM LP. In turn BCM LP is exposed to credit risks in respect of a counterparty or fund failing to meet their contractual obligations.
- **Operational risk:** the Partnerships are exposed to most of the operational risks normally found within asset management businesses, examples of significant risks include: fraud, mis-selling of products or errors in fund prospectuses, breach of investment mandate, technology failures and fund valuation errors.
- **Liquidity risk:** the risk of not having sufficient liquid resources to meet obligations as they fall due.

The Partnerships address these risks through:

- Utilisation of capital to optimise the risk and return profile. High levels of unencumbered cash balances are generally held by the funds.
- Active management which reviews and assesses exposures within the portfolio, enforcing a reduction in exposures where appropriate.

The Partnerships and BlueCrest affiliates that perform any outsourced activities mitigate operational risks through:

- Fostering a culture that emphasizes the importance of effective risk management, strong internal controls, sound governance and a clear understanding of operational risk management processes.
- The recruitment, retention and motivation of high calibre professionals across portfolio management, infrastructure and operations functions.
- An independent operational risk management group which is responsible for the design, implementation and effective operation of the firm-wide risk management framework which outlines responsibilities and escalation procedures for the identification and management of operational risks and operational risk losses.
- Regular review of the integrity and robustness of information technology systems including significant resources committed to protecting the resilience of these systems, formal business continuity plans, appropriate remote data back-up and disaster recovery facilities.

Registered number: 8189739

## Strategic Report (cont'd)

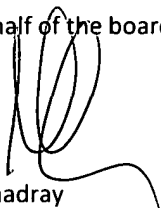
### Future developments

The Directors aim to continue the activities of the Company which is to hold an investment in BCUSAHL.

### Going concern

The Company has considerable financial resources and wholly owns BCUSAHL which has an indirect interest in the Partnerships. The Directors believe that the Company is well placed to manage its business risks successfully and pay all of its liabilities as and when they fall due. After making enquires, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors adopt the going concern basis in preparing the report and financial statements.

On behalf of the board



P J Dehadray  
Director

20 April 2015

## Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' and Strategic reports and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. 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 Company and of the profit or loss of the Company for that year. 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 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. They are 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 Member of BlueCrest Capital Management Global Holdings Limited**

We have audited the financial statements of BlueCrest Capital Management Global Holdings Limited for the year ended 31 December 2014 which comprises the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 12. 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 member 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 member 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 member 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 5, 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 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 Directors' and Strategic 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 Company's affairs as at 31 December 2014 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.



# Independent auditors' report

to the Member of BlueCrest Capital Management Global Holdings Limited (continued)

## Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and 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 by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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.



Julian Young (Senior statutory auditor)

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

London

21/4/2015

## Profit and loss account

for the year ended 31 December 2014

		2014	For the period 23 August 2012 to 31 December 2013
	Notes	£000's	£000's
Turnover			
Dividend income		3,900	6,129
Administrative expenses		(60)	(69)
<b>Operating Profit</b>	2	3,840	6,060
Interest payable and similar charges		(4,009)	(5,574)
Net foreign exchange (loss)/gain		(4,264)	2,818
<b>(Loss)/profit on ordinary activities before taxation</b>		(4,433)	3,304
Tax on profit on ordinary activities	3	2,799	(1,598)
<b>(Loss)/profit retained for the period</b>	10	(1,634)	1,706

All amounts are in respect of continuing activities.

### Statement of total recognised gains and losses

There are no recognised gains or losses in the year, other than the loss shown by the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

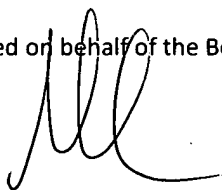
The notes on pages 10 to 14 form an integral part of these financial statements.

**Balance sheet**

at 31 December 2014

	Notes	2014 £000's	2013 £000's
<b>Fixed assets</b>			
Investments	4	94,529	94,529
<b>Current assets</b>			
Cash at bank		314	512
Debtors	5	4,805	1,890
		<u>5,119</u>	<u>2,402</u>
<b>Creditors: amounts falling due within one year</b>	7	(3,844)	(3,472)
<b>Net current liabilities</b>		<u>1,275</u>	<u>(1,070)</u>
<b>Total assets less current liabilities</b>		<u>95,804</u>	<u>93,459</u>
<b>Creditors: amounts falling due after more than one year</b>	8	(67,373)	(63,394)
<b>Net assets</b>		<u><u>28,431</u></u>	<u><u>30,065</u></u>
<b>Capital and reserves</b>			
Called up share capital	9	28,359	28,359
Profit and loss account	10	72	1,706
<b>Total capital and reserves</b>	10	<u><u>28,431</u></u>	<u><u>30,065</u></u>

Signed on behalf of the Board


P J Dehadray  
Director

20 April 2015

The notes on pages 10 to 14 form an integral part of these financial statements.

## Notes to the financial statements

at 31 December 2014

### 1. Accounting policies

#### Basis of preparation

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with applicable UK Accounting Standards.

The Company's intermediate parent, BC Capital Management Services Limited ("BCMSL"), prepares and publishes consolidated financial statements which include the Company. Consequently, the Company is exempt under the terms of Financial Reporting Standard No 2 "Accounting for Subsidiary Undertakings" from preparing consolidated financial statements.

#### Turnover

Income comprises dividends received from BCUSAHL. Dividends received are recognised by the Company at the time of declaration of the dividend.

#### Expenses

Expenses are recognised on an accruals basis.

#### Investments

Investments are carried at cost less provision for any permanent diminution in value.

#### Current and deferred taxation

The current tax charge is calculated on the basis of UK and US tax law enacted or substantively enacted at the balance sheet date. The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

#### Cash and cash equivalents

Cash comprises cash at bank.

#### Cash flow statement

The Company's intermediate parent, BCMSL, prepares and publishes consolidated financial statements. Consequently, the Company is exempt under the terms of Financial Reporting Standard No. 1 (Revised) "Cash Flow Statements" from preparing a cash flow statement.

#### 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 in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are recognised in the profit and loss account.

#### Interest Bearing Loans

Loan notes are initially recognised at their principal value. After initial recognition, the loan value is reduced by any repayments made in the period. Interest expense is recognised in the profit and loss account as it accrues.

## Notes to the financial statements

at 31 December 2014

### 2. Operating profit

This is stated after charging:

	<b>2014</b> <b>£000's</b>	<b>For the period from 23 August 2012 to 31 December 2013</b> <b>£000's</b>
Operating profit is stated after charging:		
Auditors' remuneration:		
Audit services	5	14
Taxation advisory services	40	55
	<hr/> 45	<hr/> 69

### 3. Tax on profit on ordinary activities

(a) Analysis of charge in the year

	<b>2014</b> <b>£000's</b>	<b>For the period from 23 August 2012 to 31 December 2013</b> <b>£000's</b>
Current tax:		
UK corporation tax for the year	-	28
Adjustment in respect of prior period	(28)	
Overseas tax	892	1,570
Adjustment in respect of prior period	(269)	
	<hr/> 595	<hr/> 1,598
Deferred tax:		
Origination of timing differences	(3,394)	-
	<hr/> (3,394)	<hr/> -
<b>Total tax (credit)/charge for the period</b>	<hr/> (2,799)	<hr/> 1,598

## Notes to the financial statements

at 31 December 2014

### 3. Tax on profit on ordinary activities (cont'd)

(b) Factors affecting tax charge for period

The tax assessed for the period differs from the standard rate of corporation tax in the UK. The differences are explained below:

	<b>2014</b>	<b>For the period from 23 August 2012 to 31 December 2013</b>
	<b>£000's</b>	<b>£000's</b>
(Loss)/profit on ordinary activities before tax	(4,433)	3,304
(Loss)/profit on ordinary activities multiplied by full rate of corporation tax in the UK of 21.5% (2013: 23.45%)	(953)	775
Effects of:		
– Non-taxable income	(838)	(1,442)
– Group relief not paid for	1,791	695
– Overseas tax	892	1,570
– Adjustments in respect of prior years	(297)	-
Total current tax for the period	595	1,598

### 4. Investments

	<b>2014 £000's</b>
At 1 January 2014 and 31 December 2014	94,529

On 3 September 2012, the Company acquired the entire issued share capital of BCUSAHL from BCM SL in exchange for 28,358,800 ordinary shares of £1 each (note 9) and the issue of \$105,000,000 of unsecured loan notes by the Company, the sterling equivalent on that date being £66,170,000.

## Notes to the financial statements

at 31 December 2014

### 5. Debtors

	<b>2014</b> <b>£000's</b>	<b>2013</b> <b>£000's</b>
Corporation tax receivable	1,411	1,890
Deferred tax (note 6)	3,394	-
	<hr/> 4,805	<hr/> 1,890

### 6. Deferred tax

	<b>£000's</b>
At 1 January 2014	-
Origination of timing differences (note 3)	3,394
<b>At 31 December 2014 (note 5)</b>	<hr/> 3,394

The deferred tax asset represents the expected tax relief due on timing differences expected to reverse in the next twelve months at the tax rate of 35% applicable to the Partnerships.

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

	<b>2014</b> <b>£000's</b>	<b>2013</b> <b>£000's</b>
Accruals	15	36
Due to group entities	3,829	3,436
	<hr/> 3,844	<hr/> 3,472

### 8. Creditors: amounts falling due after more than one year

	<b>2014</b> <b>£000's</b>	<b>2013</b> <b>£000's</b>
Loan notes issued	67,373	63,394

The loan notes issued represents US\$105,000,000 of unsecured loan notes issued by the Company to BCMSL, which are due to be redeemed during the year ended 31 December 2020.

## Notes to the financial statements

at 31 December 2014

### 9. Share capital

	<i>2014</i> <i>£000's</i>	<i>2013</i> <i>£000's</i>
<b>Authorised, Issued and Fully Paid</b>		
28,358,801 Ordinary Shares of £1 each	28,359	28,359

On 23 August 2012 1 ordinary share was issued at par value of £1.

On 3 September 2012, 28,358,800 ordinary shares were issued at par value of £1 each to BCMSL.

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

	<i>Share Capital £000's</i>	<i>Profit and loss account £000's</i>	<i>Total share- holders' funds £000's</i>
At 1 January 2014	28,359	1,706	30,065
Loss for the period	-	(1,634)	(1,634)
<b>At 31 December 2014</b>	<b>28,359</b>	<b>72</b>	<b>28,431</b>

### 11. Parent and ultimate controlling party

The Company's parent is BC Capital Management Services Limited, a company incorporated in England.

The Company's ultimate controlling party is BlueCrest Holdings LLP, a limited liability partnership domiciled in Guernsey.

### 12. Related parties

The Company has taken advantage of the exemption from disclosure of transactions with Group entities provided by Financial Reporting Standard No.8: Related party disclosures.