

# Deepbridge Capital LLP

## FINANCIAL STATEMENTS

for the year ended

31 July 2012

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# Deepbridge Capital LLP

## FINANCIAL STATEMENTS

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# Deepbridge Capital LLP

## DESIGNATED MEMBERS AND ADVISORS

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### DESIGNATED MEMBERS

SP Chadwick  
1 Warwick

### REGISTERED OFFICE

Fifth Floor  
55 King Street  
Manchester  
M2 4LQ

### AUDITOR

Baker Tilly UK Audit LLP  
Chartered Accountants  
3 Hardman Street  
Manchester  
M3 3HF

# Deepbridge Capital LLP

## REPORT OF THE MEMBERS

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The members submit their report and financial statements of Deepbridge Capital LLP for the year ended 31 July 2012

### PRINCIPAL ACTIVITIES

The principal activity of the LLP is the provision of advisory and consultancy services to businesses seeking to raise capital and expand

### RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS

The loss for the year available for distribution to members was £(164,476) (2011 £(110,868))

### DESIGNATED MEMBERS

The following were designated members during the year

SP Chadwick  
1 Warwick

### POLICY WITH RESPECT TO MEMBERS' DRAWINGS AND SUBSCRIPTION AND REPAYMENTS OF AMOUNTS SUBSCRIBED OR OTHERWISE CONTRIBUTED BY MEMBERS

The profits and losses of the LLP shall be divided between the Members in accordance with the Members' Agreement and credited or debited to the Members' current accounts with the LLP as soon as the annual accounts for the relevant accounting year of the LLP are approved by the Members. Any losses allocated to a Member may not, in aggregate, exceed an amount equal to his total capital contribution

There were no drawings in the year

On retirement, capital is repaid to members unless such payment would cause the LLP to fall below its regulatory capital requirement or one or more other Members immediately contributes further capital in an aggregate amount equal to or greater than the shortfall, or following the LLP ceasing to be authorised by the FSA (or its successor) or no longer holding an authorisation under Part IV of the FSMA, or if the FSA has granted a waiver to the LLP permitting such payment.

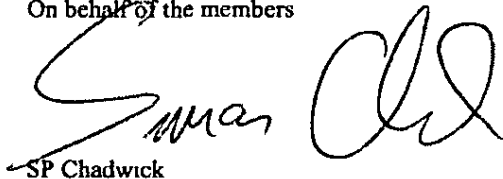
### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the LLP's auditors are unaware, and each member has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information

### AUDITOR

Baker Tilly UK Audit LLP was appointed as auditor during the year and has indicated its willingness to continue in office

On behalf of the members



SP Chadwick

Designated member

5 DEC 2012

# Deepbridge Capital LLP

## STATEMENT OF RESPONSIBILITIES OF THE MEMBERS IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) 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 the 2008 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 partnership and of the profit or loss of the partnership for that period.

In preparing those financial statements, the members are required to

- a) Select suitable accounting policies and then apply them consistently,
- b) Make judgements and estimates that are reasonable and prudent,
- c) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business.

Under the 2008 Regulations the members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and to enable them to ensure that the financial statements comply with the requirements of those Regulations. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the partnership's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

These responsibilities are exercised by the designated members on behalf of the members.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DEEPBRIDGE CAPITAL LLP

We have audited the financial statements on pages 5 to 12. 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 to limited liability partnerships 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 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 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 members and auditor

As more fully explained in the Members' Responsibilities Statement on page 3, 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 (APB'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 website 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 2012 and of its loss for the period 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.

### Other matters

The Limited Liability Partnership was exempt from audit in the period ended 31 July 2011 and consequently the corresponding figures are unaudited.

### 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, or

*Baker Tilly UK AS a LLP*

Graham Bond FCA (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

3 Hardman Street

Manchester

M3 3HF

Date

7/12/2012

**Deepbridge Capital LLP**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 July 2012

		Year to 31 Jul 12	Period from 15 Jul 10 to 31 Jul 11
	<i>Notes</i>	£	£
TURNOVER		–	17,657
Administrative expenses		<u>166,157</u>	<u>128,525</u>
OPERATING LOSS	2	(166,157)	(110,868)
Interest receivable		171	–
Interest payable		(490)	–
		<u>          </u>	<u>          </u>
LOSS FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		<u>(166,476)</u>	<u>(110,868)</u>

The loss for the year arises from the LLP's continuing operations

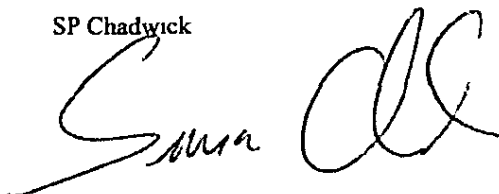
No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account

**Deepbridge Capital LLP**  
**BALANCE SHEET**  
as at 31 July 2012

	Notes	£	2012 £	2011 £
<b>FIXED ASSETS</b>				
Tangible assets	4		922	1,280
<b>CURRENT ASSETS</b>				
Debtors	5	33,550		33,916
Cash at bank		50,364		2,770
		83,914		36,686
<b>CREDITORS</b>				
Amounts falling due within one year	6	22,031		38,653
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			61,883	(1,967)
<b>NET ASSETS/(LIABILITIES) ATTRIBUTABLE TO MEMBERS'</b>			62,805	(687)
<b>REPRESENTED BY</b>				
<b>Loans and other debts due to members within one year</b>				
Other amounts	7		8,307	80,443
<b>Loans and other debts due to members in more than one year</b>				
Members' capital classified as a liability under FRS 25	7		-	29,738
			8,307	110,181
<b>Equity</b>				
Members' capital classified as equity	7		331,842	-
Members' other interests – other reserves classed as equity under FRS 25	7		(277,344)	(110,868)
			54,498	(110,868)
			62,805	(687)
<b>TOTAL MEMBERS' INTERESTS</b>				
Members' other interests – other reserves classed as equity	7		54,498	(110,868)
Loans and other debts due to members'	7		8,307	110,181
			62,805	(687)

The financial statements on pages 5 to 12 were approved by the members and authorised for issue on **5 DEC 2012** and are signed on their behalf by

SP Chadwick





**Deepbridge Capital LLP**  
**CASH FLOW STATEMENT**  
for the year ended 31 July 2012

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		2012		2011	
	<i>Notes</i>	£	£	£	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	8(a)		(182,055)		(105,290)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest paid		(490)		-	
Interest received		171		-	
			(319)		-
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT					
Payments to acquire tangible fixed assets			-		(2,121)
TRANSACTIONS WITH MEMBERS					
Introduced by members		172,415		29,738	
Loans from members		57,553		80,443	
			229,968		110,181
INCREASE IN CASH	8(b)		47,594		2,770

# Deepbridge Capital LLP

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

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### 1 ACCOUNTING POLICIES

#### BASIS OF ACCOUNTING

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

#### GOING CONCERN

Deepbridge Capital LLP ("Deepbridge") has prepared the financial statements on a going concern basis, which assumes that Deepbridge will continue in operational existence for the foreseeable future. Deepbridge's ability to meet its future funding and working capital requirements, and therefore continue as a going concern, is dependent upon being able to generate revenues and free cash flow. The Members have prepared projected cash flow information for the period ending 12 months from the date of approval of these financial statements. The projections take into account Deepbridge attracting sufficient numbers of investors to make investment into the company's Deepbridge has identified in its investment management portfolio the timing and quantum of which will affect the Deepbridge's cash requirements, which are continually monitored by the Members. On the basis of these projections and the uncertainties surrounding attracting sufficient numbers of investors, the Members have also identified the requirement to obtain further working capital facilities and as such have provided an undertaking to ensure that Deepbridge has sufficient resources to meet its liabilities as they fall due and maintain its Capital Adequacy requirements and therefore consider that it is appropriate that the financial statements be prepared on a going concern basis.

#### TURNOVER

Turnover represents amounts chargeable to clients for professional services provided during the period, excluding value added tax. Turnover is recognised when a right to consideration has been obtained through performance under each contract. Consideration accrues as contract activity progresses by reference to the value of the work performed.

#### FIXED ASSETS

All fixed assets are initially recorded at cost.

#### DEPRECIATION

Depreciation is calculated so as to write off the cost of a tangible fixed asset, less its estimated residual value, over the useful economic life of that asset as follows:

Equipment - 33 1/3% p a straight line

#### MEMBERS' PARTICIPATION RIGHTS

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with FRS 25 (IAS 32) Financial Instruments: Disclosure and Presentation and UITF abstract 39 Members' shares in co-operative entities and similar instruments. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

# Deepbridge Capital LLP

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 July 2012

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#### 1 ACCOUNTING POLICIES *(continued)*

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the Profit and Loss Account in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the Balance Sheet.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the Profit and Loss Account and are equity appropriations in the Balance Sheet.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the Balance Sheet within 'Loans and other debts due to members' and are charged to the Profit and Loss Account within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the Balance Sheet within 'Members' other interests'.

#### FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### TAXATION

The taxation payable on the LLP's profits is solely the personal liability of the individual members; consequently neither LLP's taxation nor related deferred taxation arising in respect of the partnership are accounted for in these financial statements.

#### 2 OPERATING LOSS

Operating loss is stated after charging/(crediting)

	Year to 31 Jul 12	Period from 15 Jul 10 to 31 Jul 11
	£	£
Depreciation of owned fixed assets	777	841
Net profit on foreign currency translation	(1)	—
Audit remuneration	5,250	—
	<u>          </u>	<u>          </u>

# Deepbridge Capital LLP

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

### 3 INFORMATION IN RELATION TO MEMBERS

	Year to 31 Jul 12	Period from 15 Jul 10 to 31 Jul 11
	No	No
The average number of members during the year was	<u>5</u>	<u>2</u>

	Year to 31 Jul 12	Period from 15 Jul 10 to 31 Jul 11
	£	£
The average members remuneration during the year was	<u>-</u>	<u>-</u>

### 4 TANGIBLE FIXED ASSETS

	Equipment £
Cost	
At 1 August 2011	2,121
Additions	419
At 31 July 2012	<u>2,540</u>
Depreciation	
At 1 August 2011	841
Charge for the year	777
At 31 July 2012	<u>1,618</u>
Net book value	
At 31 July 2012	<u>922</u>
At 31 July 2011	<u>1,280</u>

### 5 DEBTORS

	2012	2011
	£	£
Trade debtors	-	8,061
Other debtors	33,550	25,855
	<u>33,550</u>	<u>33,916</u>

### 6 CREDITORS Amounts falling due within one year

	2012	2011
	£	£
Trade creditors	20,072	36,290
Other creditors	1,959	2,363
	<u>22,031</u>	<u>38,653</u>

# Deepbridge Capital LLP

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2012

### 7 MEMBERS' INTERESTS

	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors	Total
	Members' capital (classified as equity) £	Other reserves – loss to be extinguished by future profits £	Total members' other interests £	£	£
Members' capital classified as a liability				29,738	
Other amounts				80,443	
Balance at 1 August 2011	-	(110,868)	(110,868)	110,181	(687)
Loss for the financial year available for discretionary division amongst members	-	(166,476)	(166,476)	-	(166,476)
Members' interests after loss for the year	-	(277,344)	(277,344)	110,181	(167,163)
Introduced by members	-	-	-	221,661	221,661
Capital contribution	137,996	-	137,996	(137,996)	-
Transfer from liabilities to equity on variation of LLP agreement	193,846	-	193,846	(193,846)	-
Other amounts	-	-	-	8,307	8,307
Balance at 31 July 2012	331,842	(277,344)	54,498	8,307	62,805

### 8 NOTES TO THE CASH FLOW STATEMENT

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

	2012 £	2011 £
Operating loss	(166,157)	(110,868)
Depreciation	777	841
Decrease /(increase) in debtors	366	(33,916)
(Decrease)/increase in creditors	(17,041)	38,653
Net cash outflow from operating activities	(182,055)	(105,290)

**Deepbridge Capital LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 July 2012

**8 NOTES TO THE CASH FLOW STATEMENT** *(continued)*

**b Reconciliation of net cash flows to movement in the net funds/(debt)**

	2012 £	2011 £
Increase in cash in the year	47,594	2,770
Movement in loans and other amounts due to Members	(172,115)	(110,181)
Change in net debt resulting from cash flows	(124,821)	(107,411)
Other non-cash movements	274,289	-
Movement in net debt	149,468	(107,411)
Net debt at the beginning of the year	(107,411)	-
Net funds/(debt) at the end of the year	42,057	(107,411)

**c Analysis of net (debt)/funds**

	At 1 Apr 2011 £	Cash flows £	Other non-cash changes £	At 31 Mar 2012 £
Cash in hand and at bank	2,770	47,594	-	50,364
	2,770	47,594	-	50,364
Loans and other amount due to Members	(110,181)	(172,415)	274,289	(8,307)
Total net (debt)/funds	(107,411)	(124,821)	274,289	42,057

**9 RANKING ON WINDING UP**

If the LLP is wound up, and a surplus sum remains at the conclusion of the winding up, after payment of all money due to the creditors of the LLP and all expenses of the winding up, the liquidator shall pay that surplus sum to the Members in accordance with the respective proportions to the members division of profits and losses

**10 ULTIMATE CONTROLLING PARTY**

The LLP is controlled by its members as delegated to the management team and as such there is no one controlling party