

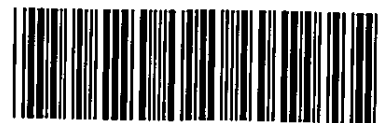
**KDA Capital LLP**

**Members' Report and Financial Statements**

**For The Year Ended 30 November 2009**

**Registration No: OC314975 (England and Wales)**

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**KDA Capital LLP**  
Registration No. OC314975

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**KDA Capital LLP**  
Registration No. OC314975

**Partnership Information**

**Members**

D Baverez  
The Children's Investment Fund Management (UK) LLP  
KDA Capital Limited  
C Parr  
S Lindblad  
F Desage-Bonnet

**Partnership Number**

OC314975

**Business address/Registered office**

7 Clifford Street  
London  
W1S 2WE

**Independent Auditors**

Ernst & Young LLP  
1 More London Place  
London  
SE1 2AF

## **Members' Report**

The Members submit their report together with the Financial Statements for the year ended 30 November 2009

### **Principal Activities and Review of the Business**

The principal activity of KDA Capital LLP ('the Partnership') is investment management. The Partnership is regulated by the Financial Services Authority. The Members are satisfied with the results for the year. However, current market conditions are expected to have a material impact on the income stream of the Partnership over the following twelve months. That said, the Members are optimistic about the future profitability of the Partnership.

Profit for the financial year ended 30 November 2009 available for discretionary division among Members, was £1,530,423 (2008 £6,787,778)

### **Principal Risks and Uncertainties and Key Performance Indicators ('KPI's')**

The management of the business and the execution of the strategy are subject to a number of risks. The key business risks and uncertainties affecting the business are considered to relate to the performance of the underlying fund. In accordance with the rules of the Financial Services Authority, the Partnership has published information on its risk management objectives and also policies on its regulatory capital requirements and resources. This information is available at the following website link <http://www.pillar3.eu/KDA1000605>

Given the nature of the business, the Members are of the opinion that the development of the investment team to meet the demands of the business environment, continued focus on cost and profitability and maintaining adequate financial resources to support the business are the key performance indicators.

### **Going Concern**

The Partnership's business activities and the principal business risks considered by the Members are described above.

The Partnership has adequate financial resources. As a consequence, the Members believe that the Partnership is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The Members have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

### **Members' drawings and policy on treatment of capital introduced**

The Members draw down sums from the Partnership. The amounts drawn down are determined by the Board and are at its discretion. The amount of capital to be introduced into the Partnership by new and existing members is determined by the Board.

### **Members**

The following Member served as a Designated Member during the year:

D. Baverez

### **Political and charitable contributions**

The Partnership made no charitable donations (2008 £nil) during the year. No political donations were made nor any political expenditure incurred during the year (2008 £nil).

## **Members' Report** *(continued)*

### **Disclosure of information to auditors**

The Members who held office at the date of approval of this Members' Report confirmed that, so far as they are aware, there is no relevant audit information of which the Partnership's auditors are unaware, and that the Members have taken all the steps that they ought to have taken as Members to make themselves aware of any relevant audit information and to establish that the Partnership's auditors are aware of that information

The Members confirm that the requirements in the statement of Members' responsibilities in respect of the Members' Report and the Financial Statements have been met in preparing these Financial Statements

### **Auditors**

The auditors, Ernst & Young LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be put to the General Meeting of Members

On behalf of the Partnership



**D. Baverez**  
Designated Member

26 July 2010

## **Statement of Members' Responsibilities in respect of the Members' Report and the Financial Statements**

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 by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial period. Under that law the Members have prepared the Partnership 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 Partnership and of the profit or loss of the Partnership for that period. In preparing these financial statements, the Members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements 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 Partnership will continue in business.

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

## **Independent Auditors' Report to the Members of KDA Capital LLP**

We have audited the financial statements of KDA Capital LLP ('the Partnership') for the year ended 30 November 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, Notes to the Cash Flow Statement and the related notes 1 to 8. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied 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 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 Members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Members and auditors**

As described in the Statement of Members' Responsibilities, the Members are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view of the state of the Partnership's affairs as at 30 November 2009 and of its profit for the period 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 by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. We also report to you if, in our opinion, the Partnership has not kept adequate accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Members' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Partnership's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Independent Auditors' Report to the Members of KDA Capital LLP**  
*(continued)*

**Opinion**


In our opinion the financial statements

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 30 November 2009 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 by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008



Julian Young (*Senior Statutory Auditor*)  
For and on behalf of Ernst & Young LLP  
Statutory Auditor

London

 July 2010

## **Profit and Loss Account for the Year Ended 30 November 2009**

	Notes	2009 £	2008 £
<b>Turnover</b>	1(b)	2,783,919	7,613,010
Gain on foreign exchange transactions		46,126	196,174
Administrative expenses		(1,300,127)	(1,071,604)
<b>Operating profit</b>	2	<u>1,529,918</u>	<u>6,737,580</u>
Interest receivable and similar income		547	50,228
Interest payable and similar charges		(42)	(30)
<b>Profit for the financial year available for discretionary division among Members</b>	6	<u>1,530,423</u>	<u>6,787,778</u>

The Profit and Loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the profit available for discretionary division amongst the members and its historical cost equivalents

The accounting policies and the notes on pages 12 to 16 form an integral part of these Financial Statements

**KDA Capital LLP**  
Registration No. OC314975

**Balance Sheet as at 30 November 2009**

	Notes	2009 £	2008 £
<b>Current assets</b>			
Debtors	4	1,411,593	534,826
Cash at bank and in hand		981,284	2,382,799
		<u>2,392,877</u>	<u>2,917,625</u>
<b>Creditors amounts falling due within one year</b>	5	<u>(274,762)</u>	<u>(326,510)</u>
<b>Net current assets</b>		<u>2,118,115</u>	<u>2,591,115</u>
<b>Net assets attributable to Members</b>		<u>2,118,115</u>	<u>2,591,115</u>
<b>Represented by</b>			
<b>Equity</b>			
Other Reserves	6	1,715,115	2,188,115
Equity - Members' capital	6	<u>403,000</u>	<u>403,000</u>
		<u>2,118,115</u>	<u>2,591,115</u>
<b>TOTAL MEMBERS' INTERESTS</b>			
<b>Equity</b>			
Other reserves	6	1,715,115	2,188,115
Amounts due from Members	6	(877,977)	-
Members' capital	6	<u>403,000</u>	<u>403,000</u>
<b>Total members' interests</b>		<u>1,240,138</u>	<u>2,591,115</u>

The accounting policies and the notes on pages 12 to 16 form an integral part of these Financial Statements

The Financial Statements were approved by the members on 26 July 2010 and were signed on its behalf by

  
David Baverz - Designated member

**Cash Flow Statement for the Year Ended 30 November 2009**

	Notes	2009	2009	2008	2008
		£	£	£	£
<b>Net cash inflow from operating activities</b>	A		1,479,380		7,370,509
<b>Returns on investments and servicing of finance</b>					
Interest received		547		50,228	
Interest paid		(42)		(30)	
<b>Net cash inflow for returns on investment and servicing of finance</b>			505		50,198
<b>Transactions with Members</b>					
Contributions from Members		-		2,000	
Payments to Members - Capital		-		(2,000)	
Payments to Members - Drawings		(2,881,400)		(6,821,150)	
<b>Net cash outflow from transactions with members</b>			(2,881,400)		(6,821,150)
<b>(Decrease) / increase in cash in the year</b>	C		(1,401,515)		599,557

## Notes to the Cash Flow Statement for the Year Ended 30 November 2009

### A. Reconciliation of operating profit to net cash inflow from operating activities

	2009	2008
	£	£
Operating profit	1,529,918	6,737,580
Decrease in debtors	1,210	391,055
(Decrease) / Increase in creditors	(51,748)	241,874
Net cash inflow from operating activities	<u>1,479,380</u>	<u>7,370,509</u>

### B. Analysis of net funds

	2008	Cashflow	2009
	£	£	£
Cash at bank and in hand	<u>2,382,799</u>	<u>(1,401,515)</u>	<u>981,284</u>

### C. Reconciliation of net cash flow to movement in net funds

	2009	2008
	£	£
(Decrease) / Increase in cash in the year	<u>(1,401,515)</u>	<u>599,557</u>
Movement in net funds in the year	(1,401,515)	599,557
Opening net funds	2,382,799	1,783,242
Closing net funds	<u>981,284</u>	<u>2,382,799</u>

## **Notes to the Financial Statements for the Year Ended 30 November 2009**

### **1 Accounting Policies**

#### **(a) Basis of Accounting**

The Financial Statements have been prepared on the going concern basis, under the historical cost convention and in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice - Accounting by Limited Liability Partnerships issued in March 2006. A summary of the accounting policies adopted are described below.

#### **(b) Turnover**

Turnover represents fees receivable during the year in respect of investment management and related services provided to KDA Capital (Cayman) Ltd. These fees are recognised on a receivable basis.

#### **(c) Taxation**

In accordance with the statement of recommended practice on accounting by Limited Liability Partnerships, no taxation is required to be disclosed. Tax is borne by the individual Members on their attributable profit shares and not the Partnership.

#### **(d) Foreign Currency Translation**

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 transaction. All differences are taken to the profit and loss account.

#### **(e) Members' Remuneration**

The policy is to distribute profits to the Members according to the terms and conditions of the Partnership Agreement. Any amount allocated to the Members and not drawn down will be treated as amounts due to members. Amounts not allocated but drawn down by Members are treated as amounts due from Members. Such amounts do not accrue interest.

**Notes** *(continued)*

**2 Operating Profit**

	2009	2008
	<u>£</u>	<u>£</u>
Operating profit is stated after charging/(crediting)		
Auditors' remuneration for audit services	16,000	16,000
Auditors' remuneration for taxation services	14,630	6,125
Gain on foreign exchange transactions	<u>(46,126)</u>	<u>(196,174)</u>

**3 Staff costs**

The average number of persons employed by the Partnership during the year, analysed by category, was as follows

	2009	2008
	<u>No</u>	<u>No</u>
Administrative staff	<u>1</u>	<u>2</u>

The aggregate payroll costs of these persons were as follows

	2009	2008
	<u>£</u>	<u>£</u>
Wages and salaries	46,921	97,388
Social security costs	5,350	20,672
	<u>52,271</u>	<u>118,060</u>

**Notes** *(continued)*

**4 Debtors**

	2009	2008
	£	£
Amounts owed from group undertakings	140,011	18,598
Amounts due from Members	877,977	-
Other Debtors	15,995	99,333
Prepayments	13,355	31,501
Accrued Income	364,255	385,394
	<u>1,411,593</u>	<u>534,826</u>

**5 Creditors: Amounts falling due within one year**

	2009	2008
	£	£
Trade Creditors	247,403	285,598
Other Creditors	1,359	40,912
Accruals and deferred income	26,000	-
	<u>274,762</u>	<u>326,510</u>

**Notes (continued)**

**6 Members' Current Accounts**

	Members' Capital	Other Reserves	Total	Loans and other debts due to/(from) Members	Total
	£	£	£	£	£
Members interests as at 1 December 2008	403,000	2,188,115	2,591,115	-	2,591,115
Profit for the financial year available for division amongst Members	-	1,530,423	1,530,423	-	1,530,423
Members interests after profit for the year	403,000	3,718,538	4,121,538	-	4,121,538
Allocation of prior year profits	-	(2,003,423)	(2,003,423)	2,003,423	-
Drawings	-	-	-	(2,881,400)	(2,881,400)
Members' interests as at 30 November 2009	<u>403,000</u>	<u>1,715,115</u>	<u>2,118,115</u>	<u>(877,977)</u>	<u>1,240,138</u>

Other reserves amounting to £2,003,423 (2008 £4,599,663) have been allocated as follows

	2009	2008
	£	£
Highest paid member	550,000	2,289,280
Other members	1,453,423	2,310,383
	<u>2,003,423</u>	<u>4,599,663</u>

The Members draw down sums on account of their anticipated share of the profit from the Partnership. The allocated amounts are determined in accordance with the Limited Liability Partnership Agreement.

There was an average of 6 members of the Partnership during the period (2008 7)

**Notes** *(continued)*

**7 Related Party Transactions**

The Partnership is a subsidiary of KDA Capital Limited, which in turn is a subsidiary of KDA Capital (Cayman) Ltd. During the year the Partnership was charged £14,534 (2008: £20,303) of expenses by KDA Capital Limited and received £2,264,229 (2008: £6,840,190) in respect to investment management fees from KDA Capital (Cayman) Ltd. A balance of £310,858 (£405,903) was outstanding and due to the Partnership as at 30 November 2009.

**8 Ultimate Controlling Party**

The Partnership's immediate parent company is KDA Capital Limited. The Members consider the ultimate controlling party of the Partnership is KDA Capital (Cayman) Ltd.