

Thames River Multi-Capital LLP
Members' Report and Financial Statements
For the Year ended 31 March 2009
Registered Number OC328350



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Members' Report

The members (the "Members") of Thames River Multi-Capital LLP (the "LLP") present their report and the audited financial statements for the year ended 31 March 2009.

Principal Activity

The principal activity of the LLP is investment management. The LLP also acts as the Authorised Corporate Director to Thames River Multi-Capital ICVC. The LLP is authorised and regulated by the Financial Services Authority (FSA).

Business Review

The results available for distribution to Members for the period ended 31 March 2009 are set out in the profit and loss account on page 6. The LLP has weathered the storm of the credit crunch and subsequent global recession remarkably well. The LLP's funds have achieved first or second quartile performance amongst their peer group and flows into the funds managed by the LLP have improved consistently throughout the year. Funds under management reached £76.2 million as at the end of the year (2008: £19.9 million)

Designated Members

The following were Designated Members during the period under review:

Robert Burdett
Jeremy Charles
Loudon Greenlees
Toby Hampden-Acton
Charles Porter
Gary Potter
Michael Warren

Members' Drawings and Capital

The profits and losses of the LLP in respect of each calendar quarter are allocated in accordance with the LLP agreement and any distributions are only made after taking into account the LLP's working capital and regulatory capital requirements. Each Member has contributed capital in accordance with the LLP Deed. Capital is repayable to Members in accordance with the LLP Deed. The repayment of capital is subject to the LLP maintaining adequate financial resources for FSA purposes.

Auditors

The Members have resolved to appoint Moore Stephens LLP as auditors, and have authorised the Designated Members to fix their remuneration.

On behalf of the Members



J. D. Charles
Designated Member

OC 328350

51 Berkeley Square, London, W1J 5BB
21 July 2009

Statement of Designated Members' Responsibilities

Legislation applicable to limited liability partnerships requires the Designated Members to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the LLP and of the profit or loss for that period. In preparing those 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;
- state whether applicable 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 are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Companies Act 1985 as modified by the Limited Liability Partnerships Regulations 2001. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

Moore Stephens LLP
St Paul's House,
Warwick Lane
London EC4M 7BP

Independent Auditors' Report to the Members of Thames River Multi-Capital LLP

We have audited the financial statements of Thames River Multi-Capital LLP for year ended 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the LLP's Members as a body. 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's and its 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 Designated Members' Responsibilities the Designated Members are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 and are properly prepared in accordance with the Companies Act 1985 (as modified by the Limited Liability Partnership Regulations 2001). We also report to you if, in our opinion, the Members' Report is not consistent with the financial statements, if the LLP has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Members' remuneration and transactions with the LLP is not disclosed.

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 limited liability 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.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the LLP's affairs as at 31 March 2009 and of its results for the year ended 31 March 2009; and
- have been properly prepared in accordance with the Companies Act 1985 (as modified by the Limited Liability Partnership Regulations 2001).


Chartered Accountants
Registered Auditors

23 July 2009

Profit and Loss Account
For the year ended 31 March 2009

		Year ended 31 March 2009	Period 16 May 2007 to 31 March 2008
	<i>Note</i>	£000's	£000's
Turnover	2	887	147
Cost of sales		(425)	(64)
Gross Profit		462	83
Administrative expenses		(1,090)	(1,830)
Operating loss	3	(628)	(1,747)
Interest receivable	4	61	40
Loss for the financial period before Members' remuneration and profit shares		(567)	(1,707)
Members' profit shares charged as an expense	10	(154)	(97)
Loss for the financial period available for distribution among Members		(721)	(1,804)
Retained loss brought forward		(1,804)	-
Retained loss carried forward		(2,525)	(1,804)

There were no recognised gains or losses in the period under review other than as shown in the profit and loss account.

All amounts are derived from continuing activities.

The notes on pages 9 to 13 form part of these financial statements.

Balance Sheet
At 31 March 2009

	Note	31 March 2009		31 March 2008	
		£000's	£000's	£000's	£000's
Current Assets					
Investments	7	6		7	
Debtors	8	3,570		949	
Cash at bank and in hand		1,692		2,110	
		5,268		3,066	
Creditors					
Amounts falling due within one year	9	(4,710)		(2,037)	
Net Current Assets			558		1,029
Total Assets less Current Liabilities			558		1,029
Represented by:					
Amounts due to Members - within one year					
Members' Capital classified as a liability under FRS 25	10		23		33
Equity					
Members' Capital classified as equity under FRS 25	10	3,060		2,800	
Other reserves	10	(2,525)		(1,804)	
			535		996
Total Members' Interests			558		1,029

The notes on pages 9 to 13 form part of these financial statements.

These financial statements were approved by the Members on 21 July 2009 and were signed on their behalf by:



J. D. Charles
Designated Member



L. I. Greenlees
Designated Member

Cash Flow Statement
For the year ended 31 March 2009

		Year ended 31 March 2009 £000's	Period 16 May 2007 to 31 March 2008 £000's
	<i>Note</i>		
Net cash inflow from operating activities	11	(575)	(666)
Return on investment and servicing of finance:			
Interest income		61	40
Cash inflow before transactions with Members		(514)	(626)
Transactions with Members			
Capital contributions received		250	2,833
Distributions paid to Members		(154)	(97)
		96	2,736
(Decrease)/increase in cash in the period	12	(418)	2,110

The notes on pages 9 to 13 form part of these financial statements.

Notes to the Financial Statements

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the LLP's financial statements.

Basis of preparation

The LLP's financial statements have been prepared in accordance with applicable accounting standards, and in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in March 2006.

Cash flow statement

The cash flow statement has been prepared in accordance with Financial Reporting Standard 1 (Revised).

Taxation

No provision has been made for taxation in the accounts. Each Member is exclusively liable for any tax liabilities arising on their interest in the LLP, which will be assessed on the individual Members and not on the LLP.

Turnover

Turnover comprises net fees received in respect of sales of shares in Thames River Multi-Capital ICVC together with gross management fees earned on funds under management during the year ended 31 March 2009.

Income and expenses

Income and expenses are shown on an accruals basis.

Current asset investments

The LLP has created shares in Thames River Multi-Capital Funds ICVC that are shown at cost.

2. Turnover

The gross value of sales of shares in sub-funds of the Thames River Multi-Capital Funds ICVC, as well as fees for investment management services earned were as follows.

	Year ended	Period 16 May
	31 March 2009	2007
	£000's	to 31 March
		2008
		£000's
Gross sales of ICVC shares	59,656	23,800
Less: Cost of Sales of ICVC shares	(59,579)	(23,756)
Management Fees	780	103
Foreign exchange gains on fees	30	-
	887	147

Notes to the Financial Statements (continued)

3. Operating Loss

	Year ended 31 March 2009 £000's	Period 16 May 2007 to 31 March 2008 £000's
<i>Operating loss is stated after charging:</i>		
Auditors' remuneration:		
Audit	9	13
Taxation services	4	4
Gain on foreign exchange	30	-

4. Interest Receivable

	Year ended 31 March 2009 £000's	Period 16 May 2007 to 31 March 2008 £000's
Bank interest receivable	61	40

5. Remuneration of Members

All profits and losses are divided amongst the Members in accordance with the LLP Deed. The average number of Members during the year was 8 (2008: 7).

6. Staff numbers and costs

The average number of people employed by the LLP, excluding Members, in the year was 3 (2008:3), all of whom were investment professionals.

	Year ended 31 March 2009 £000's	Period 16 May 2007 to 31 March 2008 £000's
Salaries and wages	156	83
Social security costs	18	10
Other staff costs	6	30
Incentive compensation	113	-
	293	123

Notes to the Financial Statements (continued)

7. Current Asset Investments

	31 March 2009 £000's	31 March 2008 £000's
Manager's holding in Thames River Multi-Capital ICVC	6	7
	6	7

8. Debtors

	31 March 2009 £000's	31 March 2008 £000's
Trade debtors	3,188	778
Amounts owed by group undertakings	46	-
Other debtors	333	171
Prepayments	3	-
	3,570	949

9. Creditors

Amounts falling due within one year

	31 March 2009 £000's	31 March 2008 £000's
Trade creditors	3,849	1,243
Accruals & other creditors	57	30
Amounts owing to group undertakings	656	708
Amounts owing to related undertakings	148	56
	4,710	2,037

Notes to the Financial Statements (continued)

10. Members' Interests

Members' capital is classified as equity where the LLP has an unconditional right to refuse repayment of capital. Amounts due to Members would rank equally with other unsecured creditors in the event of a winding up of the LLP.

	Members' Capital (classified as equity) £000's	Members' Capital (classified as liabilities) £000's	Other reserves £000's	Total £000's	Amounts due to Members £000's	Total £000's
Members' interests at 1 April 2008	2,800	33	(1,804)	1006	-	1,029
Introduced by Members	250	-	-	250	-	250
Transfers by Members	10	(10)	-	-	-	-
Members' profit shares charged as an expense	-	-	-	-	154	154
Loss for the financial period available for distribution amongst Members	-	-	(721)	(721)	-	(721)
Drawings	-	-	-	-	(154)	(154)
Members' interests at 31 March 2009	3,060	23	(2,525)	535	-	558

11. Reconciliation of operating loss to net cash flow from operating activities

	Year ended 31 March 2009 £000's	Period 16 May 2007 to 31 March 2008 £000's
Operating loss	(628)	(1,747)
Decrease/(Increase) in current asset investments	1	(7)
Increase in debtors	(2,621)	(949)
Increase in creditors	2,673	2,037
Net cash outflow from operating activities	(575)	(666)

Notes to the Financial Statements (continued)

12. Reconciliation of net cash flow to movement in net funds

	Year ended 31 March 2009 £000's	Period 16 May 2007 to 31 March 2008 £000's
(Decrease)/increase in cash during the period	<u>(418)</u>	<u>2,110</u>
Change in net funds	(418)	2,110
Net funds at beginning of year	<u>2,110</u>	<u>-</u>
Net funds at end of year	<u><u>1,692</u></u>	<u><u>2,110</u></u>

13. Commitments

There are no contracted capital commitments at the end of the period for which no provision has been made.

14. Related party transactions

Thames River Capital (UK) Limited's principal activities are that of acting as a Member of and providing services to the LLP and other LLPs. During the period ended 31 March 2009, Thames River Capital (UK) Limited has charged £0.7m (2008: £1.4m) to the LLP for the recovery of the cost of these services. At 31 March 2009, £654,678 was payable (2008: £707,704) to Thames River Capital (UK) Limited. At 31 March 2009, £56,044 was payable (2008: £56,044) to Thames River Capital LLP a party related by common membership. At 31 March 2009, £93,281 (2008: £nil) was payable to Thames River Capital Holdings Ltd, the parent company of Thames River Capital (UK) Limited.

Thames River Capital (UK) Limited has contributed £3.06m (2008: £2.8m) representing all of the Members' capital classed as equity.

15. Ultimate controlling party

The LLP is a subsidiary undertaking of Thames River Capital (UK) Limited which is in turn wholly owned by Thames River Capital Holdings Limited. The largest and smallest group in which the results of the LLP are consolidated is that headed by Red River Capital Holdings Limited, a company incorporated in England and Wales. The consolidated financial statements of this group are available from its Secretary at its registered office at 124 Sloane Street, London, SW1X 9BW, England. In the opinion of the Designated Members, the ultimate controlling party of the LLP is Sir John Beckwith, director and majority shareholder of Red River Capital Holdings Limited.

Capital Requirements Directive

Thames River Multi Capital LLP

Pillar 3 Disclosures

Introduction

Thames River Multi Capital LLP ("TRMC LLP") is authorised to conduct investment business under Part IV of the Financial Services and Markets Act 2000 ("FSMA"). Thames River Capital (UK) Limited ("TRCUK") is the corporate member of TRMC LLP. TRMC LLP is owned by its members. TRCUK is a wholly owned subsidiary of Thames River Capital Holdings Limited ("TRCH"), which is owned by Red River Capital Limited (formerly River and Mercantile Funds Limited) and Thames River management.

The 2006 Capital Requirements Directive ("the Directive") of the European Union created a revised regulatory capital framework across Europe based on the provisions of the Basel 2 Capital Accord.

This was implemented in the United Kingdom through changes to the Financial Services Authority ("FSA") Handbook of Rules and Guidance, and specifically through the creation of the General Prudential Sourcebook ("GENPRU") and the Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU").

The new framework consists of three 'pillars':

Pillar 1 sets out the minimum capital requirements that we are required to meet for credit, market and operational risk;

Pillar 2 requires us, and the FSA, to take a view on whether additional capital should be held against capital risks not covered by Pillar 1; and

Pillar 3 requires us to publish certain details of our risks, capital and risk management process:

BIPRU 11.5 (technical criteria on disclosure: general requirements) and 11.6 (qualifying requirements for the use of particular instruments or methodologies) require that a Firm subject to the provisions of the Directive must disclose, as appropriate, the relevant information required under Pillar 3. This must be done in accordance with a formal disclosure policy which sets out our policies for assessing the appropriateness of our disclosures, including their verification and frequency.

TRMC LLP's Pillar 3 disclosures will be published annually. TRMC LLP has concluded that more frequent disclosure (under BIPRU 11.4.4) is unnecessary, because TRMC LLP's business model and the services that it offers are unlikely to change materially during any one year. This conclusion will be reassessed annually prior to the annual disclosure and consideration will be given to the need to disclose some or all of the disclosure requirements on a more frequent basis. The disclosures are as at the Accounting Reference Date ("ARD") ie 31 March 2009

The disclosures will only be externally audited if they are required to be under accounting requirements. The Pillar 3 disclosures have been prepared purely for explaining the basis on which TRMC LLP has prepared, calculated and

disclosed certain capital requirements and information about management of certain risks and for no other purposes. They do not constitute any form of financial statement.

The rules provide that we may omit one or more of the required disclosures if we believe that the information is immaterial. Materiality is based on the criteria that the omission or misstatement of material information would be likely to change or influence the assessment or decision of a user relying on that information for the purposes of making economic decisions. Where we have considered a disclosure to be immaterial, we have stated this in the relevant section.

We are also permitted to omit one or more of the required disclosures where we believe that the information is regarded as proprietary or confidential. Proprietary information is that which, if it were shared, would undermine our competitive position. Information is considered to be confidential where there are obligations binding us to confidentiality with our customers and counterparties. Where we have omitted information for either of these two reasons we have stated this in the relevant section and the reasons for this. Where appropriate, we have published more general information on the subject matter of the required disclosure.

Capital Requirements Directive Pillar 3 Disclosure:

In this document we disclose information in accordance with the following BIPRU11.5 rules unless it has been determined as immaterial or of a proprietary or confidential nature:

BIPRU 11.5.1R Risk management objectives and policies;

BIPRU 11.5.2R The scope of application of directive requirements;

BIPRU 11.5.3R Capital Resources;

BIPRU 11.5.4R (subsections 1, 2, 4(a) (iv) and (vi) and 4(b)(ii)) compliance with the rules in BIPRU and on Pillar 2 requirements; and BIPRU 11.5.12R (subsections 1(d) and (f) and 2(b)) on market risk.

Scope and application of Directive requirement

The disclosures in this document are made in respect of TRMC LLP which is a regulated investment manager.

TRMC LLP is a limited liability partnership and owned by its members. TRCUK is the Corporate Member. The other members comprise senior management and key investment members.

TRCUK was founded in 1998 by a group of senior industry executives to capitalise on opportunities presented for managers and professional investors by moving away from the perceived constraints of large companies. Within the Thames River Group it

was decided to create a new entity, TRMC LLP, which commenced operations on 16 May 2007 as adviser to a new range of multi-manager funds. TRCUK as corporate member to TRMC LLP provides the necessary support, administration and sales-marketing platform for the distribution of the funds.

TRMC LLP is incorporated in the UK and subject to authorisation and regulation by the Financial Services Authority as investment manager. The nature of activities performed by TRMC LLP leads to its categorisation as a BIPRU "limited licence" Firm. TRMC LLP is categorised as a "BIPRU 125K" Firm. All disclosures are on an unconsolidated basis.

Risk management objectives and policies

Organisational structure

An enterprise-wide Risk Management Framework has been implemented at TRMC LLP to manage risk across all levels including an entity, business, department, function, and activity level. The Management Committee of TRMC LLP, supplemented by the Compliance, Risk and Audit Committee are responsible for overseeing Management's design and operation of the risk framework.

Management's responsibilities include:

- The design and operation of the risk management framework;
- Establishing the risk appetite of the Firm;
- Promoting the desired risk culture, and sets risk in the context of business strategy.

The Chief Compliance and Risk Officer (who is also an Executive Director of the Corporate Member) works with all levels of management in establishing and maintaining effective risk management in their areas of responsibility. His responsibilities also include monitoring progress of the risk management framework and assisting all levels of management in reporting relevant risk up, down, and across the Firm. With respect to Compliance matters, the Chief Compliance and Risk Officer's responsibilities include:

- Providing advice on the regulatory implications of new regulations and changes to the business profile;
- Undertaking periodic compliance monitoring on the basis of a risk-based compliance monitoring programme;
- Making and effecting recommendations for improvements regarding the manner in which compliance is achieved;
- Preparing written quarterly reports on compliance matters for the Governing Body; and
- Ensuring that regulatory compliance risk is taken into account in the Firm's day-to-day operations. The Chief Compliance and Risk Officer is responsible for preparing a written report directly to the Governing Body on a quarterly basis or more frequently depending on changes in regulation, business, or risk matters. The report covers the adequacy and effectiveness of risk management and compliance measures and procedures put in place to minimise the risk of failure of the Firm, including those who are employed by the Firm, to comply with its regulatory requirements.

Reporting into the Chief Compliance and Risk Officer is the independent Compliance and Risk Team, which supports him in carrying out all the above mentioned duties.

A Compliance, Risk and Audit Committee has been appointed to assist in the management of risk in the business. The Committee is chaired by the non-executive director of the corporate member and includes the CEO, the Chief Operating Officer, the Chief Compliance and Risk Officer and the Commercial Director in respect of financial matters. It meets quarterly and has a standard list of agenda items. These include a review of the enterprise risk management framework, performance, market abuse issues, AML, operational errors and complaints.

The Internal Audit function provides an independent opinion on the effectiveness of risk management, systems, and controls. The Internal Auditor contributes to the ongoing effectiveness of the risk management framework, by his participation in separate evaluations. The Internal Auditor reports into the Chief Compliance and Risk Officer with a dotted line report into the Chief Executive, and is accountable to the Compliance, Risk and Audit Committee.

Risk Management Policy

Our risk management policy reflects the FSA requirement that we must manage a number of different categories of risk. These include credit, market, operational, business, insurance, liquidity and group risk. In respect of this disclosure it is the first four of these risks that are relevant.

Insurance, liquidity and group risk

In practice, TRMC LLP has insurance risk in respect of the creditworthiness of its D&O and E&O insurer. TRMC LLP has no group risk and no liquidity risk.

Credit risk

TRMC LLP does not provide credit facilities to clients; therefore, it is not exposed to credit risk.

Counterparty risk

For TRMC LLP clients, provisions for the non-payment of fees etc are governed by TRMC LLP's agreements with these clients, the terms of which are subject to confidentiality clauses. With regard to bank deposits, TRMC LLP only deposits money with approved banks on agreed terms.

At the date of disclosure TRMC LLP had approximately £379k outstanding from counterparties and £1m of cash held and accordingly maintained £47k of capital against counterparty risk.

Pillar 2 risk

TRMC LLP uses a scenario based business forecasting tool to internally assess its capital adequacy. Various scenarios are input into the tool and the results are used to identify future capital requirements.

During the ICAAP process we identified two key operational risks with potential Pillar II implications:

Dealing errors

As a fund management business that places investments on market in an agency capacity the risk of dealing errors has a potentially significant impact on the Firm. The risk is enhanced by some of the types of products traded (derivatives, FX), increasing numbers of investment mandates, potential market abuse issues and treating customer fairly. We believe there is a high probability of dealing errors with a low financial impact.

There are several controls in place to ensure the Firm is not exposed to financial liability due to these risks including:

- Daily review of investment restrictions
- Daily control checks between front and back office systems (pricing)
- Daily cash reconciliations
- Separation of trading and responsibility for matching trades
- Straight through processing where possible
- Ethical, compliant culture with experienced staff

We have made an additional capital provision of £150,000 under Pillar II which represents the insurance excess of TRMC LLP.

Fraud

As a financial services firm, money laundering obligations must be considered.

The firm has the following controls in place to mitigate these risks

- Professional Indemnity insurance to £20m subject to an excess of £150,000;
- Separation of trading and matching of trades;
- Daily cash reconciliations; although no Firm holds client cash; weekly positions reconciliation
- Experienced staff;
- Independent monitoring via the Compliance & Risk

The controls to mitigate these risks mean there is a low probability of fraud or theft going unnoticed, we have made an additional capital provision of £150,000 under Pillar II which represents the insurance excess of TRMC LLP.

Capital Resources

Our capital resources comprise of core Tier 1 capital. The constituents of Tier 1 capital of the Firm at the ARC are:

	£000's
Members' capital	3,050
Interim net losses	(721)
Profit and loss account	(1,804)
	<u>525</u>

In accordance with GENPRU 2.1.45R (calculation of variable capital requirement for a BIPRU Firm), our capital requirement has been determined as being our fixed overhead requirement and not the sum of our credit risk capital requirement plus our market risk capital requirement.

Compliance with rules in BIPRU and Pillar 2 rule requirements

Our overall approach to assessing the adequacy of our internal capital is set out in our Internal Capital Adequacy Assessment Process (ICAAP).

The ICAAP process involves separate consideration of risks to our capital combined with stress testing using scenario analysis. The level of capital required to cover risks is a function of impact and probability. We assess impact by modelling the changes in our income and expenses caused by various potential risks over a 1 year time horizon. Probability is assessed subjectively.

In addition, we have reviewed the output of our Executive Risk Reviews which includes a quantification of the risks identified in the completion of our risk register. This identified a number of key business risks which we have classified against the risk categories contained in GENPRU 1.2.30R and reviewed the guidance in BIPRU 2.2.61-65.

Our Pillar 2 capital requirement, which is our own assessment of the minimum amount of capital that we believe is adequate against the risks identified, has been assessed as being more than our Pillar 1 capital requirement. Therefore, our Pillar 2 requirement is the minimum regulatory capital requirement that we hold.

Finance

TRMC LLP has adequate capital for its current size and the complexity of its business. The current total capital of £0.53 million is compared to the ICAAP capital requirements of £0.36 million.

The financial position of the Firm remains strong. It is the intention of the senior management not to materially alter the strategy of the Firm. Organic growth will come from launching new funds from existing teams within TRMC LLP. Thames River Capital is expected to be profitable.