

**Island Research LLP**  
Report And Financial Statements  
*31 December 2009*

Rees Pollock  
Chartered Accountants

SATURDAY



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**OFFICERS AND PROFESSIONAL ADVISORS**

<b>Designated Members</b>	G Edwards R Harlow
<b>Members</b>	B Leadsom Gloucester Research Limited P Adams C Goddard R Yeh C Pratten A Walker C Bergemann B Handley Coral Land Limited
<b>LLP registered number</b>	OC343223
<b>Registered office</b>	5th Floor Whittington House 19-30 Alfred Place Bloomsbury London WC1E 7EA
<b>Auditors</b>	Rees Pollock 35 New Bridge Street London EC4V 6BW
<b>Bankers</b>	National Westminster PO BOX 1357 169 Victoria Street London SW1E 5BT

## **MEMBERS' REPORT**

For the period ended 31 December 2009

The members present their annual report together with the audited financial statements of Island Research LLP (the LLP) for the period ended 31 December 2009

### **Principal activities**

The LLP was incorporated on 10 February 2009 and commenced trading on 6 April 2009

The principal activity of the LLP is to provide research and I T support

### **Designated Members**

G Edwards and R Harlow were designated members of the LLP throughout the period

### **Members' capital and interests**

Each member's subscription to the capital of the LLP is determined by their share of the profit and is repayable following retirement from the LLP

Details of changes in members' capital in the period ended 31 December 2009 are set out in the financial statements

Members are remunerated from the profits of the LLP and are required to make their own provision for pensions and other benefits. Profits are allocated and divided between members after finalisation of the financial statements. Members draw a proportion of their profit shares monthly during the year in which it is made, with the balance of profits being distributed after the year, as determined by the Management Committee of the LLP

### **Statement of Members' responsibilities**

The members are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law, as applied to LLPs, requires 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 company law, as applied to LLPs, 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 profit or loss 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 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 LLP will continue in business

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the entity's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006. 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

MEMBERS' REPORT (continued)  
For the period ended 31 December 2009

**Auditors**

The auditors Rees Pollock, have indicated their willingness to continue in office

This report was approved by the members on 12 August 2010 and signed on their behalf, by

A handwritten signature in black ink, appearing to be 'G Edwards', written over a horizontal line.

G Edwards



## REES POLLOCK

*Chartered Accountants*

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London EC4V 6BW  
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Fax 020 7329 6408  
[www.reespollock.co.uk](http://www.reespollock.co.uk)

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ISLAND RESEARCH LLP

We have audited the financial statements of Island Research LLP for the period ended 31 December 2009, set out on pages 5 to 10. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the LLP's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of members and auditors**

The members' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of members' responsibilities.

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 have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, and give a true and fair view.

In addition we report to you if, in our opinion, the LLP has not kept adequate accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Members' report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements 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 judgments made by the members in the preparation of the financial statements and of whether the accounting policies are appropriate to the LLP'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

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the Companies Act 2006, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, and
- give a true and fair view of the state of the LLP's affairs as at 31 December 2009 and of its profit for the period then ended.

Jonathan Moulds (Senior statutory auditor)  
for and on behalf of

**Rees Pollock, Statutory Auditor**

Partners: Simon Rees FCA CTA, Johnny Moulds FCA, Catherine Kimberlin FCA, Jonathan Munday FCA CTA, Chris Dimmick FCA, Chris Barnett ACA CTA, Phil Vipond ACA. Rees Pollock Limited

8 September 2010

Registered to carry on audit work in the UK and Ireland and regulated for a range of investment business activities by The Institute of Chartered Accountants in England and Wales

VAT Registration No 524 9426 37

**PROFIT AND LOSS ACCOUNT**

For the period ended 31 December 2009

	<b>Note</b>	<b>2009 £</b>
<b>TURNOVER</b>	1,2	18,626 321
Administrative expenses		(6,229 146)
<b>PROFIT FOR THE FINANCIAL PERIOD BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES</b>		<b>12,397,175</b>
<b>PROFIT FOR THE FINANCIAL PERIOD BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES</b>		<b>12,397 175</b>
Members' remuneration charged as an expense		(769,296)
<b>PROFIT FOR THE FINANCIAL PERIOD AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>		<b>11 627,879</b>

All amounts relate to continuing operations

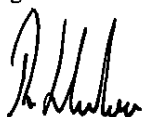
There were no recognised gains and losses for 2009 other than those included in the Profit and loss account

The notes on pages 8 to 10 form part of these financial statements

**BALANCE SHEET**  
As at 31 December 2009

	Note	£	2009 £
<b>CURRENT ASSETS</b>			
Debtors	6	14,760,444	
Cash at bank		56,355	
			<u>14,816,799</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u><u>14,816,799</u></u>
<b>REPRESENTED BY.</b>			
<b>Loans and other debts due to members within one year</b>			
Other amounts			14,666,799
<b>Equity</b>			
Members' other interests - Members' capital classified as equity under FRS 25			150,000
			<u>14,816,799</u>
<b>TOTAL MEMBERS' INTERESTS</b>			
Loans and other debts due to members			14,666,799
Members' other interests			150,000
	8		<u><u>14,816,799</u></u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 12 August 2010



R Harlow  
Designated member

The notes on pages 8 to 10 form part of these financial statements

**CASH FLOW STATEMENT**

For the period ended 31 December 2009

	<b>Note</b>	<b>2009 £</b>
Net cash flow from operating activities	9	3,829,880
Net cash flow from transactions with members and former members		(3,773,525)
<b>INCREASE IN CASH IN THE PERIOD</b>		<u><u>56,355</u></u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT**

For the period ended 31 December 2009

	<b>2009 £</b>
Increase in cash in the period	<u>56,355</u>
<b>MOVEMENT IN NET DEBT IN THE PERIOD</b>	<u>56,355</u>
<b>NET FUNDS AT 31 DECEMBER 2009</b>	<u><u>56,355</u></u>

The notes on pages 8 to 10 form part of these financial statements



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**NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 31 December 2009

**1 ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

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

**1.2 Turnover**

Turnover comprises revenue recognised by the LLP in respect of services supplied, exclusive of Value Added Tax

**1.3 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the Profit and loss account

**2 TURNOVER**

The whole of the turnover is attributable to the LLP's principal continuing activity

All turnover arose within the United Kingdom

**3 PROFIT**

The profit is stated after charging

	<b>2009</b>
	<b>£</b>
Difference on foreign exchange	26,723
	<u><u>          </u></u>

**4 STAFF COSTS**

The entity has no employees other than the members who did not receive any remuneration

**5 INFORMATION IN RELATION TO MEMBERS**

	<b>2009</b>
	<b>Number</b>
The average number of members during the year was	12
	<u><u>          </u></u>
	<b>£</b>
The amount of profit attributable to the member with the largest entitlement was	7,350,000
	<u><u>          </u></u>

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2009

## 6 DEBTORS

	2009 £
Amounts owed by associated undertakings	13 911 495
Other debtors	848,949
	<u>14,760,444</u>

## 7. LOANS AND OTHER DEBTS DUE TO MEMBERS

	2009 £
Amounts due to members	14,666,799

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up

## 8 RECONCILIATION OF MEMBERS' INTERESTS

	Members' capital (classified as equity) £	Other reserves £	Total members' other interests £	Loans and debts due to members less any amounts due from members in debtors £	Total £
Members' remuneration charged as an expense	-	-	-	769,296	769,296
Profit for the period available for discretionary division among members	-	11,627,879	11,627,879	-	11 627,879
Members' interests after profit for the period	-	11 627,879	11 627 879	769,296	12,397,175
Allocated profit for period	-	(11 627 879)	(11 627,879)	11 627,879	-
Net due to Corporate Member for expenses incurred	-	-	-	2 989,259	2 989,259
Amounts withdrawn by members	-	-	-	(719,635)	(719,635)
Capital amounts introduced by members	150 000	-	150,000	-	150 000
Members' interests at 31 December 2009	<u>150,000</u>	<u>-</u>	<u>150,000</u>	<u>14,666,799</u>	<u>14,816 799</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2009

	2009 £
Amounts due to members	14 666,799
Amounts due from members	-
Net amount due to members	<u>14,666,799</u>

## 9 NET CASH FLOW FROM OPERATING ACTIVITIES

	2009 £
Operating profit	12 397,175
Increase in debtors	(848,949)
Amounts payable to members included in operating profit	6,193,149
Increase in amounts owed by group undertakings	(13 911,495)
Net cash inflow from operating activities	<u>3 829,880</u>

	2009 £
<b>Transactions with members and former members</b>	
Payments to members	(719,635)
Contributions by members	150 000
Net transaction with members	<u>(3 203 890)</u>
Net cash outflow from transactions with members and former members	<u>(3 773 525)</u>

## 10 ANALYSIS OF CHANGES IN NET DEBT

	10 February 2009 £	Cash flow £	Other non-cash changes £	31 December 2009 £
Cash at bank and in hand	-	56,355	-	56,355
Net funds	<u>-</u>	<u>56,355</u>	<u>-</u>	<u>56,355</u>

## 11 RELATED PARTY TRANSACTIONS

During the year research fees of £18 104 501 were receivable from De Putron Fund Management (Guernsey) Limited, a related party by virtue of common influence. At the balance sheet date £13,611,066 was owed by De Putron Fund Management (Guernsey) Limited.

During the year fees of £521,820 were receivable from De Putron Fund Management Limited, a related party by virtue of common influence. At the balance sheet date £300 429 was owed by De Putron Fund Management Limited.