

THE BLACK ANT GROUP LLP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2015

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THE BLACK ANT GROUP LLP

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THE BLACK ANT GROUP LLP

INFORMATION

Designated Members

A Schwartz
The Black Ant Group Services Limited

Member

A Saron (resigned 30 April 2015)

LLP registered number

OC306978

Registered office

56 Eaton Mews South
London
SW1W 9HR

Independent auditors

Sopher + Co LLP
Chartered Accountants
5 Elstree Gate
Elstree Way
Borehamwood
Hertfordshire
WD6 1JD

Bankers

Barclays Bank Plc
54 Lombard Street
London
EC3P 3AH

Solicitors

Schulte Roth & Zabel International LLP
Heathcote House
20 Saville Row
London
W1S 3PR

THE BLACK ANT GROUP LLP

MEMBERS' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2015

The members present their annual report together with the audited financial statements of The Black Ant Group LLP (the LLP) for the year ended 30 November 2015.

PRINCIPAL ACTIVITIES

The principal object of the LLP is the provision of investment management services to a range of funds.

The partnership is authorised and regulated by the Financial Conduct Authority in the United Kingdom

DESIGNATED MEMBERS

A Schwartz and The Black Ant Group Services Limited were designated members of the LLP throughout the period.

MEMBERS' CAPITAL AND INTERESTS

Each member's subscription to the capital of the LLP is determined by the Limited Liability Partnership agreement dated 12 January 2007. The members have no right to receive back any part of the capital paid.

Details of changes in members' capital in the year ended 30 November 2015 are set out in the financial statements.

Members are remunerated from the profits of the LLP and are required to make their own provision for pensions and other benefits. Profits are allocated and divided between members after finalisation of the financial statements. Members draw a proportion of their profit shares monthly during the year in which it is made, with the balance of profits being distributed after the year, subject to the cash requirements of the business.

Principal risks and uncertainties

The management of the business and the execution of the LLP's strategy are subject to a number of risks.

The key business and uncertainties affecting the LLP are the performance of the investment management business, including the continued support of the fund investors, and the retention of key personnel.

The members are of the opinion that the LLP has sufficient financial resources to enable it to continue trading for the foreseeable future. The assets under management of the funds managed by the LLP are to an extent protected by the redemption provisions for each share class, the liquidity provisions of Special Situation Investments and the meaningful investment that the investment managers have in the funds. The LLP maintains tight control of its cost base and has a strong capital and liquidity position.

Members' profit allocation

Any profits are shared among the members under the terms of the Limited Liability Partnership Agreement dated 12 January 2007.

THE BLACK ANT GROUP LLP

**MEMBERS' REPORT (continued)
FOR THE YEAR ENDED 30 NOVEMBER 2015**

Policy for members' drawings, subscriptions and repayments of members capital

Policies for members' drawings subscriptions and repayments of members' capital are governed by the Limited Liability Partnership Agreement dated 12 January 2007.

Disclosure of information to the Auditors

So far as each person who was a member at the date of approving this report is 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 fellow members, each member has taken all the steps that he is obliged to take as a member in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

MEMBERS' RESPONSIBILITIES STATEMENT

The members are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law, as applied to LLPs, requires the members to prepare financial statements for each financial year. Under that law the members 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, as applied to LLPs, the members 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

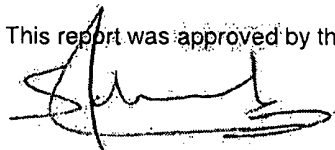
- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP 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 LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Sopher + Co LLP, have indicated their willingness to continue in office. The Designated members will propose a motion re-appointing the auditors at a meeting of the members.

This report was approved by the members on 24 March 2016 and signed on their behalf by:



A Schwartz
Designated member

THE BLACK ANT GROUP LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BLACK ANT GROUP LLP

We have audited the financial statements of The Black Ant Group LLP for the year ended 30 November 2015, set out on pages 6 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 LLP's members in accordance with the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF MEMBERS AND AUDITORS

As explained more fully in the Members' Responsibilities Statement, the members 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 LLP's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Members' Report 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 LLP's affairs as at 30 November 2015 and of its profit 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, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

THE BLACK ANT GROUP LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE BLACK ANT GROUP LLP

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, as applied to limited liability partnerships, 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
- we have not received all the information and explanations we require for our audit.



Martyn Atkinson FCA (Senior Statutory Auditor)

for and on behalf of
Sopher + Co LLP

Chartered Accountants
Statutory Auditors

5 Elstree Gate
Elstree Way
Borehamwood
Hertfordshire
WD6 1JD

24 March 2016

THE BLACK ANT GROUP LLP

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 NOVEMBER 2015

	Note	2015 £	2014 £
TURNOVER	2	3,708,357	4,287,583
Cost of sales		<u>(30,501)</u>	<u>(25,734)</u>
GROSS PROFIT		3,677,856	4,261,849
Administrative expenses		<u>(1,355,672)</u>	<u>(1,231,592)</u>
OPERATING PROFIT	3	2,322,184	3,030,257
Interest receivable and similar income		<u>1</u>	<u>601</u>
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		<u>2,322,185</u>	<u>3,030,858</u>

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and Loss Account.


The notes on pages 8 to 13 form part of these financial statements.

THE BLACK ANT GROUP LLP
REGISTERED NUMBER: OC30678

BALANCE SHEET
AS AT 30 NOVEMBER 2015

	Note	£	2015 £	2014 £
CURRENT ASSETS				
Debtors	7	4,424,618	5,631,088	
Cash at bank		1,229,274	81,557	
		<u>5,653,892</u>	<u>5,712,645</u>	
CREDITORS: amounts falling due within one year	8	<u>(50,173)</u>	<u>(27,772)</u>	
NET CURRENT ASSETS			<u>5,603,719</u>	<u>5,684,873</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u><u>5,603,719</u></u>	<u><u>5,684,873</u></u>
REPRESENTED BY:				
Loans and other debts due to members within one year				
Other amounts			3,050,534	2,423,015
Members' other interests				
Members' capital classified as equity		231,000	231,000	
Other reserves classified as equity		<u>2,322,185</u>	<u>3,030,858</u>	
			<u>2,553,185</u>	<u>3,261,858</u>
			<u><u>5,603,719</u></u>	<u><u>5,684,873</u></u>
TOTAL MEMBERS' INTERESTS				
Amounts due from members (included in debtors)			(1,750,241)	(3,032,890)
Loans and other debts due to members			3,050,534	2,423,015
Members' other interests			<u>2,553,185</u>	<u>3,261,858</u>
	10		<u><u>3,853,478</u></u>	<u><u>2,651,983</u></u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 24 March 2016.



A Schwartz
Designated member

The notes on pages 8 to 13 form part of these financial statements.

THE BLACK ANT GROUP LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2015**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

1.2 Cash flow

The LLP, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

1.4 Taxation

No provision has been made for taxation in the financial statements. Each member is exclusively liable for any tax liabilities arising out of their interest in the LLP, which will be assessed on the individual members and not the LLP.

1.5 Revenue Recognition

Management fees are recognised monthly as they accrue

Performance fees are recognised when they become payable to the LLP.

2. TURNOVER

Turnover, which is stated net of value added tax, represents fees receivable for investment management services provided during the year and arising from continued activities in the UK. Management fees are recognised on a receivable basis. Turnover arose on the supply of services to undertakings situated in Bermuda and Ireland.

THE BLACK ANT GROUP LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2015

3. OPERATING PROFIT

The operating profit is stated after charging:

	2015 £	2014 £
Difference on foreign exchange	(46,428)	(1,750)

4. AUDITORS' REMUNERATION

	2015 £	2014 £
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual accounts	4,500	4,500
Fees payable to the LLP's auditor and its associates in respect of: All other non-audit services not included above	9,350	11,058

5. STAFF COSTS

The entity has no employees other than the members, who did not receive any remuneration (2014 - £NIL).

6. INFORMATION IN RELATION TO MEMBERS

	2015 Number	2014 Number
The average number of members during the year was	2	3

7. DEBTORS

	2015 £	2014 £
Trade debtors	1,048,137	1,027,806
Amounts owed by group undertakings	1,566,401	1,560,622
Other debtors	44,853	3,281
Prepayments and accrued income	14,986	6,489
Amounts due from members	1,750,241	3,032,890
	4,424,618	5,631,088

THE BLACK ANT GROUP LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2015

8. **CREDITORS:**
Amounts falling due within one year

	2015	2014
	£	£
Trade creditors	24,739	1,323
Accruals and deferred income	25,434	26,449
	<u>50,173</u>	<u>27,772</u>

9. **LOANS AND OTHER DEBTS DUE TO MEMBERS**

	2015	2014
	£	£
Amounts due to members	<u>3,050,534</u>	<u>2,423,015</u>

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

THE BLACK ANT GROUP LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2015

10. RECONCILIATION OF MEMBERS' INTERESTS

	Members' capital (classified as equity) £	Other reserves £	Total members' other interests £	Loans and debts due to members less any amounts due from members in debtors £	Total £
Amounts due to members b/fwd				4,291,935	
Amounts due from members b/fwd				(3,100,555)	
Members' interests: balance at 1 December 2013	231,000	5,257,371	5,488,371	1,191,380	6,679,751
Profit for the year available for discretionary division among members	-	3,030,858	3,030,858	-	3,030,858
Members' interests after profit for the year	231,000	8,288,229	8,519,229	1,191,380	9,710,609
Allocated profit for period	-	(5,257,371)	(5,257,371)	5,257,371	-
Amounts withdrawn by members	-	-	-	(7,058,626)	(7,058,626)
Members' interests: balance at 1 December 2014	231,000	3,030,858	3,261,858	(609,875)	2,651,983
Profit for the year available for discretionary division among members	-	2,322,185	2,322,185	-	2,322,185
Members' interests after profit for the year	231,000	5,353,043	5,584,043	(609,875)	4,974,168
Allocated profit for period	-	(3,030,858)	(3,030,858)	3,030,858	-
Amounts withdrawn by members	-	-	-	(1,120,690)	(1,120,690)
Members' interests at 30 November 2015	231,000	2,322,185	2,553,185	1,300,293	3,853,478

THE BLACK ANT GROUP LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2015**

10. RECONCILIATION OF MEMBERS' INTERESTS (continued)

	2015 £	2014 £
Amounts due to members	3,050,534	2,423,015
Amounts due from members	(1,750,241)	(3,032,890)
Net amount due to members	<u>1,300,293</u>	<u>(609,875)</u>

11. RELATED PARTY TRANSACTIONS

During the year the LLP provided investment management services to The Black Ant Group Limited, the ultimate parent undertaking, totalling £1,755,807 (2014 - £1,970,035). Amounts due from The Black Ant Group Limited at 30 November 2015 were £78,741 (2014 - £85,040).

During the year the LLP reimbursed The Black Ant Group Services Limited £1,272,130 (2014 - £1,091,680) for expenses incurred. Amounts due to The Black Ant Group Services Limited at 30 November 2015 were £1,562,874 (2014 - £497,915).

During the year the LLP provided investment management services to The Black Ant Value Fund (IRE) PLC, in which A Saron was a director, totalling £1,952,550 (2014 - £2,317,548). Amounts due from The Black Ant Value Fund (IRE) PLC at 30 November 2015 were £1,048,137 (2014 £1,027,806).

12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The LLP's immediate parent undertaking is The Black Ant Group Services Limited. It has included the LLP's results in its group financial statements, copies of which are available from its registered office: 56 Eaton Mews South, London SW1W 9HR.

The LLP's ultimate parent undertaking is The Black Ant Group Limited, a company incorporated and registered in Bermuda.

A Schwartz is considered to be the ultimate controlling party.

THE BLACK ANT GROUP LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2015

13. PILAR 3 DISCLOSURE

The information provided below is required to be disclosed in accordance with the rules adopted by the Financial Conduct Authority and does not form part of the audited accounts.

The firm is categorised as a limited licence firm for capital purposes by the FCA and as such is subject to minimum regulatory reporting requirements. The disclosures within this note are shown on an individual LLP basis as the LLP is not subject to consolidated reporting.

Risk management

The LLP is managed by its members who determine the business strategy and risk appetite together with the design and implementation of a risk management framework. The LLP manages its risks by maintaining appropriate documented procedures with the aim of operating a defined and transparent risk management framework.

The members have identified that business, operational, market and credit risks are the main areas of risk which the firm is exposed to. Annually the firm formally reviews its risks, controls and other risk mitigation arrangements and assesses their effectiveness. Where material risks are identified the firm considers the financial impact of these risks as part of the business planning and capital management of the firm and conclude whether the amount of regulatory capital is adequate.

Capital resources

The firm maintains capital resources as follows:	£000
Tier 1 capital*	3,853
Tier 2 capital	
Tier 3 capital	
Deductions from Tiers 1 and 2 (itemise)	
Total capital resources	3,853

The LLP is a small firm with a simple operational infrastructure. Its market risk is limited to foreign exchange risk on its debtors and foreign currency cash balances. The firm follows the standardisation approach to market risk and the simplified standard approach to credit risk.

It is the firm's experience that, as market and credit risks are not considered material for the LLP, the fixed overhead requirement establishes its capital requirement, which is currently £289,000.

Following a review of the firm's main risk areas the conclusion is that no additional capital is required for Pillar 2, and the fixed overhead requirement under Pillar 1 is sufficient capital to meet the firm's needs.