

**Limited Liability Partnership Registration No. OC348642 (England and Wales)**

**LTS CAPITAL LLP**

**MEMBERS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2015**



## **LTS CAPITAL LLP**

### **LIMITED LIABILITY PARTNERSHIP INFORMATION**

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<b>Designated members</b>	Mr A Nahum Mr S Dalah
<b>Limited liability partnership number</b>	OC348642
<b>Registered office</b>	1st Floor 314 Regents Park Road Finchley London N3 2LT
<b>Auditors</b>	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW

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# **LTS CAPITAL LLP**

## **CONTENTS**

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	<b>Page</b>
Members' report	1 - 4
Independent auditors' report	5 - 6
Profit and loss account	7
Balance sheet	8 - 9
Cash flow statement	10
Notes to the cash flow statement	11
Notes to the financial statements	12 - 17

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## **LTS CAPITAL LLP**

### **MEMBERS' REPORT**

#### **FOR THE YEAR ENDED 31 MARCH 2015**

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The members present their report and financial statements for the year ended 31 March 2015.

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

The principal activity of the LLP in the period under review was that of the provision of investment management services.

The results for the year and the financial position at the year end were considered satisfactory by the members who expect continued growth in the foreseeable future.

#### **Designated Members**

The following designated members have held office since 1 April 2014:

Mr A Nahum

Danara Investments Limited

(Resigned 31 March 2015)

Mr S Dalah

#### **Policy on members' drawings**

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

A member's capital requirement is linked to their share of profit and the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so the retiring members are repaid their capital at "par".

## **LTS CAPITAL LLP**

### **MEMBERS' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2015**

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##### **Statement of members' responsibilities**

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

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) 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 by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) 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 year. 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;
- 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 and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and to enable them to ensure that the financial statements comply with 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 limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **LTS CAPITAL LLP**

### **MEMBERS' REPORT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 MARCH 2015**

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##### **Pillar 3 Disclosure**

The European Union Capital Requirements Directive (CRD) seeks to create a direct correlation between a firm's capital requirement and the risks it faces through its operational activities, by way of an approach in three stages which have become known as the three pillars.

Pillar 1 (minimum capital requirement) sets minimum capital requirements for firms in respect of credit, market and operational risk.

Pillar 2 (supervisory review) places an obligation on firms to hold internal capital that is consistent with their risk profile and strategy, and establishes a joint supervisory process to enable the regulator to review firms' capital adequacy assessments.

Pillar 3 (market discipline) requires firms to make specific disclosures with the aim of strengthening the market's role in judging individual firms' capital adequacy.

The disclosures we are required to make under Pillar 3 are set out below.

##### **Risk Management**

The members are responsible for:

- o determining the firm's strategy;
- o identifying the risks relating to the firm's activities, processes and systems;
- o setting the levels of tolerable risk;
- o establishing policies and procedures for assessing and managing risk.

The principal risks identified by the members are:

- o Operational risk, which is the risk of loss resulting from inadequate or failed internal processes, or from external events;
- o Business risk, which covers losses arising from events such as loss of key customers, departure of key personnel, reputational damage or economic downturn.

The members have adopted risk management policies and procedures which are proportionate to the nature, scale and complexity of the firm's business. The identification and mitigation of operational and business risks are part of the day to day responsibilities of the firm's management, and these risks are also reviewed at formal meetings of the members.

## LTS CAPITAL LLP

### MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2015

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#### Capital resources and requirements

The firm is a BIPRU firm, and its minimum or Pillar 1 capital requirement is therefore the highest of:

- o Fixed overheads requirement;
- o Credit risk requirement plus market risk requirement;
- o Base requirement, namely €50,000.

The members conduct an individual capital adequacy assessment process (ICAAP), at least annually, in order to estimate the amount of capital the firm should hold in line with its risk profile and strategy. As at 31 March 2015 the total capital requirement indicated by the ICAAP was less than the Pillar 1 requirement, and the latter is therefore the firm's overall regulatory capital requirement.

The firm's capital resources comprise the partners' capital and reserves, without deduction. All such capital qualifies as Tier 1 capital as defined in BIPRU.

As at 31 March 2015 the firm's regulatory capital position was as follows:

	£000
Capital resources	£560
Capital resources requirement	<u>£48</u>
Surplus	£512

#### Auditors

In accordance with the limited liability partnerships's articles, a resolution proposing that UHY Hacker Young be reappointed as auditors of the limited liability partnership will be put at a General Meeting.

On behalf of the members

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Mr A Nahum

**Designated Member**

.....*24 December 2015*.....

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**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF LTS CAPITAL LLP**

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We have audited the financial statements of LTS Capital LLP for the year ended 31 March 2015 set out on pages 7 to 17. 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 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 limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the members and auditors**

As explained more fully in the Members' Responsibilities Statement set out on pages 1 - 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**

A description of the scope of an audit of financial statements is provided on the APB's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**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 2015 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.



**INDEPENDENT AUDITORS' REPORT (CONTINUED)**  
**TO THE MEMBERS OF LTS CAPITAL LLP**

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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 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

*UHY Hacker Young*

**Daniel Hutson (Senior Statutory Auditor)**  
**for and on behalf of UHY Hacker Young**

*24 December 2015*

**Chartered Accountants**  
**Statutory Auditor**

**LTS CAPITAL LLP****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 MARCH 2015**

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		<b>2015</b>	<b>2014</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>2</b>	819,721	421,727
Cost of sales		(132,613)	-
<b>Gross profit</b>		687,108	421,727
Administrative expenses		(197,330)	(183,521)
<b>Operating profit</b>	<b>3</b>	489,778	238,206
Other interest receivable and similar income	<b>4</b>	111	70
<b>Profit on ordinary activities before taxation</b>		489,889	238,276
Tax on profit on ordinary activities		-	-
<b>Profit for the financial year before members' remuneration and profit shares</b>		489,889	238,276

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

There are no recognised gains and losses other than those passing through the profit and loss account.

**LTS CAPITAL LLP****BALANCE SHEET****AS AT 31 MARCH 2015**

	Notes	2015 £	£	2014 £	£
<b>Fixed assets</b>					
Tangible assets	5		32,317		36,036
<b>Current assets</b>					
Debtors	6	216,509		114,519	
Cash at bank and in hand		555,366		355,672	
		<u>771,875</u>		<u>470,191</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(244,303)</u>		<u>(66,946)</u>	
<b>Net current assets</b>			<u>527,572</u>		<u>403,245</u>
<b>Total assets less current liabilities</b>			<u><u>559,889</u></u>		<u><u>439,281</u></u>
<b>REPRESENTED BY:</b>					
<b>Loans and other debts due to members within one year</b>					
Other amounts	8		-		131,005
			<u>-</u>		<u>131,005</u>
<b>Members' other interests:</b>					
Other reserves classified as equity under FRS 25	8	489,889		238,276	
Members capital	8	70,000		70,000	
		<u>559,889</u>		<u>439,281</u>	
<b>TOTAL MEMBERS' INTERESTS</b>					
Amounts due from members	6	(43,350)		-	
Loans and other debts due to members	8	-		131,005	
Members' other interests	8	559,889		308,276	
		<u>516,539</u>		<u>439,281</u>	

**LTS CAPITAL LLP**

**BALANCE SHEET (CONTINUED)**

**AS AT 31 MARCH 2015**

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Approved by the Members and authorised for issue on ... *24 December 2015*

*AN*  
.....

Mr A Nahum

**Designated Member**

**Limited Liability Partnership Registration No. OC348642**

**LTS CAPITAL LLP****CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 MARCH 2015**

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		<b>2015</b>		<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Net cash inflow from operating activities</b>		622,368		115,901
<b>Returns on investments and servicing of finance</b>				
Interest received	111		70	
	<hr/>		<hr/>	
<b>Net cash inflow for returns on investments and servicing of finance</b>		111		70
<b>Capital expenditure</b>				
Payments to acquire tangible assets	(10,154)		(40,452)	
	<hr/>		<hr/>	
<b>Net cash outflow for capital expenditure</b>		(10,154)		(40,452)
 Payments to members	 (412,631)		 (118,016)	
	<hr/>	 (412,631)	<hr/>	 (118,016)
<b>Net cash inflow before management of liquid resources and financing</b>		199,694		199,505
 <b>Decrease in debt</b>	 -		 -	
	<hr/>		<hr/>	
<b>Increase in cash in the year</b>		<u>199,694</u>		<u>199,505</u>

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**LTS CAPITAL LLP**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2015**

1	Reconciliation of operating profit to net cash outflow from operating activities	2015	2014		
		£	£		
	Operating profit	489,778	238,206		
	Depreciation of tangible assets	13,873	7,754		
	Increase in debtors	(58,640)	(104,264)		
	Increase in creditors within one year	177,357	(14,036)		
	Net cash inflow from operating activities	622,368	127,660		
2	Analysis of net funds	1 April 2014	Cash flow	Other non-cash changes	31 March 2015
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	355,672	199,694	-	555,366
	Net funds	355,672	199,694	-	555,366
3	Reconciliation of net cash flow to movement in net funds	2015	2014		
		£	£		
	Increase in cash in the year	199,694	199,505		
	Movement in net funds in the year	199,694	199,505		
	Opening net funds	355,672	107,073		
	Closing net funds	555,366	355,672		

# **LTS CAPITAL LLP**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP); "Accounting by Limited Liability Partnerships", revised in 2010 and the Companies Act 2006.

#### **1.2 Compliance with accounting standards**

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Limited Liability Partnership Statement of Recommended Practice, which have been applied consistently (except as otherwise stated).

#### **1.3 Turnover**

Turnover represents amounts receivable for fund management and consultancy services net of VAT.

#### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold Improvements	25% straight line
Computer equipment	25% straight line
Fixtures, fittings & equipment	25% straight line

#### **1.5 Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### **1.6 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### **2 Turnover**

The total turnover of the limited liability partnership for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

**LTS CAPITAL LLP**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2015**

3	<b>Operating profit</b>	<b>2015</b>	<b>2014</b>		
		<b>£</b>	<b>£</b>		
	Operating profit is stated after charging:				
	Depreciation of tangible assets	13,873	7,754		
	Operating lease rentals	47,566	57,360		
	Fees payable to the LLP's auditor for the audit of the LLP's annual accounts	6,250	4,500		
	and after crediting:				
	Profit on foreign exchange transactions	(35,482)	(3,022)		
		<u></u>	<u></u>		
4	<b>Investment income</b>	<b>2015</b>	<b>2014</b>		
		<b>£</b>	<b>£</b>		
	Other interest	111	70		
		<u></u>	<u></u>		
5	<b>Tangible fixed assets</b>				
		<b>Leasehold Improvements</b>	<b>Plant and machinery</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>Total</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Cost</b>				
	At 1 April 2014	10,352	27,407	8,288	46,047
	Additions	457	3,917	5,780	10,154
		<u></u>	<u></u>	<u></u>	<u></u>
	At 31 March 2015	10,809	31,324	14,068	56,201
		<u></u>	<u></u>	<u></u>	<u></u>
	<b>Depreciation</b>				
	At 1 April 2014	2,588	5,351	2,072	10,011
	Charge for the year	2,702	7,654	3,517	13,873
		<u></u>	<u></u>	<u></u>	<u></u>
	At 31 March 2015	5,290	13,005	5,589	23,884
		<u></u>	<u></u>	<u></u>	<u></u>
	<b>Net book value</b>				
	At 31 March 2015	5,519	18,319	8,479	32,317
		<u></u>	<u></u>	<u></u>	<u></u>
	At 31 March 2014	7,764	22,056	6,216	36,036
		<u></u>	<u></u>	<u></u>	<u></u>



**LTS CAPITAL LLP****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2015**

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<b>6</b>	<b>Debtors</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Trade debtors	113,316	-
	Amounts due from members	43,350	-
	Other debtors	3,498	24,195
	Prepayments and accrued income	56,345	90,324
		<u>216,509</u>	<u>114,519</u>
		<u><u>216,509</u></u>	<u><u>114,519</u></u>
<b>7</b>	<b>Creditors: amounts falling due within one year</b>	<b>2015</b>	<b>2014</b>
		<b>£</b>	<b>£</b>
	Trade creditors	14,743	18,570
	Taxes and social security costs	11,829	9,220
	Other creditors	116,358	9,981
	Accruals and deferred income	101,373	29,175
		<u>244,303</u>	<u>66,946</u>
		<u><u>244,303</u></u>	<u><u>66,946</u></u>

**LTS CAPITAL LLP**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2015**

**8 Members' interests**

	Members' other interests		Loans and other debts due to/(from) members		Total	2014
	Members' capital (classified as equity)	Other reserves	Total			
	£	£	£	£	£	£
Amount due to members				131,005		
Members' interests at 1 April 2014	70,000	238,276	308,276	131,005	439,281	319,021
Profit for the financial year available for discretionary division among members	-	489,889	489,889	-	489,889	238,276
Members' interests after profit for the year	70,000	728,165	798,165	131,005	929,170	557,297
Other divisions of profits	-	(238,276)	(238,276)	238,276	-	-
Drawings	-	-	-	(412,631)	(412,631)	(118,016)
Members' interests at 31 March 2015	70,000	489,889	559,889	(43,350)	516,539	439,281
Amounts due from members, included in debtors				(43,350)		

**9 Loans and other debts due to members**

	2015 £	2014 £
Amounts owed to members in respect of profits	(43,350)	131,005

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

**LTS CAPITAL LLP****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2015****10 Financial commitments**

At 31 March 2015 the limited liability partnership was committed to making the following payments under non-cancellable operating leases in the year 31 March 2016:

	<b>2015</b>	<b>Other</b>
	<b>£</b>	<b>2014</b>
		<b>£</b>
Operating leases which expire:		
Within one year	14,543	4,750
Between two and five years	11,400	9,930
	<u>25,943</u>	<u>14,680</u>

**11 Information in relation to members**

<b>2015</b>	<b>2014</b>
<b>Number</b>	<b>Number</b>
The average number of members during the year was:	
<u>3</u>	<u>3</u>

**12 Employees****Number of employees**

The average monthly number of employees during the year was:

<b>2015</b>	<b>2014</b>
<b>Number</b>	<b>Number</b>
Administration	
<u>2</u>	<u>1</u>

**Employment costs**

	<b>£</b>	<b>£</b>
Wages and salaries	81,436	41,793
Social security costs	6,951	4,617
	<u>88,387</u>	<u>46,410</u>

**LTS CAPITAL LLP**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2015**

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**13 Control**

The LLP is controlled by A Nahum, a designated member of the LLP.