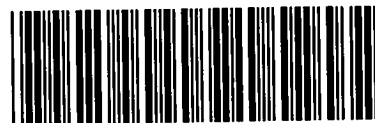


# **Moore Europe Capital Management, LLP**

## **Report and financial statements**

For the year ended 31 December 2013

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COMPANIES HOUSE

# Moore Europe Capital Management, LLP

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## **Members**

MECM, Limited  
Moore Europe Capital Development, Ltd  
Louis Bacon  
David Barker  
Maurizio Alfano  
Joeri Jacobs  
Lev Mikheev

## **Secretary**

Hackwood Secretaries Ltd

## **Auditors**

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

## **Bankers**

Barclays Bank PLC  
54 Lombard Street  
London  
EC3P 3AH

## **Registered Office**

One Silk Street  
London  
EC2Y 8HQ

## Members' report

The Members present their report and financial statements for the year ended 31 December 2013.

### Results

The profit for the year amounted to £36,366,664 (2012 - £32,164,252).

### Business Review and Principal Activities

The principal activity of Moore Europe Capital Management, LLP ("LLP") is the provision of investment management services. The LLP is authorised and regulated by the Financial Conduct Authority.

As shown in the LLP's Profit and Loss account on page 7, the company's turnover was £45m more than the prior year. The main cause of the increase in revenue is that revenue is calculated on a cost-plus basis and administrative costs rose in the year. The LLP's profit for the year available for discretionary division among Members also increased from the prior year to £36m (2012 - £32m).

The Balance Sheet on page 8 shows that the LLP's total Members' interests increased to £34,057,727 (2012- £31,432,870).

Turnover is derived on a cost-plus basis, taking into account the costs of the Managing Member as well as the LLP. For this reason, the LLP's Members believe that there are no other key performance indicators for the LLP necessary or appropriate for an understanding of the development, performance or position of the business.

### Principal risks and uncertainties

Moore Capital Management, LP, which is the group's sole customer, derives the majority of its turnover from investment management and performance fees. The principal risk in the future is therefore related to fluctuations in the performance of the funds managed by Moore Capital Management, LP.

### Members' profit allocation

Any profits are shared among the Members in accordance with the Partnership Deed dated 1 January 2010.

### Policy for Members' drawings, subscriptions and repayment of Members' capital

Policies for Members' drawings, subscriptions and repayment of Members' capital are governed by the Partnership Deed dated 1 January 2010.

### Members

The following were Members during the period:

MECM, Limited (Managing Member)  
Moore Europe Capital Development, Ltd (Designated Member)  
Louis Bacon (Designated Member)  
David Barker (Designated Member)  
Maurizio Alfano (Designated Member)  
Soraya Chabarek (Designated Member resigned 10<sup>th</sup> January 2013)  
Joeri Jacobs (Designated Member)  
Lev Mikheev (Designated Member)

## Members' report

### Going Concern

The LLP's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Members' Report on page 2.

The LLP is expected to continue to generate positive cash flows from the revenue earned from Moore Capital Management, LP, which is a subsidiary of Moore Capital Holdings, LLC, the ultimate controlling party (see note 10).

The members, having assessed the responses of the directors of Moore Capital Holdings, LLC to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Moore Capital Holdings, LLC and its subsidiaries to continue as a going concern.

### Reappointment of auditors

In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting to reappoint Ernst & Young LLP as auditors of the LLP.

### Disclosure of information to the auditors

The Designated Members are not aware of any relevant audit information which has not been disclosed to the auditors of Moore Europe Capital Management, LLP. The Designated Members also confirm that they have taken all steps that they ought to have taken as Members in order to make themselves aware of any relevant audit information, being information needed by the auditor in connection with preparing its report, and to establish that Moore Europe Capital Management, LLP's auditors are aware of this information.

On behalf of the Members



DENISE JEFFRIES

On behalf of MECM, Ltd, Managing Member

Date: 24 April 2014

## **Statement of designated Members' responsibilities in respect of the financial statements**

The Designated Members are responsible for preparing financial statements in accordance with applicable law and regulations.

Legislation applicable to limited liability partnerships requires the Designated Members to prepare financial statements for each financial year. Under that law the Designated 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 that legislation, the Designated 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 Designated Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether 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 LLP will continue in business.

The Designated Members confirm that they have complied with the above requirements in preparing the financial statements.

The Designated 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 Partnership and enable them to ensure that the financial statements comply 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. 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.

# **Independent auditors' report**

## **to the Members of Moore Europe Capital Management, Limited Liability Partnership ("LLP")**

We have audited the financial statements of Moore Europe Capital Management, LLP for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 10. 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 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 designated members' and auditor**

As explained more fully in the Designated 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 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 limited liability partnership'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 Report and financial statements 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 limited liability partnership's affairs as at 31 December 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

## **Independent auditors' report**

**to the Members of Moore Europe Capital Management, Limited Liability Partnership  
("LLP")**

- ▶ 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



Michael-John Albert (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London

Date: 24 April 2014.

## Profit and loss account

for the year ended 31 December 2013

		Year ended 31-Dec 2013 £	Year ended 31-Dec 2012 £
	Notes		
<b>Turnover</b>	2	140,179,215	95,028,304
Administrative expenses		(103,922,087)	(62,933,204)
<b>Operating profit</b>	3	36,257,128	32,095,100
Interest received	4	109,536	69,152
<b>Profit for the financial year available for discretionary division among Members</b>	8	36,366,664	32,164,252

The profit and loss account has been prepared on the basis that all operations are continuing operations.

## Statement of total recognised gains and losses

There are no recognised gains or losses other than those reflected in the profit and loss account.

The notes on pages 9 to 12 form part of these financial statements.



# Moore Europe Capital Management, LLP

Registered No: OC322533 (England and Wales)

## Balance sheet

as at 31 December 2013

	Notes	2013 £	2012 £
<b>Current assets</b>			
Debtors	6	–	4,172,657
Cash at bank and in hand		44,903,305	28,363,880
		<u>44,903,305</u>	<u>32,536,537</u>
<b>Creditors: amounts falling due within one year</b>	7	(10,845,578)	–
		<u>34,057,727</u>	<u>32,536,537</u>
<b>Net current assets</b>			
		<u>34,057,727</u>	<u>32,536,537</u>
<b>Net assets attributable to Members</b>		<u>34,057,727</u>	<u>32,536,537</u>
Represented by:			
<b>Loans and other debts due to Members within one year</b>			
Members' capital classified as a liability under FRS 25	8	60,000	80,000
Other amounts	8	11,997,727	10,456,537
		<u>12,057,727</u>	<u>10,536,537</u>
<b>Equity</b>			
Members' capital classified as equity under FRS 25	8	22,000,000	22,000,000
		<u>34,057,727</u>	<u>32,536,537</u>
<b>Total Members' interests</b>			
Amounts due from Members	8	–	(1,103,667)
Loans and other debts due to Members	8	12,057,727	10,536,537
Equity	8	22,000,000	22,000,000
		<u>34,057,727</u>	<u>31,432,870</u>

Approved by the Designated Members and authorised for issue on

24 April 2014

On behalf of MECM, Ltd, Managing Member

  
DENISE JEFFRIES

The notes on pages 9 to 12 form part of these financial statements.

# Notes to the financial statements

as at 31 December 2013

## 1. Accounting policies

### Basis of accounting

The accounts have been prepared in accordance with applicable accounting standards, under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' (SORP) issued in March 2010.

### Turnover

Turnover, which is stated net of value added tax, represents the provision of investment management services. It is recognised when the LLP obtains the right to consideration in exchange for its performance.

### Interest

Interest is accounted for on the accruals basis.

### Taxation

No provision has been made for taxation in the financial statements. Each Member is exclusively liable for any tax liabilities arising out of their interest in the LLP, which will be assessed on the individual Members.

### Cash flows

The LLP is a subsidiary of MECM, Limited and the cash flows of the company are included in the consolidated Cash Flow Statement of the parent undertaking. Consequently, the LLP has taken the exemption of Financial Reporting Standard 1 'Cash Flow Statements' from publishing a Cash Flow Statement.

### Distribution and allocation of profits

Profits available for distribution are distributed at the discretion of the Managing Member.

## 2. Turnover

Turnover arises from services performed in the United Kingdom and is attributable to advisory fees from Moore Capital Management, LP, incorporated in the US (see note 10), exclusive of Value Added Tax. Turnover is calculated based on the methodology stated in the Services Agreement between the LLP and Moore Capital Management, LP dated 4 February 2010.

## 3. Operating Profit

Auditors' remuneration for the year of £15,000 (2012 - £15,000), has been paid by MECM, Ltd.

## 4. Interest received

	<i>Year to 31-December 2013 £</i>	<i>Year to 31-December 2012 £</i>
Bank interest received	67,718	63,143
Interest received on intercompany transactions	41,818	6,009
	<u>109,536</u>	<u>69,152</u>

## Notes to the financial statements

as at 31 December 2013

### 5. Members' remuneration

	<i>Year to 31-December 2013 £</i>	<i>Year to 31-December 2012 £</i>
Profit for the financial year available for discretionary division among Members	36,366,664	32,164,252
Amount in relation to the Member with the largest entitlement to profit	24,551,391	17,347,585
	<i>Year to 31-December 2013 No</i>	<i>Year to 31-December 2012 No</i>
The average number of Members in the period was	7	8

### 6. Debtors

	<i>2013 £</i>	<i>2012 £</i>
Amounts owed by Members	–	1,103,667
Amounts owed by related parties	–	3,068,990
	–	4,172,657

### 7. Creditors

	<i>2013 £</i>	<i>2012 £</i>
Amounts owed to related parties	10,845,578	–

# Notes to the financial statements

as at 31 December 2013

## 8. Members' Interests

	Members' Capital (classified as equity)	Other Reserves	Total	Net Loans and other debts due to/(from) Members	Total Members' interests
	£	£	£	£	£
Balance at 1 January 2013	22,000,000	–	22,000,000	9,432,870	31,432,870
Introduced by members	–	–	–	7,301,000	7,301,000
Profit for the financial year available for division among Members	–	36,366,664	36,366,664	–	36,366,664
Members' interests after profit for the period	22,000,000	36,366,664	58,366,664	16,733,870	75,100,534
Transactions with Members	–	(1,103,667)	(1,103,667)	1,103,667	–
Allocated profits	–	(35,262,997)	(35,262,997)	35,262,997	–
Drawings and distributions	–	–	–	(41,042,807)	(41,042,807)
Amounts due to members	–	–	–	12,057,727	–
Amounts due from members	–	–	–	–	–
Balance at 31 December 2013	22,000,000	–	22,000,000	12,057,727	34,057,727

In case of winding up, loans and other debts due to members rank equally with other unsecured creditors. There is no legally enforceable protection in respect of Members' Interests that can be revoked at will.

## 9. Related party transactions

During the year the LLP received income of £140,179,215 (2012: £95,028,304) and received interest of £41,818 (2012: £6,009) from Moore Capital Management, LP, which is a subsidiary of Moore Capital Holdings, LLC, the ultimate controlling party (see note 11).

At 31 December 2013 £10,845,578 was payable to Moore Capital Management, LP (2012: £3,068,990 due from). No transactions between MECM, Ltd and the LLP have been disclosed in accordance with FRS 8 due to the fact that MECM, Ltd and the LLP are part of the same consolidated group (see note 1).

During the year the LLP paid expenses for the Managing Member of £103,922,087 (2012: 62,930,447). No amounts were due to or from the Managing Member at 31 December 2013 (2012: £nil).

## Notes to the financial statements

as at 31 December 2013

### 10. Ultimate controlling party

The LLP is controlled by its Managing Member, MECM, Limited, which is ultimately controlled by Moore Capital Holdings, LLC, a company incorporated in the US. Financial statements for MECM, Ltd are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

## **Unaudited Appendix**

### **Moore Europe Capital Management, LLP**

#### **Pillar 3 Disclosure**

**31 December 2013**

## Unaudited Appendix

### Overview

This disclosure document has been prepared in accordance with the requirements of Pillar 3, which is the implementation by the Financial Conduct Authority of the European Union Capital Requirements Directive (“CRD”). Pillar 3 is designed to promote market discipline by providing market participants with information on firms’ risk exposures and risk management processes.

The figures in this document are as at 31 December 2013, which is the company’s year end. Future disclosures will be issued on an annual basis, and included in the annual accounts.

MECM, Ltd is an EEA institution, and is the parent company of Moore Europe Capital Management, LLP, which is regulated by the FCA. CRD applies both to Moore Europe Capital Management, LLP (“Solo”) and to the consolidated position of the two companies (“the Group”). Therefore regulatory capital ratios are required to be maintained on both a Solo and Group basis.

### Risk Management Objectives and Policies

Senior Management decides the Group’s appetite or tolerance for risk. In addition Senior Management ensures that the Group has implemented an effective, ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to ensure that such risks are actively managed.

## Unaudited Appendix

### Capital Resources

The table below summarises the composition of the regulatory capital as at 31 December 2013, at which point MECM, Ltd and the Group's individual entities complied with all the externally imposed capital requirements to which they are subject.

	Notes	SOLO	GROUP
		31 December 2013	31 December 2013
		£000s	£000s
<b>Core Tier 1 capital</b>			
Called up ordinary share capital		22,000	650
Retained earnings		-	51,021
<b>Tier 1 capital after deductions</b>		22,000	51,671
<b>Tier 2 capital after deductions</b>		-	-
<b>Total regulatory capital</b>		22,000	51,671

### Capital Adequacy

The Group's policy is always to be well capitalised on a Solo and Group basis. The Group has adopted the standardised approach to both credit and operational risk since 1 January 2008 in order to calculate the Pillar 1 minimum capital requirement.

The Group reviews cash held on a daily basis and forecasts on a weekly basis so as to maintain enough cash always to meet its Pillar 1 regulatory requirements.

The Group undertakes the Internal Capital Adequacy Assessment Process ("ICAAP"), which is the internal assessment of its capital needs. The outcome of the ICAAP is documented on a Solo and Group basis.

The ICAAP document forecasts 3 years of performance and includes stressed scenarios to satisfy regulatory requirements. Capital has been deemed able to mitigate identified risks.

The ICAAP document is presented to the Board for challenge and approval. The document is reviewed twice a year (or more frequently if considered necessary) and updated appropriately.



## Unaudited Appendix

The Group's Pillar 1 capital requirement is set out in the table below. The Pillar 1 requirement in respect of credit risk is based on 8% of the risk weighted exposure amounts for each of the following standardised exposure classes.

	SOLO	GROUP
	31 December 2013	31 December 2013
	£000s	£000s
<b>Credit risk – standardised approach</b>		
Central governments	-	-
Institutions	718	1,027
Corporates	-	507
Other	-	381
<b>TOTAL Credit Risk</b>	<b>718</b>	<b>1,915</b>
<b>Operational risk</b>	<b>-</b>	<b>-</b>
<b>Market risk – non trading book</b>		
Foreign currency PRR*	-	273
<b>Fixed Overhead Requirement</b>	<b>6,148</b>	<b>6,148</b>
<b>Total Pillar 1 capital requirement</b>	<b>6,148</b>	<b>6,148</b>

\* Position Risk Requirement