

Registered No OC307285
England & Wales

Core Capital LLP

Report and Financial Statements

Year Ended: 31 March 2011

FRIDAY



ATRBYVUS

A21

15/07/2011

248

COMPANIES HOUSE

CORE CAPITAL LLP

Annual report and financial statements for the year ended 31 March 2011

Contents

Page:

2 - 3	Members' report
4	Members' responsibilities statement
5	Independent auditor's report
6	Profit and loss account
7	Statement of total recognised gains and losses
8	Note of historical cost gains and losses
9 - 10	Balance sheet
11	Cash flow statement
12 - 20	Notes forming part of the financial statements

CORE CAPITAL LLP

Report of the members for the year ended 31 March 2011

The members present their report for the year ended 31 March 2011

Principal activity

The principal activity of Core Capital LLP ("the LLP") is the provision of fund management and advisory services in the UK

These are the financial statements for Core Capital LLP and reflect the results for the year ended 31 March 2011

Review of the year

The LLP's turnover continued to be mainly derived from advisory fees from board positions in the portfolio businesses in which Core Capital manages investments on behalf of the Core VCT companies. Core Capital also holds substantial investments in the Core VCT companies and is continuing to expect both good income and capital returns over the life of those investments

Future prospects

General meetings of the Core VCT companies will be held whereby it is proposed that six portfolio companies (Ark Home Healthcare Ltd, Brasserie Bar Co plc, Colway Ltd, Kelway Ltd, SPL Services Ltd, Better at Homes Ltd) be transferred to Core Capital I LP, a new institutional fund, to be managed by Core Capital LLP. Total commitments to this new fund are £46.8m

Members

The members who served during the year were as follows:

David Dancaster *
Stephen Edwards *
Walid Fakhry *
Hon. Angad Paul
Caparo plc
Lampwick Limited
Paul Richards
James Smallridge

*Designated member

Members drawings and the subscription and repayment of Capital

The Partnership Agreement dated 10 July 2006 governs the allocation of profit among the members. The agreement also governs policies for members' drawings, subscriptions and repayment of members' capital.

The members participate fully in the firm's profit, share the risks and subscribe the firm's capital.

An individual member's capital requirement is linked to his or her share of profit and the financing requirement of the firm. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at 'par', so retiring members are repaid their capital at 'par'. The firm's drawings policy allows each member to draw a proportion of their anticipated profit in twelve monthly instalments with the balance of their profits, net of tax retention, paid in subsequent periods. All payments are made subject to the cash requirements of the business and maintaining regulatory capital. The LLP does not have a conditional right to reclaim drawings. Loans from members are subordinated to other creditors.

CORE CAPITAL LLP

Report of the members for the year ended 31 March 2011 (continued)

Disclosure of information to the auditors

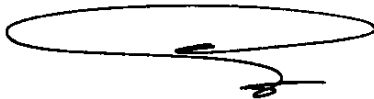
Each designated member of the LLP has confirmed that in fulfilling their duties as a designated member

- they have taken all necessary steps to make themselves aware of any information relevant to the audit and to establish that the auditors are aware of the information, and
- so far as they are aware, there is no relevant information of which the auditors have not been made aware

Auditors

A resolution to re-appoint Nexia Smith & Williamson Audit Limited as auditors will be proposed at the next members' meeting

Approved by the members and signed on their behalf by

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line and a small flourish.

Walid Fakhry
Designated member

CORE CAPITAL LLP

Members' responsibilities statement

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

Company law as applied to limited liability partnerships 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 limited liability partnerships 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 limited liability partnership and of the profit or loss of the limited liability partnership for that period.

In preparing those financial statements, the members are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable 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 limited liability partnership will continue in business.

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

These responsibilities are exercised by the designated members on behalf of the members.

Nexia Smith & Williamson

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CORE CAPITAL LLP

We have audited the financial statements of Core Capital for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, and the related notes 1 to 16. 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 limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 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. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement set out on page 4, 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2011 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008

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,

Nexia Smith & Williamson

Giles Murphy
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date 7 July 2011

CORE CAPITAL LLP

Profit and loss account for the year ended 31 March 2011

	Note	2011 £	2010 £
Turnover		976,191	783,270
Cost of sales		(110,266)	(111,651)
Gross profit		865,925	671,619
Operating expenses		(474,668)	(202,009)
Profit for the financial year before members' remuneration and profit shares	2	391,257	469,610
Members' remuneration charged as an expense	9	(466,551)	(688,328)
Loss for the financial year available for division among members		(75,294)	(218,718)

All amounts relate to continuing activities

The notes on pages 12 to 20 form part of these financial statements

CORE CAPITAL LLP

Statement of total recognised gains and losses for the year ended 31 March 2011

	Note	2011 £	2010 £
Loss for the financial year available for division among members	9	(75,294)	(218,718)
Unrealised surplus/(deficit) on revaluation of fixed asset investments	15	3,727,839	(193,688)
Total recognised gains/losses for the financial year		3,652,545	(412,406)

The notes on pages 12 to 20 form part of these financial statements

CORE CAPITAL LLP

Note of historical cost profits and losses for the year ended 31 March 2011

	Note	2011 £	2010 £
Loss for the financial year available for division among members	9	(75,294)	(218,718)
Difference between the historical cost loss on disposal and the actual loss on disposal for the year calculated on the revalued amount		-	-
Historical cost loss for the financial year		(75,294)	(218,718)

The notes on pages 12 to 20 form part of these financial statements.

CORE CAPITAL LLP

Balance sheet as at 31 March 2011

	Note	2011	2011	2010	2010
		£	£	£	£
Fixed assets					
Tangible assets	5		13,710		16,422
Fixed asset investments	6		4,505,412		776,152
			<u> </u>		<u> </u>
			4,519,122		792,574
Current assets					
Debtors	7	322,410		304,403	
Cash at bank		86,382		112,863	
		<u> </u>		<u> </u>	
		408,792		417,266	
Creditors: amounts falling due within one year	8	(104,544)		(139,015)	
		<u> </u>		<u> </u>	
Net current assets			304,248		278,251
			<u> </u>		<u> </u>
Net assets attributable to Members			4,823,370		1,070,825
			<u> </u>		<u> </u>

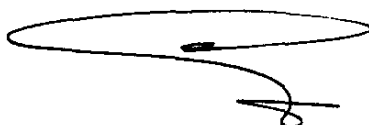
CORE CAPITAL LLP

Balance sheet as at 31 March 2011 (*continued*)

	Note	2011 £	2010 £
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability under FRS 25	9	1,903,865	1,803,865
Other amounts	9	100,000	100,000
		<u>2,003,865</u>	<u>1,903,865</u>
Equity			
Members' other interests - other reserves classified as equity under FRS 25	9	(1,620,081)	(1,544,788)
Revaluation reserve	15	4,439,586	711,748
		<u>2,819,505</u>	<u>(833,040)</u>
		<u>4,823,370</u>	<u>1,070,825</u>
Total members' interests			
Loans and other debts due to members		2,003,865	1,903,865
Members' other interests		2,819,505	(833,040)
		<u>4,823,370</u>	<u>1,070,825</u>

The financial statements were approved by the members of the Limited Liability Partnership on 5 July 2011 and signed on their behalf by

Walid Fakhry
Designated member
LLP registration number OC307285



The notes on pages 12 to 20 form part of these financial statements

CORE CAPITAL LLP

Cash flow statement for the year ended 31 March 2011

	Note	2011 £	2011 £	2010 £	2010 £
Net cash inflow from operating activities	10		345,949		540,289
Capital expenditure					
Payments to acquire tangible fixed assets		(4,458)		(20,123)	
Payments to acquire fixed asset investments		(1,421)		(10,155)	
Net cash outflow from capital expenditure			(5,879)		(30,278)
Transactions with members and former members					
Drawings and distributions to members		(466,551)		(688,328)	
Capital introduced by members		100,000		-	
			(366,551)		(688,328)
Decrease in cash during the year	11		(26,481)		(178,317)

The notes on pages 12 to 20 form part of these financial statements

CORE CAPITAL LLP

Notes forming part of the financial statements for the year ended 31 March 2011

1 Accounting policies

Basis of preparation

These are the financial statements for Core Capital LLP and reflect the results for the year ended 31 March 2011

Accounting convention

The financial statements have been prepared under the historical cost convention modified to include the revaluation of fixed asset investments and in accordance with applicable accounting standards. The financial statements have been prepared on a going concern basis and in accordance with the Statement of Recommended Practice Accounting by Limited Liability Partnerships

Turnover

Turnover represents the provision of advisory services to investee company boards and fund management services to outside customers recognised as earned on an accruals basis

Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rates

Fixtures, fittings and equipment	-	25% per annum
----------------------------------	---	---------------

Fixed Asset Investments

Fixed asset investments in listed securities are stated at market value. Gains or losses arising on revaluation are credited or charged to the revaluation reserve. Where losses exceed any balance within the revaluation reserve, the amount is charged to the profit and loss account.

Fixed asset investments in unlisted securities are included at cost less any provision for impairment

Capital and Drawings

The LLP does not have an unconditional right to reclaim drawings, therefore, drawings are treated as members' remuneration charged as an expense in the profit and loss account. The terms of the members' agreement require that capital be returned on the members' retirement, therefore, members' capital is classified as a liability as per FRS25

CORE CAPITAL LLP

Notes forming part of the financial statements for the year ended 31 March 2011 (*continued*)

2 Profit

	2011 £	2010 £
This has been arrived at after charging		
Depreciation	7,170	6,376

3 Auditors' remuneration

	2011 £	2010 £
Fees payable to the auditor for the audit of the annual accounts	15,500	15,000
Fees payable to the company's auditor and its associates for other services	510	845
Other services		

4 Information in relation to members

Profits and losses over and above that drawn by members during the year are shared by the members after the end of the year in accordance with the terms of the LLP agreement

	2011 Number	2010 Number
Average number of members	8	8

The highest paid member received £216,261 (2010 £303,921) during the year by way of drawings

CORE CAPITAL LLP

Notes forming part of the financial statements for the year ended 31 March 2011 (*continued*)

5 Tangible fixed assets

	Fixtures, fittings and equipment £
<i>Cost</i>	
At 1 April 2010	25,503
Additions	4,458
Disposals	(4,363)
	<hr/>
At 31 March 2011	25,598
	<hr/>
<i>Depreciation</i>	
At 1 April 2010	9,081
Charge for the year	7,170
Released on disposal	(4,363)
	<hr/>
At 31 March 2011	11,888
	<hr/>
<i>Net book value</i>	
At 31 March 2011	13,710
	<hr/>
At 31 March 2010	16,422
	<hr/>

CORE CAPITAL LLP

Notes forming part of the financial statements for the year ended 31 March 2011 (*continued*)

6 Fixed asset investments

	Listed investments £	Unlisted investments £	Total £
<i>Cost / Valuation</i>			
At 1 April 2010	765,995	10,157	776,152
Additions	-	1,421	1,421
Disposals	-	-	-
Revaluation	3,727,839	-	3,727,839
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2011	4,493,834	11,578	4,505,412
	<u> </u>	<u> </u>	<u> </u>
<i>Impairment</i>			
At 1 April 2010 and 31 March 2011	-	-	-
	<u> </u>	<u> </u>	<u> </u>
<i>Net book value</i>			
At 31 March 2011	4,493,834	11,578	4,505,412
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2010	765,995	10,157	776,152
	<u> </u>	<u> </u>	<u> </u>

The fixed asset listed investments comprise 20,426,515 B Shares of 0.01p each in Core VCT PLC (a company incorporated and registered in England and Wales). The market value of the B shares at the year end was 22.00p (2010: 3.75p).

The fixed asset unlisted investments comprise equity shares in subsidiaries and trade investments.

CORE CAPITAL LLP

Notes forming part of the financial statements for the year ended 31 March 2011 *(continued)*

6 Fixed asset investments *(continued)*

The principal undertakings in which Core Capital LLP's interest in the ordinary share capital at the year end is more than 20% are as follows

	Percentage of holding	Principal activity	Capital and reserves £
Core (GP) Limited	100%	Dormant	1
Core Partners (GP) Limited	100%	Dormant	1

All entities are incorporated in Great Britain

The LLP has not prepared consolidated accounts on the basis that the subsidiaries have not traded during the year and that the investments are immaterial

7 Debtors

	2011 £	2010 £
Falling due within one year:		
Trade debtors	165,962	238,162
Other debtors	39,894	27,237
Prepayments and accrued income	105,301	27,754
	<u>311,157</u>	<u>293,153</u>
Falling due after more than one year:		
Prepayments	11,253	11,250
	<u>322,410</u>	<u>304,403</u>

8 Creditors: amounts falling due within one year

	2011 £	2010 £
Trade creditors	52,183	25,928
Other creditors	16,972	87,737
Accruals and deferred income	35,389	25,350
	<u>104,544</u>	<u>139,015</u>

CORE CAPITAL LLP

Notes forming part of the financial statements for the year ended 31 March 2011 (continued)

9 Members' interests

	Members' equity interests			Loans and other amounts due to/(from) members		
	Revaluation reserve	Other reserves	Total	Members' capital classed as a liability	Other amounts	Total
Amounts due to members	711,747	-	711,747	1,803,865	100,000	1,903,865
Amounts due from members	-	(1,544,787)	(1,544,787)	-	-	-
Members' interests at 31 March 2010	711,747	(1,544,787)	(833,040)	1,803,865	100,000	1,903,865
Members' remuneration charged as an expense	-	-	-	-	466,551	466,551
Loss for the financial year available for discretionary division among members	-	(75,294)	(75,294)	-	-	-
Members' interests after loss for the year	711,747	(1,620,081)	(908,334)	1,803,865	566,551	2,370,416
Gain arising on revaluation of fixed assets	3,727,839	-	3,727,839	-	-	-
Introduced by members	-	-	-	100,000	-	100,000
Drawings	-	-	-	-	(466,551)	(466,551)
Other movements	-	-	-	-	-	-
Amounts due to members	4,439,586	-	4,439,586	1,903,865	100,000	2,003,865
Amounts due from members	-	(1,620,081)	(1,620,081)	-	-	-
Members' interests at 31 March 2011	4,439,586	(1,620,081)	2,819,505	1,903,865	100,000	2,003,865
						4,823,370

In the event of a winding up, "loans and other amounts due to members" rank equally with unsecured creditors

CORE CAPITAL LLPNotes forming part of the financial statements for the year ended 31 March 2011 *(continued)***10 Reconciliation of operating profit to net cash inflow from operating activities**

	2011	2010
	£	£
Operating profit	391,257	469,610
Depreciation	7,170	6,376
Increase in debtors	(18,006)	(31,865)
(Decrease)/increase in creditors	(34,472)	96,168
	<u> </u>	<u> </u>
Net cash inflow from operating activities	<u>345,949</u>	<u>540,289</u>

11 Reconciliation of net cash inflow to movement in net funds

	2011	2010
	£	£
Decrease in cash in the year and movement in net funds in year	(26,481)	(178,317)
	<u> </u>	<u> </u>
Opening net funds	112,863	291,180
	<u> </u>	<u> </u>
Closing net funds	<u>86,382</u>	<u>112,863</u>

12 Analysis of net funds

	At 1 April 2010 £	Cash flow £	At 31 March 2011 £
Cash	112,863	(26,481)	86,382
	<u> </u>	<u> </u>	<u> </u>
Total	<u>112,863</u>	<u>(26,481)</u>	<u>86,382</u>

CORE CAPITAL LLP

Notes forming part of the financial statements for the year ended 31 March 2011 *(continued)*

13 Related party disclosures

During the year a total of £ nil (2010 £35,067) has been charged by Caparo plc, a member, and its subsidiaries for office rent and service charges, staff costs and office recharges £ nil of this was capitalised in the members account (2010 £30,543) The balance due to Caparo plc and its subsidiaries included within creditors at the year end is £ nil (2010 £25)

During the year a total of £8,411 (2010 £ nil) was incurred as costs and remains due at the year end to Crossbridge Merchant Banking LLP, a partnership in which Partners of Core Capital LLP are also Members

During the year a total of £75,000 (2010 £75,000) of income was earned from Kelway Holdings Ltd, a company in which W Fakhry is a director The balance due from Kelway Holdings Ltd included within debtors at the year end is £15,025 (2010 £14,758)

During the year a total of £40,954 (2010 £50,986) of income was earned from Camwatch Ltd, a company in which W Fakhry is a director The balance due from Camwatch Ltd included within debtors at the year end is £ nil (2010 £20,159)

During the year a total of £75,000 (2010 £75,000) of income was accrued and earned from Pureleaf Ltd, a company in which W Fakhry and S Edwards are directors The balance due from Pureleaf Ltd included within debtors at the year end is £23,100 (2010 £92,359)

During the year a total of £158,886 (2010 £105,000) of income was earned from Allied International Holdings Ltd, a company in which W Fakhry and S Edwards are directors The balance due from Allied International Holdings Ltd at the year end included within debtors is £20,020 (2010 £20,159)

During the year a total of £100,000 (2010 £103,761) of income was earned from Brasserie Bar Co Plc, a company in which S Edwards is a director The balance due from Brasserie Bar Co Plc at the year end included within debtors is £712 (2010 £582)

During the year a total of £109,367 (2010 £75,000) of income was earned from Colway Ltd, a company in which S Edwards is a director The balance due from Colway Ltd at the year end included within debtors is £9,463 (2010 £7,238)

During the year a total of £20,000 (2010 £32,000) of income was accrued and earned from Cordingland LLP, a company in which S Edwards is a director The balance due from Cordingland LLP at the year end included within debtors is £27,727 (2010 £6,053)

During the year a total of £206,404 (2010 nil) of income was earned from Ark Home Healthcare Holdings Ltd, a company in which S Edwards and J Smallridge are directors. The balance due from Ark Home Healthcare Holdings Ltd at the year end included within debtors is £427 (2010 nil)

During the year a total of £40,000 (2010 £39,389) of income was earned from Georgina Goodman Ltd, a company in which J Smallridge was a director The balance due from Georgina Goodman Ltd at the year end included within debtors is £4,000 (2010 £14,458)

CORE CAPITAL LLP

Notes forming part of the financial statements for the year ended 31 March 2011 *(continued)*

14 Contingent liabilities

As at 31 March 2011, the LLP had no contingent liabilities (2010 nil)

15 Revaluation reserve

	£
At 1 April 2010	711,747
Revaluation gains during the year	3,727,839
	<hr/>
At 31 March 2011	4,439,586
	<hr/>

16 Ultimate controlling party

In the opinion of the members there is no ultimate controlling party as defined by Financial Reporting Standard No 8 'Related party disclosures'