

# ADM Capital Europe LLP

## MEMBERS' REPORT AND AUDITED FINANCIAL STATEMENTS

Year ended 31 March 2013

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# **ADM Capital Europe LLP**

Registered Number OC320407

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## **ADM Capital Europe LLP**

Registered Number OC320407

### **Members**

M Baker

N A Stalker

P O'Brien

Asia Debt Management Hong Kong Limited

### **Independent auditor**

Kinetic Partners Audit LLP

One London Wall

Level 10

London

EC2Y 5HB

### **Bankers**

HSBC

90 Baker Street

London

W1U 6AX

### **Registered office**

4<sup>th</sup> Floor

Reading Bridge House

George Street

Reading

RG1 8LS

# **ADM Capital Europe LLP**

Registered Number OC320407

## **Members' report**

**Year to 31 March 2013**

The members present their report and the audited financial statements for the year to 31 March 2013

### **Principal activity and review of the business**

During the year the principal activity of ADM Capital Europe LLP (the "LLP") was providing investment advisory and consultancy services. The members do not see any change in the nature of these activities going forward.

### **Results and allocation to members**

The results for the year show a profit of £2,041,430 (2012 £1,722,662) as shown in the profit and loss account on page 6. Any profits are shared among the members as decided by the Management Board and governed by the Partnership Agreement dated 9 May 2008.

### **Financial position**

The LLP's balance sheet as detailed on page 7 shows a satisfactory position, total members' interests amounting to £990,426 (2012 £650,404).

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

Policies for members' drawings, subscriptions and repayment of members' capital are governed by the Partnership Agreement as amended and restated on 9 May 2008.

### **Members**

The members of the LLP during the year and up to the date of this report were as follows:

M Baker

N A Stalker\*

P O'Brien\*

Asia Debt Management Hong Kong Limited

\* Designated members

### **Going concern**

The members are of the opinion that the LLP has adequate resources and ongoing arrangements for the provision of investment advisory and consultancy services. They have a reasonable expectation that the LLP will be able to meet its liabilities as they fall due and continue its operational activities for the foreseeable future and are of the opinion that the going concern basis should be adopted in the preparation of the financial statements.

### **Statement of disclosure of information to auditor**

So far as the members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the LLP's auditor is unaware, and each member has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

### **Auditor**

The auditor, Kinetic Partners Audit LLP, has indicated their willingness to continue in office. A resolution concerning their reappointment will be proposed at the members' meeting to approve these financial statements.

## **ADM Capital Europe LLP**

Registered Number OC320407

### **Members' report (continued)**

Year to 31 March 2013

#### **Statement of members' responsibilities in respect of the financial statements**

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

The Limited Liability Partnership Regulations (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "2008 Regulations") require 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 Regulation 8 of the 2008 Regulations, 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 results of the LLP for that period

In preparing these financial statements, the members are required to

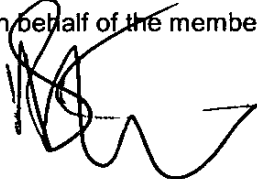
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business, and
- state whether applicable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

The members confirm that they have complied with the above requirements in preparing the financial statements

Under Regulation 6 of the 2008 Regulations, the members are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the LLP and that enable them to ensure that the financial statements comply with those Regulations. The members 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

The members are responsible for the maintenance and integrity of the corporate and financial information included on the LLP's website. It is important to bear in mind that legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions

On behalf of the members



N A Stalker

Designated member

24 July 2013

## **Independent auditor's report to the members of ADM Capital Europe LLP**

We have audited the financial statements of ADM Capital Europe LLP ("the LLP") for the year ended 31 March 2013, which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement and the related notes. 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, as a body, 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 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 LLP and the LLP'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 statement of members' responsibilities set out on page 3, 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**

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 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.

## **Independent auditor's report to the members of ADM Capital Europe LLP (continued)**

### **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 2013 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.

*Deborah Weston*

Deborah Weston (Senior statutory auditor)

For and on behalf of Kinetic Partners Audit LLP, Statutory Auditor

One London Wall, Level 10

London

EC2Y 5HB

24 July 2013



## **ADM Capital Europe LLP**

Registered Number OC320407

### **Profit and loss account**

For the year to 31 March 2013

|   | Note | 2013<br>£        | 2012<br>£        |
|---|------|------------------|------------------|
| <b>Turnover</b>   | 2    | 2,366,276        | 2,043,770        |
| Administrative expenses   |      | <u>(324,906)</u> | <u>(321,228)</u> |
| <b>Operating profit</b>   | 3    | 2,041,370        | 1,722,542        |
| Interest receivable and similar income  |      | 60               | 120              |
| <b>Profit for the financial year available for<br/>discretionary division among members</b> | 9    | <u>2,041,430</u> | <u>1,722,662</u> |

### **Statement of total recognised gains and losses**

The LLP has no recognised gains and losses other than the profit shown

The notes on pages 9 to 15 form an integral part of these financial statements



# ADM Capital Europe LLP

Registered Number OC320407

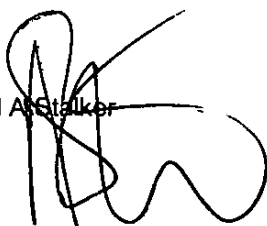
## Balance sheet

As at 31 March 2013

|  | Note | As at 31<br>March<br>2013<br>£ | As at 31<br>March<br>2012<br>£ |
|--|------|--------------------------------|--------------------------------|
| <b>Fixed assets</b>  |      |                                |                                |
| Tangible fixed assets  | 6    | 11,076                         | 14,070                         |
| <b>Current assets</b>  |      |                                |                                |
| Debtors  | 7    | 2,136,009                      | 1,758,512                      |
| Cash at bank and in hand                                       |      | <u>171,258</u>                 | <u>155,923</u>                 |
|  |      | 2,307,267                      | 1,914,435                      |
| <b>Current liabilities</b>                                     |      |                                |                                |
| Creditors amounts falling due within one year                  | 8    | <u>(120,406)</u>               | <u>(65,100)</u>                |
| <b>Net current assets</b>                                      |      | 2,186,861                      | 1,849,335                      |
| <b>Net assets attributable to members</b>                      |      | <u>2,197,937</u>               | <u>1,863,405</u>               |
| <b>Represented by.</b>   |      |                                |                                |
| <b>Loans and other debts due to members within one year</b>    |      |                                |                                |
| Other amounts  | 9    | 80,404                         | 15,743                         |
| <b>Members' other interests</b>                                |      |                                |                                |
| Members' capital classified as equity                          | 9    | 125,000                        | 125,000                        |
| Members' other interests – other reserves classified as equity | 9    | <u>1,992,533</u>               | <u>1,722,662</u>               |
|  |      | <u>2,197,937</u>               | <u>1,863,405</u>               |
| <b>Total members' interests</b>                                |      |                                |                                |
| Amounts due from members                                       | 9    | (1,207,511)                    | (1,213,001)                    |
| Loans and other debts due to members                           | 9    | 80,404                         | 15,743                         |
| Members' other interests                                       | 9    | <u>2,117,533</u>               | <u>1,847,662</u>               |
|  | 9    | <u>990,426</u>                 | <u>650,404</u>                 |

The financial statements on pages 6 to 15 were approved by the members on 24 July 2013 and were signed on their behalf by

N A Stalker



The notes on pages 9 to 15 form part of these financial statements

## **Cash flow statement**

**for the year to 31 March 2013**

|   |        | 2013          | 2012             |
|---|--------|---------------|------------------|
|   | Note   | £             | £                |
| Net cash inflow from operating activities       | 10 (a) | 1,721,359     | 2,528,593        |
| Returns on investments and servicing of finance | 10 (b) | 60            | 120              |
| Capital expenditure and financial investment    | 10 (b) | (4,676)       | (12,549)         |
| Transactions with members                       | 10 (b) | (1,701,408)   | (2,633,523)      |
| Increase/(decrease) in cash during the year     | 10 (c) | <u>15,335</u> | <u>(177,359)</u> |

The notes on pages 9 to 15 form part of these financial statements

# **ADM Capital Europe LLP**

Registered Number OC320407

## **Notes to the financial statements**

### **1. Accounting policies**

#### **Basis of accounting**

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with applicable accounting standards, the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the Large and Medium Sized LLP (Accounts) Regulations 2008 and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (the "SORP") issued in March 2010

#### **Tangible fixed assets**

All fixed assets are recorded at cost less provision for diminution in value

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows

|                               |                                |
|-------------------------------|--------------------------------|
| Leasehold improvements        | – over the period of the lease |
| Office and computer equipment | – 3 years straight line        |
| Furniture and fixtures        | – 4 years straight line        |

#### **Foreign currencies**

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

#### **Taxation**

No taxation is reflected in the financial statements as tax is borne by the individual members in a personal capacity on their attributable profit shares and not the LLP.

#### **Operating leases**

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

#### **Members' capital**

Members' capital is classified as equity in accordance with Financial Reporting Standard 25 and the LLP SORP. Repayment of members' capital is governed by the Partnership Agreement as amended and restated on 9 May 2008.

### **2. Turnover**

Turnover, which is stated net of any value added tax, represents fees arising from investment advisory and consultancy services activities performed in the United Kingdom to investment managers and investment funds based in the Cayman Islands and the Netherlands.

## ADM Capital Europe LLP

Registered Number OC320407

### Notes to the financial statements

#### 3. Operating profit

This is stated after charging

|                         | Year to<br>31 March<br>2013<br>£ | Year to<br>31 March<br>2012<br>£ |
|-------------------------|----------------------------------|----------------------------------|
| Auditor's remuneration  |                                  |                                  |
| Audit services          |                                  |                                  |
| - Current year audit    | 12,000                           | 12,000                           |
| Non-audit services      |                                  |                                  |
| - Regulatory assistance | 8,568                            | 8,400                            |
| - Taxation services     | 7,637                            | 2,900                            |
| Foreign exchange losses | <u>317</u>                       | <u>126</u>                       |

Audit services are provided by Kinetic Partners Audit LLP and non-audit services are provided by Kinetic Partners LLP, a related party of Kinetic Partners Audit LLP

#### 4. Members' remuneration

A member's share in the profit or loss for the period is accounted for as an allocation of profits  
Any unallocated profits and losses are included within other reserves

|   | Year to<br>31 March<br>2013<br>£ | Year to<br>31 March<br>2012<br>£ |
|---|----------------------------------|----------------------------------|
| Profit for the year before members' remuneration and profit share | 2,041,430                        | 1,722,662                        |
| Profit for the year available for division among members          | <u>2,041,430</u>                 | <u>1,722,662</u>                 |
| The average number of members in the year                         | <u>4</u>                         | <u>4</u>                         |

The 2013 to profit will be allocated after the year end. During the year the 2012 entitlement to profit was determined, with the amount of profit attributable to the member with the highest entitlement to profit being £1,001,142 (2011 £1,585,147)

## ADM Capital Europe LLP

Registered Number OC320407

### Notes to the financial statements

#### 5. Staff costs

Included in administrative expenses were the following staff costs

|                       | Year to<br>31 March<br>2013<br>£ | Year to<br>31 March<br>2012<br>£ |
|-----------------------|----------------------------------|----------------------------------|
| Salaries and wages    | 31,983                           | 55,502                           |
| Social security costs | 3,211                            | 5,355                            |
|                       | <u>35,194</u>                    | <u>60,857</u>                    |

The average number of persons employed during the period was as follows

|                | Number<br>1 | Number<br>2 |
|----------------|-------------|-------------|
| Administration |             |             |

#### 6. Fixed assets

|                                 | Leasehold<br>improvements<br>£ | Office and<br>computer<br>equipment<br>£ | Furniture and<br>fixtures<br>£ | Total<br>£    |
|---------------------------------|--------------------------------|--|--------------------------------|---------------|
| <u>Cost</u>                     |                                |  |                                |               |
| At 1 April 2012                 | 7,690                          | 20,171                                   | 2,300                          | 30,161        |
| Additions                       | -                              | 4,676                                    | -                              | 4,676         |
| At 31 March 2013                | <u>7,690</u>                   | <u>24,847</u>                            | <u>2,300</u>                   | <u>34,837</u> |
| <u>Accumulated depreciation</u> |                                |  |                                |               |
| At 1 April 2012                 | 1,709                          | 12,126                                   | 2,256                          | 16,091        |
| Charge for the year             | <u>2,596</u>                   | <u>5,030</u>                             | <u>44</u>                      | <u>7,670</u>  |
| At 31 March 2013                | <u>4,305</u>                   | <u>17,156</u>                            | <u>2,300</u>                   | <u>23,761</u> |
| <u>Net book value</u>           |                                |  |                                |               |
| At 31 March 2013                | <u>3,385</u>                   | <u>7,691</u>                             | <u>-</u>                       | <u>11,076</u> |
| At 31 March 2012                | <u>5,981</u>                   | <u>8,045</u>                             | <u>44</u>                      | <u>14,070</u> |

## **ADM Capital Europe LLP**

Registered Number OC320407

### **Notes to the financial statements**

#### **7. Debtors**

|                                | As at 31<br>March<br>2013<br>£ | As at 31<br>March<br>2012<br>£ |
|--------------------------------|--------------------------------|--------------------------------|
| Prepayments and accrued income | 685,909                        | 472,025                        |
| VAT                            | 2,808                          | 6,790                          |
| Other debtors                  | 239,781                        | 66,696                         |
| Amounts due from members       | <u>1,207,511</u>               | <u>1,213,001</u>               |
|                                | <u>2,136,009</u>               | <u>1,758,512</u>               |

#### **8. Creditors: amounts falling due within one year**

|   | As at 31<br>March<br>2013<br>£ | As at 31<br>March<br>2012<br>£ |
|---|--------------------------------|--------------------------------|
| Trade creditors                                     | 73,687                         | 26,601                         |
| Other creditors including taxes and social security | 12,137                         | 19,185                         |
| Accruals  | <u>34,582</u>                  | <u>19,314</u>                  |
|   | <u>120,406</u>                 | <u>65,100</u>                  |

## ADM Capital Europe LLP

Registered Number OC320407

### Notes to the financial statements

#### 9. Reconciliation of movements in members' interests

|  | Members' capital classified as equity | Other reserves | Total members' other interests | Loans and other debts due to/(from) members | Total members' Interests 2013 | Total members' Interests 2012 |
|--|---------------------------------------|----------------|--------------------------------|---|-------------------------------|-------------------------------|
|  | £                                     | £              | £                              | £   | £                             | £                             |
| Amounts due to members   |                                       |                |                                | 15,743                                      |                               |                               |
| Amounts due from members   |                                       |                |                                | (1,213,001)                                 |                               |                               |
| Balance at 1 April 2012  | 125,000                               | 1,722,662      | 1,847,662                      | (1,197,258)                                 | 650,404                       | 1,561,265                     |
| Profit for the year available for discretionary division among members |                                       | 2,041,430      | 2,041,430                      |   | 2,041,430                     | 1,722,662                     |
| Members interest after profit for the year                             | 125,000                               | 3,764,092      | 3,889,092                      | (1,197,258)                                 | 1,805,995                     | 3,283,927                     |
| Division of profit   |                                       | (1,771,559)    | (1,771,559)                    | 1,771,559                                   |                               |                               |
| Payments to members  |                                       |                |                                | (1,766,069)                                 | (1,766,069)                   | (2,649,969)                   |
| Other movements  |                                       |                |                                | 64,661                                      | 64,661                        | 16,446                        |
| Amounts due to members   |                                       |                |                                | 80,404                                      |                               |                               |
| Amounts due from members   |                                       |                |                                | (1,207,511)                                 |                               |                               |
| Balance as at 31 March 2013  | 125,000                               | 1,992,533      | 2,117,533                      | (1,127,107)                                 | 990,426                       | 650,404                       |

In the event of winding up, the creditors of the LLP will be paid before members' distributions

Other movements comprise of changes in the balances due to members as a result of expenses incurred by them on behalf of the LLP

## ADM Capital Europe LLP

Registered Number OC320407

### Notes to the financial statements

#### 10. Notes to the statement of cash flows

(a) Reconciliation of operating profit to net cash inflow from operating activities

|  | 2013<br>£        | 2012<br>£        |
|--|------------------|------------------|
| Operating profit                                 | 2,041,370        | 1,722,542        |
| Depreciation                                     | 7,670            | 5,454            |
| Decrease in debtors                              | (382,987)        | 809,431          |
| Decrease in creditors                            | 55,306           | (8,834)          |
| <b>Net cash inflow from operating activities</b> | <b>1,721,359</b> | <b>2,528,593</b> |

(b) Analysis of cash flows for headings netted in the cash flow statement

|  | 2013<br>£          | 2012<br>£          |
|--|--------------------|--------------------|
| <b>Returns on investments and servicing of finance</b> |                    |                    |
| Interest received                                      | 60                 | 120                |
| <b>Capital expenditure and financial investment</b>    |                    |                    |
| Purchase of fixed assets                               | (4,676)            | (12,549)           |
| <b>Transactions with members</b>                       |                    |                    |
| Payments to members                                    | (1,766,069)        | (2,649,969)        |
| Other amounts  | 64,661             | 16,446             |
|  | <b>(1,701,408)</b> | <b>(2,633,523)</b> |

(c) Analysis of changes in net funds

|              | At 1<br>April 2012<br>£ | Cash flow<br>£ | At 31<br>March 2013<br>£ |
|--------------|-------------------------|----------------|--------------------------|
| Cash at bank | 155,923                 | 15,335         | 171,258                  |
|              | <b>155,923</b>          | <b>15,335</b>  | <b>171,258</b>           |



## **ADM Capital Europe LLP**

Registered Number OC320407

### **Notes to the financial statements**

#### **11. Ultimate controlling party**

In the opinion of the members, Anthony Stalker and Mark Baker are the ultimate controlling parties

#### **12. Related Party Transactions**

During the year, income of £1,042,796 (2012 £864,665) was earned from ADM Investment Management Europe Limited and £nil (2012 £43,272) was earned from ADM Investment Management Limited with respect to investment advisory services provided. As at the year end, £685,241 (2012 £452,130) was owed by ADM Investment Management Europe Limited and £nil (2012 £nil) was owed by ADM Investment Management Limited to the LLP and is included in debtors

During the year, income of £557,180 (2012 £372,939) was earned from ADM CEECAT Investments Limited, £209,120 (2012 £389,965) from ADM Maculus Investments III Limited and £557,180 (2012 £372,939) from ADM KCRF Investment Limited with respect to consulting services provided. As at the year end, £nil (2012 £nil) was owed by ADM CEECAT Investments, £nil (2012 £nil) was owed by ADM Maculus Investments III Limited and £nil (2012 £nil) was owed by ADM KCRF Investment Limited to the LLP

These companies are incorporated in the Cayman Islands and are related companies as a result of being controlled by Asia Debt Management Hong Kong Limited ("ADMHK"), the corporate member of the LLP

Expenses paid by the LLP that are charged to the investment funds in relation to services which the LLP provides are reimbursable by ADM Investment Management Europe Limited, ADM Investment Management Limited, ADM Maculus Investments III Limited, ADM CEECAT Investments Limited and ADM KCRF Investment Limited. During the year these amounted to £188,484 (2012 £190,553). As at the year end, £86,000 is owed to the LLP in respect of these expenses (2012 £66,444)