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Partnership Registration No: OC326919

**Patrimoine Partners LLP**  
Report and Financial Statements

Year Ended

31 March 2014

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# **Patrimoine Partners LLP**

## **Report and financial statements for the year ended 31 March 2014**

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### **Contents**

#### **Page:**

1	Report of the Members
6	Report of the independent auditors
8	Profit and loss account
9	Balance sheet
10	Cash flow statement
11	Notes forming part of the financial statements

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### **Limited Liability Partnership ("LLP") information**

#### **Designated Members**

D de J Weill MSc MBA Barrister  
M D Digger

#### **Registered office**

32 Grosvenor Gardens, London, SW1W 0DH

#### **Partnership registration number**

OC326919

#### **Auditors**

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

## **Patrimoine Partners LLP**

### **Report of the Members for the year ended 31 March 2014**

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The Designated Members present their report, which incorporates the Strategic Report, together with the audited financial statements for the year ended 31 March 2014.

#### **Results**

The profit and loss account is set out on page 8 and shows the loss for the year under review.

#### **Principal activities, business review and future developments**

The principal activity of the LLP is that of corporate finance and investment management advisory work.

The Members were satisfied with the performance of the LLP during the year under review.

There have been no events since the balance sheet date which materially affect the position of the LLP.

#### **Designated Members and other Members**

The following individuals were Designated Members (as defined in the Limited Liability Partnerships Act 2000) during the year:

D de J Weill MSc MBA Barrister  
M D Digger  
O Erdem (resigned 28 June 2013)

The following individuals were Other Members (as defined in the Limited Liability Partnerships Act 2000) during the year:

Patrimoine Limited

Policies for Members' remuneration and profit shares, subscription for and repayment of Members' capital and drawings are set out in the LLP Agreement dated 1 April 2007, subject to subsequent variations agreed by the members, and are summarised below:

##### *Capital*

The capital is held by the members and shall be varied only by approval by the Board. Interest is not paid on the capital invested.

##### *Drawings*

The policy for Members' drawings is to distribute the majority of profit during the financial period, taking into account the need to maintain sufficient funds to finance the working capital and other needs of the business. Members' drawings are ratified by the Board.

## **Patrimoine Partners LLP**

### **Report of the Members for the year ended 31 March 2014 (*continued*)**

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#### **Designated Members and other Members (*continued*)**

##### *Members' profit shares and distributions*

As soon as reasonably practicable following the end of each accounting period of the LLP and the completion by the auditors of the audit of the LLP accounts for that accounting period, the Board shall allocate the profits and losses of the LLP between the Members in its sole discretion and in accordance with the provisions detailed in section 10 to the LLP Agreement and the notes thereto.

#### **Members' responsibilities**

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

The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under these regulations 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 these 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 Limited Liability Partnership and of the profit or loss of the Limited Liability Partnership 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 Limited Liability Partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Liability Partnership's transactions, disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership, and enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Pillar 3**

**Pillar III Disclosure – Scope and application of the requirements**

The Partnership is governed by its Partners ('the Members') who determine its business strategy and risk appetite. They are also responsible for establishing and maintaining the Partnership's governance arrangements along with designing and implementing a risk management framework that recognises and manages the risks that the business faces. The Members meet on a regular basis and discuss profitability, cash flow, regulatory capital management, and business planning and risk management. The Members manage the Partnership's risks through a framework of policies and procedures having regard to relevant laws, standards, principles and rules (including FCA principles and rules) with the aim to operate a defined and transparent risk management framework.

The Members have identified that reputational, operational, market and credit risks are the areas of risk to which the Partnership may be exposed. Annually the Members formally review the risks, controls and other risk mitigation arrangements and assess their effectiveness.

Where the Members identify material risks they consider the financial impact of these risks as part of business planning and capital management and conclude whether the amount of regulatory capital is adequate. The general objective is to develop systems and controls to mitigate risk to a level that does not require the allocation of Pillar 2 capital.

The Partnership is authorised and regulated by the Financial Conduct Authority and as such it is subject to minimum regulatory capital requirements. The Partnership is small with a simple operational infrastructure. The Partnership provides investment management, brokerage and advisory services and the risks to which the Partnership is exposed are principally reputational and operational in nature and are managed according to the Partnership's operational and compliance risk guidelines including its ethical standards. The Partnership is a BIPRU €50k Full Scope firm registered with the FCA (FRN 463947) and lodges its financial statements with Companies House.

**Pillar III – Disclosure of capital resources and capital resource**

The capital resources of the Partnership are made up of eligible partner's capital, which qualifies as Tier 1 capital. As the Partnership is a full scope firm, its capital requirements are the sum of:

- The credit risk capital requirement.
- The market risk capital requirement.
- The operational risk requirement.

It is the Partnership's experience that the capital requirement of the Partnership is the operational risk requirement, with no or little credit, market risk. For the purpose of this calculation disclosures relating to market and credit are therefore considered to be immaterial in consideration in the assessment of the business.

As at the 31st March 2014 the Partnership had £54,403 of capital with an operational risk of £50,000, and therefore the Partnership has sufficient excess resources over its regulatory capital requirements.

**Pillar III / Disclosure of compliance with the overall Pillar II rule**

Under Pillar II of the Capital Requirements Directive, the Partnership is required to enact an Internal Capital Adequacy Assessment Process ("ICAAP"). This is an on-going process. The ICAAP document is presented to the Members for formal review and approval. The data and assumptions used in the assessment of risk and capital adequacy are continually assessed and updated. This includes stress testing of various scenarios. Should new risks materialise or be identified by the Partnership, then these risks will be incorporated into the overall review process.

### **RENUMERATION CODE**

#### **Scope and application of the requirements**

BIPRU 11.5 sets out the disclosure requirements in relation to the remuneration of code staff which all FCA regulated firms are required to comply. The Company is a Tier 3 firm and the following disclosures are intended to fully satisfy the requirements of the remuneration code ("the Code").

#### **Disclosure of compliance with Remuneration Code**

The Company has in place internal policies, practices and procedures consistent with the FCA's rules and regulations for Tier 3 firms. The members of the Board form the remuneration committee and the members fully acknowledge their responsibilities under the Code including their overriding responsibility to ensure that the firm's remuneration policies, practices and procedures:

- are in line with the business strategy, objectives and long-term interests and values of the firm;
- are consistent with and promote sound and effective risk management and do not encourage risk taking that exceeds the level of tolerated risk of the firm;
- are appropriate to attract, motivate and retain suitable staff;
- are representative of the underlying performance of the business and do not reward individuals for poor performance; and
- Include measures to avoid conflicts of interest.

The following disclosures have been made in accordance with the FCA rules and regulations as outlined under BIPRU 11.5.18 and SYSC 19A, specifically in the context of a firm's obligations under the FCA's remuneration code.

As permitted by the Code, the firm has adopted the FCA's proportionality approach for Tier 3 firms in applying the requirements of the Code. All decisions in relation to the remuneration of code staff are made and approved by the firm's remuneration committee, with no input from external consultants. Remuneration is determined with reference to a number of factors including, but not limited to, the performance of the individual, the Company and the individual's adherence to the firm's risk management and compliance procedures.

Variable remuneration which is paid in the form of bonuses is only awarded after full consideration of these factors together with an assessment of any current or potential risks to the business in the context of these payments.

In accordance with the FCA's proportionality approach for Tier 3 firms, the firm has elected not to apply the FCA's specific regulatory requirements in relation to: the payment of variable remuneration through retained shares or other instruments; the deferral of these payments or performance adjustments.

The remuneration committee believes that its Remuneration Code policies, procedures and practices are fully aligned with the firm's clients and that the success of the firm and subsequent payment of variable remuneration is correlated to the success of the firm's trading activities both in the firm and its clients. On an annual basis, working members are allocated their partnership share of income profits.

Profits are only allocated and paid after the firm ensures that FCA capital and liquidity requirements are satisfied. Employees receive a base salary and may be awarded a discretionary bonus. The amounts of any discretionary awards are determined by the Members' Management Board.

## **Patrimoine Partners LLP**

### **Report of the Members for the year ended 31 March 2014 (continued)**

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The firm's code staff which numbered 4 and all of whom have been approved by the FCA under section 59 of the Financial Services and Markets Act 2000 Act to perform a controlled function, received aggregate remuneration of £9,731 (inclusive of distributions allocated to members) in the year ended 31st March 2014, which was broken down between £9,731 in fixed remuneration and £Nil in variable remuneration.

#### **Stewardship Code Disclosure**

##### **Introduction**

The Stewardship Code ("the Code") was published by the Financial Reporting Council ("FRC"), the UK's independent regulator responsible for promoting high quality corporate governance and reporting in order to foster investment. The Code sets out good practice for institutional investors in their dealings with the companies in which they have invested

##### **Disclosure obligations -**

The FCA's regulations outline a firm's obligations in relation to the Code and for firms who manage assets for corporate professional clients to disclose to these clients the nature of their commitment to the Code, or where it does not commit to the Code its alternate business model. Although the firm recognises the aims and benefits of the Code the firm's investment strategy is such that it does not engage directly with companies and therefore the Code in the context of firm's investment strategy does not apply and the firm does not consider that its clients expect such engagement. It is however important to note that the firm's investment strategy is specifically structured to maximise investment gains and enhance shareholder value and that it constantly monitors investments, would act collectively with other institutional investors where appropriate and has developed internal policies and procedures for managing conflicts of interest. This non commit disclosure fully encompasses the firm's regulatory obligations in complying with the FRC's Stewardship Code and the FCA's regulatory requirements.

##### **Auditors**

All of the current Members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the LLP's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The Members are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office.

##### **On behalf of the Designated Members**



M D Digger  
Designated Member

23 July 2014

## **Patrimoine Partners LLP**

### **Independent auditor's report**

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#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PATRIMOINE PARTNERS LLP**

We have audited the financial statements of Patrimoine Partners LLP for the year ended 31 March 2014 which comprise the profit and loss account, 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 limited liability partnership's members, as a body, in accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership'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 partnership and the partnership's 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 explained more fully in the statement of members' responsibilities, 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](http://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 limited liability partnership's affairs as at 31 March 2014 and of its loss 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 the Companies Act 2006) Regulations 2008.

#### **Opinion on other matters**

In our opinion the information given in the members' report for the financial year for which the financial statements are prepared is consistent with the financial statements.



**Patrimoine Partners LLP**

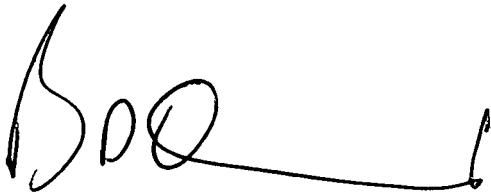
**Independent auditor's report**

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**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 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;
- we have not received all the information and explanations we require for our audit; or



Russell Field (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Gatwick  
United Kingdom

Date 24 July 2014.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Patrimoine Partners LLP**

**Profit and loss account for the year ended 31 March 2014**

	Note	2014 £	2013 £
Turnover	2	93,989	135,330
Cost of sales		(9,732)	(36,498)
		<hr/>	<hr/>
Gross profit		84,257	98,832
Administrative expenses		(100,557)	(104,503)
		<hr/>	<hr/>
Operating loss on ordinary activities before tax	4	(16,300)	(5,671)
Interest receivable		-	-
		<hr/>	<hr/>
Loss for the financial year before tax, Members' remuneration and profit shares, available for discretionary division among Members	8	(16,300)	(5,671)
		<hr/>	<hr/>

All amounts relate to continuing activities.

There were no differences between historical cost loss and reported loss for the year.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 11 to 15 form part of these financial statements.

**Patrimoine Partners LLP****Balance sheet at 31 March 2014**

Registered number: OC326919		2014	2014	2013	2013
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	5		-		712
<b>Current assets</b>					
Debtors	6	200,828		199,027	
Cash at bank and in hand		3,679		25,893	
		<u>204,507</u>		<u>224,920</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>13,405</u>		<u>23,901</u>	
<b>Net current assets</b>			191,102		201,019
<b>Net assets attributable to Members</b>			<u>191,102</u>		<u>201,731</u>
<b>Represented by:</b>					
<b>Loans and other debts due to Members within one year</b>					
Other amounts	8		-		-
<b>Equity</b>					
Members' capital	8	207,402		207,402	
Other reserves	8	(16,300)		(5,671)	
		<u>191,102</u>		<u>201,731</u>	
<b>Total Members' interests</b>					
Amounts due from Members			(186,117)		(184,994)
Loans and other debts due to Members			-		-
Members' other interests			<u>191,102</u>		<u>201,731</u>
	8		<u>4,985</u>		<u>16,737</u>

The financial statements were approved by the Members and authorised for issue on 23 July 2014.

  
M D Digger

**Designated member**

The notes on pages 11 to 15 form part of these financial statements.

**Patrimoine Partners LLP****Cash flow statement for the year ended 31 March 2014**

	Note	2014 £	2014 £	2013 £	2013 £
<b>Net cash flow from operating activities</b>	12		(26,762)		11,705
<b>Returns on investing and servicing activities</b>					
Interest received			-		-
<b>Capital expenditure and financial investments</b>					
Purchase of tangible fixed assets			-		-
Sale of investments			-		-
<b>Transactions with members and former members</b>					
Payments to members		-		-	
Loan from member		4,548		5,445	
			4,548		5,445
<b>(Decrease)/increase in cash in the year</b>			<b>(22,214)</b>		<b>17,150</b>

The notes on pages 11 to 15 form part of these financial statements.

## **Patrimoine Partners LLP**

### **Notes forming part of the financial statements for the year ended 31 March 2014**

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#### **1 Accounting policies**

##### *Accounting convention*

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships (March 2006)".

##### *Turnover*

Turnover, representing fees for corporate finance and advisory services, is recognised in the profit and loss account when the related services are performed and is stated exclusive of value added tax.

##### *Depreciation*

Depreciation is provided on all tangible fixed assets so as to write them off over their expected useful lives at the following annual rates on a straight-line basis:

Fixtures, fittings and equipment – 33.33% per annum

##### *Taxation*

The taxation payable on the LLP's profits (Profit for the financial period before Members' remuneration and profit shares) is a personal liability of the Members.

##### *Foreign currency*

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to the profit and loss account.

##### *Operating leases*

Annual rentals applicable to operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

#### **2 Turnover**

Turnover is wholly attributable to the principal activities undertaken by the LLP during the year and arose principally within the United Kingdom.

## Patrimoine Partners LLP

### Notes forming part of the financial statements for the year ended 31 March 2014 *(continued)*

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#### 3 Employees

There were no employees in either the current or previous year.

All profits and losses are allocated to Members in accordance with the provisions detailed in the LLP Agreement.

The average number of Members during the year was 3, of which 2 were Designated Members.

#### 4 Operating loss

	2014 £	2013 £
This has been arrived at after charging:		
Auditors' remuneration - audit services	8,000	8,000
Auditors' remuneration – other services	-	1,200
Depreciation	712	2,181
Hire of other assets – operating leases	-	-
Exchange differences	1,779	1,680
	<u>          </u>	<u>          </u>

**Patrimoine Partners LLP**

Notes forming part of the financial statements for the year ended 31 March 2014 (*continued*)

**5 Tangible fixed assets**

	<b>Fixtures, fittings and equipment £</b>
<i>Cost</i>	
At 1 April 2013	46,593
Additions in the year	-
	<hr/>
At 31 March 2014	<b>46,593</b>
	<hr/>
<i>Depreciation</i>	
At 1 April 2013	45,881
Charge for the year	712
	<hr/>
At 31 March 2014	<b>46,593</b>
	<hr/>
<i>Net book value</i>	
At 31 March 2014	-
	<hr/> <hr/>
At 31 March 2013	712
	<hr/> <hr/>

**6 Debtors**

	<b>2014 £</b>	<b>2013 £</b>
Amounts due from members	<b>186,117</b>	184,994
Trade debtors	<b>13,140</b>	2,526
Prepayments and accrued income	-	9,553
Other debtors	<b>1,571</b>	1,954
	<hr/>	<hr/>
	<b>200,828</b>	199,027
	<hr/> <hr/>	<hr/> <hr/>

All amounts shown under debtors fall due for payment within one year.

**7 Creditors: amounts falling due within one year**

	2014 £	2013 £
Trade creditors	4,294	12,444
Accruals and deferred income	9,111	11,457
	<u>13,405</u>	<u>23,901</u>

**8 Members' interests**

	<u>Equity</u>		<u>Non Equity</u>	
	Members' capital £	Other reserves £	Loans and other debts due to/(from) Members £	Total Members' interests £
At 1 April 2013	207,402	(5,671)	(184,994)	16,737
Loss for the financial year available for discretionary division among Members	-	(16,300)	-	(16,300)
Members' interests after profit for the year	<u>207,402</u>	<u>(21,971)</u>	<u>(184,994)</u>	<u>437</u>
Other divisions of profits	-	5,671	(5,671)	-
Distributions to members: Current year drawings	-	-	-	-
Loan to members	-	-	4,548	4,548
Reduction in Members' capital	-	-	-	-
At 31 March 2014	<u>207,402</u>	<u>(16,300)</u>	<u>(186,117)</u>	<u>4,985</u>
Amounts due to members	207,402	-	-	207,402
Amounts due from members	-	(16,300)	(186,117)	(202,417)
Any loans and other debts due to Members outstanding at the year end rank alongside other creditors in the event of a winding up.				



## Patrimoine Partners LLP

### Notes forming part of the financial statements for the year ended 31 March 2014 (*Continued*)

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#### 9 Commitments under operating leases

The LLP had no annual commitments under non-cancellable operating leases in either 2014 or 2013.

#### 10 Related party disclosures

During the year the LLP entered into the following arrangements:

- a) During the year an amount of £62,453 (2013: £53,648) was paid to Patrimoine Limited in respect of professional services and use of office space. Patrimoine Limited is a member of Patrimoine Partners LLP.
- b) In respect of related party funding, at 31 March 2014 loan balances were owed to Patrimoine International Limited amounting to £111 (2013: £111). This amount is included in other debtors, is unsecured and interest free. Patrimoine International Limited owns the entire share capital of Patrimoine Limited, a member of the LLP.

#### 11 Ultimate controlling party

There is no one individual or corporate member with a controlling voting interest in the LLP.

#### 12 Reconciliation of operating profit to net cash inflow from operating activities

	2014 £	2013 £
Operating loss	(16,300)	(5,671)
Depreciation	712	2,181
(Increase)/decrease in debtors	(678)	18,486
Decrease in creditors	(10,496)	(3,291)
	<hr/>	<hr/>
Net cash (outflow)/inflow from operating activities	(26,762)	11,705
	<hr/>	<hr/>