

Zadig Asset Management LLP

Report And Financial Statements

31 March 2014

Rees Pollock
Chartered Accountants



INFORMATION

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

MEMBERS' REPORT

for the year ended 31 March 2014

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 2014.

Principal activities and business review

The principal activity of the LLP during the year was that of investment advisory. The LLP is authorised and regulated by the Financial Conduct Authority (FCA). 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
Zadig Asset Management Limited
PCCA Advisory Limited
V M R Bourgeois

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 FCA and any trading needs of the LLP. Members' capital is not repayable except where allowed under FCA rules.

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 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.

MEMBERS' REPORT (continued)
for the year ended 31 March 2014

Provision of information to auditors

In so far as the members are aware:

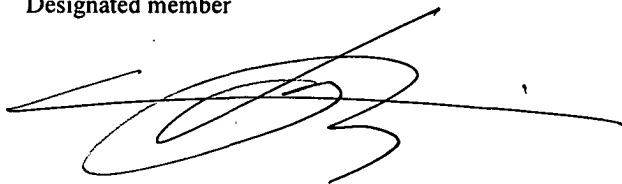
- there is no relevant audit information of which the LLP's auditors are unaware; and
- the members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditor

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

This report was approved by the members on 30 June 14 and signed on their behalf by:

L M G Saglio
Designated member

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

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 2014, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2014 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.

Philip Vipond (Senior statutory auditor)
for and on behalf of

Rees Pollock, Statutory Auditor

Date:

30 June 2014

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2014

	Note	2014 £	2013 £
TURNOVER	1,2	4,423,904	5,169,276
Administrative expenses		(2,457,695)	(3,599,241)
OPERATING PROFIT	3	1,966,209	1,570,035
Profit on disposal of investments		1,433,872	-
Interest receivable and similar income		1,374	3,589
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		<u>3,401,455</u>	<u>1,573,624</u>

All amounts relate to continuing operations.


There were no recognised gains and losses for 2014 or 2013 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 2014

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Investments	6		3,284,140		3,038,910
CURRENT ASSETS					
Debtors	7	596,775		840,194	
Cash in hand		2,070,228		1,679,964	
		<u>2,667,003</u>		<u>2,520,158</u>	
CREDITORS: amounts falling due within one year	8	<u>(359,233)</u>		<u>(726,760)</u>	
NET CURRENT ASSETS			<u>2,307,770</u>		<u>1,793,398</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS			<u><u>5,591,910</u></u>		<u><u>4,832,308</u></u>
REPRESENTED BY:					
Loans and other debts due to members within one year					
Other amounts			4,941,910		4,182,308
Members' other interests					
Members' capital			<u>650,000</u>		<u>650,000</u>
			<u><u>5,591,910</u></u>		<u><u>4,832,308</u></u>
TOTAL MEMBERS' INTERESTS					
Loans and other debts due to members			4,941,910		4,182,308
Members' other interests			<u>650,000</u>		<u>650,000</u>
	9		<u><u>5,591,910</u></u>		<u><u>4,832,308</u></u>

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


L M G Saglio
Designated member

Date: 30 June 2014

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

CASH FLOW STATEMENT
for the year ended 31 March 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	10	1,842,101	1,833,572
Returns on investments and servicing of finance	11	1,374	3,589
Capital expenditure and financial investment	11	1,188,642	-
Net cash flow from transactions with members and former members	11	(2,641,853)	(2,535,138)
INCREASE/(DECREASE) IN CASH IN THE YEAR		390,264	(697,977)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
for the year ended 31 March 2014

	2014 £	2013 £
Increase/(Decrease) in cash in the year	390,264	(697,977)
MOVEMENT IN NET FUNDS IN THE YEAR	390,264	(697,977)
Net funds at 1 April 2013	1,679,964	2,377,941
NET FUNDS AT 31 MARCH 2014	2,070,228	1,679,964

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

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 2014

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2014 £	2013 £
Auditors' remuneration	13,500	13,000
Difference on foreign exchange	171,390	(11,498)
	<u>184,890</u>	<u>(1,498)</u>

4. STAFF COSTS

The entity has no employees other than the members, who did not receive any remuneration (2013 - £NIL).

5. INFORMATION IN RELATION TO MEMBERS

	2014 Number	2013 Number
The average number of members during the year was	4	4
	<u>4</u>	<u>4</u>
	£	£
The amount of profit attributable to the member with the largest entitlement was	2,540,006	1,285,914
	<u>2,540,006</u>	<u>1,285,914</u>

6. FIXED ASSET INVESTMENTS

	Listed investments £
Cost or valuation	
At 1 April 2013	3,038,910
Additions	3,284,140
Disposals	(3,038,910)
At 31 March 2014	<u>3,284,140</u>
Net book value	
At 31 March 2014	<u>3,284,140</u>
At 31 March 2013	<u>3,038,910</u>

Listed investments

During the year the investment held at the start of the year was sold given rise to a profit on disposal. Part of the proceeds were reinvested in a new listed investment.

The cost of the investment in the currency it was made in was €4,000,000. The market value of the listed investments at 31 March 2014 was £3,167,696 (€3,831,645). The investment continues to be recorded at cost.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

7. DEBTORS

	2014	2013
	£	£
Other debtors	315,787	581,670
Prepayments and accrued income	280,988	258,524
	<u>596,775</u>	<u>840,194</u>

Included within other debtors is an amount of £88,420 (2013 - £88,420) due after more than one year.

8. CREDITORS:
Amounts falling due within one year

	2014	2013
	£	£
Trade creditors	345,733	713,760
Accruals and deferred income	13,500	13,000
	<u>359,233</u>	<u>726,760</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

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 2014 £	Total 2013 £
Members' interests: balance at 1 April 2013	650,000	-	650,000	4,182,308	4,832,308	5,793,822
Profit for the year available for discretionary division among members	-	3,401,455	3,401,455	-	3,401,455	1,573,624
Members' interests after profit for the year	650,000	3,401,455	4,051,455	4,182,308	8,233,763	7,367,446
Allocated profit for period	-	(3,401,455)	(3,401,455)	3,401,455	-	-
Amounts withdrawn by members	-	-	-	(2,641,853)	(2,641,853)	(2,535,138)
Capital amounts introduced by members	65,000	-	65,000	-	65,000	65,000
Capital amounts repaid to members	(65,000)	-	(65,000)	-	(65,000)	(65,000)
Members' interests at 31 March 2014	650,000	-	650,000	4,941,910	5,591,910	4,832,308

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

	2014 £	2013 £
Amounts due to members in respect of allocated profits	4,941,910	4,182,308

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 2014

10. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014	2013
	£	£
Operating profit	1,966,209	1,570,035
Decrease/(increase) in debtors	243,419	(295,111)
(Decrease)/increase in creditors	(367,527)	558,648
Net cash inflow from operating activities	1,842,101	1,833,572

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

	2014	2013
	£	£
Returns on investments and servicing of finance		
Interest received	1,374	3,589

	2014	2013
	£	£
Capital expenditure and financial investment		
Purchase of listed investments	(3,284,140)	-
Sale of listed investments	4,472,782	-
Net cash inflow from capital expenditure	1,188,642	-

	2014	2013
	£	£
Transactions with members and former members		
Payments to members	(2,641,853)	(2,535,138)
Capital introduced	65,000	65,000
Capital repaid	(65,000)	(65,000)
Net cash outflow from transactions with members and former members	(2,641,853)	(2,535,138)

12. ANALYSIS OF CHANGES IN NET FUNDS

	1 April	Cash flow	31 March
	2013		2014
	£	£	£
Cash at bank and in hand	1,679,964	390,264	2,070,228
Net funds	1,679,964	390,264	2,070,228

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

13. RELATED PARTY TRANSACTIONS

During the year the LLP was charged £2,271,514 (2013: £3,595,532) in respect of expenses incurred on its behalf by Zadig Asset Management Limited, a company under common control. At the year end £345,733 (2013: £713,760) was due to Zadig Asset Management Limited.

During the year the LLP accrued income of £4,422,249 (2013: £5,057,730) in respect of fund advisory services provided to Zadig Gestion (Luxembourg) S.A., a company under common control. At the year end £279,333 (2013: £258,524) was due from Zadig Gestion (Luxembourg) S.A.

14. POST BALANCE SHEET EVENTS

On 1 May 2014 the LLP sold its investment for £3,133,645 (€3,852,190) which resulted in a loss on disposal of £120,239 (€147,810).

15. CONTROLLING PARTY

The ultimate controlling party is L M G Saglio.



REES POLLOCK

Chartered Accountants

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London EC4V 6BW
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www.reespollock.co.uk

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Philip Vipond (Senior statutory auditor)
for and on behalf of

Rees Pollock, Statutory Auditor

Date:

30 June 2014