

Zadig Asset Management LLP

Report And Financial Statements

31 March 2012

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COMPANIES HOUSE

INFORMATION

Designated Members	L M G Saglio V Steenman PCCA Advisory Limited Zadig Asset Management Limited
Registered office	38 Jermyn Street London SW1Y 6DN
Auditors	Rees Pollock 35 New Bridge Street London EC4V 6BW
Bankers	Coutts & Co 440 Strand London WC2R 0QS
LLP registered number	OC313929

MEMBERS' REPORT

for the year ended 31 March 2012

The members present their annual report together with the audited financial statements of Zadig Asset Management LLP (the LLP) for the year ended 31 March 2012

Principal activities and business review

The principal activity of the LLP during the year was that of fund management and investment advisory. The LLP is authorised and regulated by the Financial Services Authority (FSA). The members intend to continue to develop the business.

Designated Members

The designated members who served the LLP during the year were as follows:

L M G Saglio
V Steenman
Zadig Asset Management Limited
P Philippon (resigned 5 April 2011)
PCCA Advisory Limited (appointed 5 April 2011)

Policy regarding members' drawings and the subscription and repayment of members' capital

Members share profits and losses in accordance with the partnership agreement. Members' capital and drawings are determined by the regulatory capital requirements of the FSA and any trading needs of the LLP. Members' capital is not repayable except where allowed under FSA rules.

Pillar III disclosures

The firm has documented the disclosures required by the FSA under BIPRU 11. These are available at the company's registered address.

Statement of Members' responsibilities

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 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 entity'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.

MEMBERS' REPORT (continued)
for the year ended 31 March 2012

Provision of information to auditors

In so far as the members are aware

- there is no relevant audit information of which the LLP's auditors are unaware and
- the members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditors

The auditors Rees Pollock, have indicated their willingness to continue in office

This report was approved by the members on 16 July 2012 and signed on their behalf by



V Steenman
Designated member



REESPOLLOCK

Chartered Accountants

35 New Bridge Street
London EC4V 6BW
Telephone 020 7778 7200
Fax 020 7329 6408
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZADIG ASSET MANAGEMENT LLP

We have audited the financial statements of Zadig Asset Management LLP for the year ended 31 March 2012 set out on pages 5 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. 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 31 March 2012 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.

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.

Christopher Barnett (Senior statutory auditor)
for and on behalf of
Rees Pollock, Statutory Auditor

16 July 2012

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2012

	Note	2012 £	2011 £
TURNOVER	1 2	3 573 335	8 055 398
Administrative expenses		(2 062,659)	(2 163,412)
OPERATING PROFIT	3	1 510 676	5 891 986
Interest receivable and similar income		6 173	6 438
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		<u>1 516 849</u>	<u>5 898 424</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

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

BALANCE SHEET
as at 31 March 2012

	Note	£	2012 £	£	2011 £
FIXED ASSETS					
Investments	6		3,038,910		3 038 910
CURRENT ASSETS					
Debtors	7	545,083		747,982	
Cash in hand		2,377,941		3,994,072	
		<u>2,923,024</u>		<u>4,742,054</u>	
CREDITORS amounts falling due within one year	8	(168,112)		(630,991)	
NET CURRENT ASSETS			<u>2,754,912</u>		<u>4 111 063</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS			<u>5,793,822</u>		<u>7,149 973</u>
REPRESENTED BY:					
Loans and other debts due to members within one year					
Other amounts			5,143,822		6 499 973
Equity					
Members' capital			650,000		650 000
			<u>5,793,822</u>		<u>7 149 973</u>
TOTAL MEMBERS' INTERESTS					
Loans and other debts due to members			5,143,822		6 499,973
Members' other interests			650,000		650,000
	9		<u>5,793,822</u>		<u>7,149,973</u>

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



V Steenman
Designated member

Date 16 July 2012

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

CASH FLOW STATEMENT
for the year ended 31 March 2012

	Note	2012 £	2011 £
Net cash flow from operating activities	10	1 250 696	6 177 437
Returns on investments and servicing of finance	11	6 173	6,438
Capital expenditure and financial investment	11	-	(3 038 910)
Net cash flow from transactions with members	11	(2 873 000)	(1 194 281)
(DECREASE)/INCREASE IN CASH IN THE YEAR		(1 616,131)	1 950 684

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
for the year ended 31 March 2012

	2012 £	2011 £
(Decrease)/Increase in cash in the year	(1 616 131)	1 950 684
MOVEMENT IN NET FUNDS IN THE YEAR	(1 616 131)	1 950 684
Net funds at 1 April 2011	3 994 072	2 043 388
NET FUNDS AT 31 MARCH 2012	2,377,941	3 994 072

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

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" published on 31 March 2010

1.2 Going concern

The LLP has a satisfactory capital position and as a consequence the members believe that the LLP is well placed to manage its business risks successfully despite the current uncertain economic outlook. The members have prepared a forecast for the year ahead and based on this have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements

1.3 Turnover

Turnover comprises revenue recognised by the LLP in respect of fees receivable exclusive of value added tax

1.4 Investments

Investments held as fixed assets are shown at cost less provision for permanent diminution

1.5 Tax provisions

The taxation payable on profits is the personal liability of the members during the year

1.6 Members' remuneration and profit allocation

A member's discretionary share in the profit or the loss for the year is accounted for as an allocation of profits. Unallocated profits and losses are included within "other reserves"

1.7 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

2 TURNOVER

The turnover and operating profit was derived from the LLP's continuing principal activity

All turnover arose within the United Kingdom

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2012	2011
	£	£
Auditors' remuneration	13 000	11 000
Difference on foreign exchange	37,329	(142 427)
	<u> </u>	<u> </u>

4 STAFF COSTS

The entity has no employees

5 INFORMATION IN RELATION TO MEMBERS

	2012	2011
	Number	Number
The average number of members during the year was	4	4
	<u> </u>	<u> </u>
	£	£
The amount of profit attributable to the member with the largest entitlement was	1,241,423	4 867 178
	<u> </u>	<u> </u>

6 FIXED ASSET INVESTMENTS

	Listed investments £
Cost or valuation	
At 1 April 2011 and 31 March 2012	3 038 910
	<u> </u>
Net book value	
At 31 March 2012	3 038 910
	<u> </u>
At 31 March 2011	3 038 910
	<u> </u>

Listed investments

The cost of the investment in the currency it was made in was €3,500 000. The market value of the listed investments at 31 March 2012 was £2 930 920 (€3 516,518) (2011 - £3 282 691 (€3 708 128)). The investment continues to be recorded at cost because the members do not consider this to be a permanent diminution in value.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

7 DEBTORS

	2012	2011
	£	£
Other debtors	314 109	354,117
Prepayments and accrued income	230,974	393,865
	<u>545 083</u>	<u>747 982</u>

Included within other debtors is an amount of £88,420 (2011 - £88,420) due after more than one year

8 CREDITORS

Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	158 112	620,991
Accruals and deferred income	10 000	10,000
	<u>168,112</u>	<u>630,991</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

9 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 2012 £	Total 2011 £
Members' interests balance at 1 April 2011	650 000	-	650,000	6 499 973	7,149,973	2 445,830
Profit for the year available for discretionary division among members	-	1 516,849	1,516,849	-	1,516,849	5 898,424
Members' interests after profit for the year	650 000	1 516,849	2,166,849	6,499 973	8,666,822	8 344,254
Allocated profit for period	-	(1,516,849)	(1,516 849)	1,516 849	-	-
Amounts withdrawn by members	-	-	-	(2,873 000)	(2,873,000)	(1 194 281)
Capital amounts introduced by members	65,000	-	65,000	-	65,000	-
Capital amounts repaid to members	(65 000)	-	(65,000)	-	(65 000)	-
Members' interests at 31 March 2012	650 000	-	650,000	5,143,822	5,793,822	7 149 973

Loans and other debts due to members can be analysed as follows

	2012 £	2011 £
Amounts due to members in respect of allocated profits	5 143 822	6,499,973

Members' other interests rank after unsecured creditors and loans and other debts due to members rank pari passu with unsecured creditors in the event of a winding up

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

10 NET CASH FLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Operating profit	1 510,676	5 891,986
Decrease in debtors	202 899	81,395
(Decrease)/increase in creditors	(462 879)	204 056
Net cash inflow from operating activities	1 250 696	6 177 437

11 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	6,173	6 438
Capital expenditure and financial investment		
Purchase of listed investments	-	(3,038,910)
Transactions with members		
Payments to members	(2,873,000)	(1,194,281)

12 ANALYSIS OF CHANGES IN NET FUNDS

	1 April 2011 £	Cash flow £	31 March 2012 £
Cash at bank and in hand	3 994 072	(1,616,131)	2 377 941
Net funds	3,994 072	(1,616,131)	2 377 941

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

13 RELATED PARTY TRANSACTIONS

During the year the LLP was charged £1,989,230 (2011 - £2,290,706) in respect of expenses incurred on its behalf by Zadig Asset Management Limited, a company under common control. At the year end £158,112 (2011 - £620,991) was due to Zadig Asset Management Limited.

During the year the LLP accrued income of £2,827,357 (2011 - £54,669) in respect of fund advisory services provided to Zadig Gestion (Luxembourg) S.A. - a company under common control. At the year end £206,409 (2011 - £54,669) was due from Zadig Gestion (Luxembourg) S.A.

14 CONTROLLING PARTY

The ultimate controlling party is L M G Saglio.