

# **Amber Capital UK LLP**

**Registered Number: 0C322586**

## **Members' Report and Financial Statements**

**For the year ended 31 December 2010**

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## Amber Capital UK LLP

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Registered Number 0C322586

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Amber Capital UK LLP

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Registered Number 0C322586

## **Administrative information**

### **Members**

Amber Capital UK Holdings Ltd  
Gilles Fretigne  
Didier Rabattu

### **Registered office**

Third Floor  
10 Brook Street  
London  
W1S 1BG

### **Independent Auditors**

PricewaterhouseCoopers LLP  
Hay's Galleria  
1 Hay's Lane  
London  
SE1 2RD

### **Bankers**

The Royal Bank of Scotland  
62/63 Threadneedle Street  
London  
EC2R 8LA

### **Solicitors**

Simmons & Simmons  
CityPoint  
One Ropemaker Street  
London  
EC2Y 9SS

## Amber Capital UK LLP

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Registered Number 0C322586

### **Members' report**

#### **For the year ended 31 December 2010**

The members present their report and the audited financial statements for the year ended 31 December 2010

#### **Incorporation and commencement**

Amber Capital UK LLP (the 'LLP') was incorporated on 22 September 2006. The LLP was authorised by the Financial Services Authority to conduct investment business on 13 July 2007.

#### **Principal activity**

The principal activities of the LLP in the period under review were providing investment advisory and administrative services to Amber Capital LP (an entity incorporated in the US). From 1<sup>st</sup> November 2009, the provision of execution services to Amber Capital Italia SGR SpA was commenced. In addition, from 1<sup>st</sup> November 2010, the activity of the LLP included Investment Management for the Amber Retail and Consumer Fund.

#### **Results and allocation to members**

The results for the year are a profit of £656,828 shown in the profit and loss account on page 6. All profits have been shared amongst the members as governed by the Partnership Agreement dated 3 July 2007.

#### **Financial Position**

The LLP's balance sheet as detailed on page 7 shows a satisfactory position. Members' other interests amount to £1,010,000.

#### **Review of the business**

The results for the year and the financial position at the year end were considered satisfactory by the members. The members do not anticipate any significant change in the nature of these activities going forward.

#### **Policy for members' drawings, subscriptions and repayments of members' capital**

Policies for members' drawings, subscriptions and repayment of members' capital are governed by the Partnership Agreement dated 3 July 2007 and any subsequent amendments/deeds of adherence since that date. In summary, the capital contributions made by each existing member were set out in the Partnership Agreement and the Corporate Member determines the capital contribution to be paid by all future Further Members. These capital contributions are only repaid at the discretion of the Corporate Member when a partner's membership of the LLP ceases. The Corporate Member also has sole discretion to determine and vary the level of each member's drawings.

#### **Members**

The members of the LLP during the period and up to the date of this report were as follows:

Amber Capital UK Holdings Ltd\*

Gilles Fretigne\*

Didier Rabattu\* (as of 1<sup>st</sup> November 2010)

Amber Capital UK Holdings Ltd, the Corporate Member, is the controlling member.

\* Designated members

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## **Members' report (continued)**

For the year ended 31 December 2010

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

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

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have prepared the partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law as applied to limited liability partnerships 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 these financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting 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 partnership and group will continue in business

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 enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the 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

### **Statement of disclosure of information to auditors**

In the case of each member in office at the date the members' report is approved confirms that

(a) so far as the member is aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) he 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 partnership's auditors are aware of that information

### **Auditors**

PricewaterhouseCoopers LLP were appointed as independent auditors. A resolution concerning their re-appointment will be proposed at the members' meeting to approve these financial statements

On behalf of the members

Gilles Fretigne  
30 March 2011



## Amber Capital UK LLP

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Registered Number 0C322586

### **Independent auditors' report to the members of Amber Capital UK LLP**

We have audited the financial statements of Amber Capital UK LLP for the year ended 31 December 2010 which comprise, the Profit and loss Account, the Balance Sheet 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).

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

As explained more fully in the Members' Responsibilities Statement set out 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the members of the partnership in accordance with 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 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the designated members, and the overall presentation of the financial statements.

#### **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 December 2010 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

Amber Capital UK LLP

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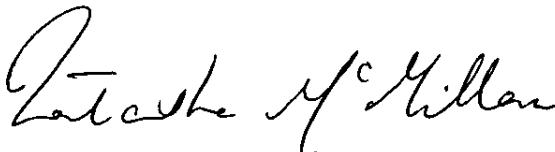
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**Independent auditors' report**  
**to the members of Amber Capital UK LLP (continued)**

**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



Natasha McMillan (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP,  
Chartered Accountants and Statutory Auditors  
London  
30 March 2011

## Amber Capital UK LLP

Registered Number 0C322586

### Profit and loss account

For the year ended 31 December 2010

|                                                                                                                                 | Notes | 2010<br>£      | 2009<br>£      |
|---------------------------------------------------------------------------------------------------------------------------------|-------|----------------|----------------|
| Turnover                                                                                                                        | 1     | 3,699,436      | 1,956,445      |
| Administrative expenses                                                                                                         |       | (3,052,904)    | (1,560,569)    |
| Operating profit                                                                                                                | 2     | <u>646,532</u> | <u>395,876</u> |
| Interest receivable and similar income                                                                                          |       | <u>10,296</u>  | <u>33,379</u>  |
| Profit for the financial period before payments to members' and profit share available for discretionary division among members | 6     | <u>656,828</u> | <u>429,255</u> |

All activities derive from continuing operations

There is no difference between the profit on ordinary activities for the period and its historical cost equivalent

The limited liability partnership has no recognised gains and losses other than the gain shown above and therefore no separate statement of total recognised gains and losses has been presented

Notes 1-8 form an integral part of these financial statements



## Amber Capital UK LLP

Registered Number 0C322586

### Balance Sheet

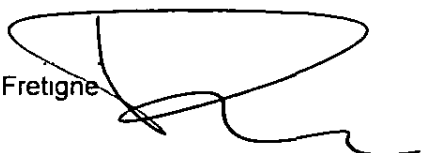
As at 31 December 2010

|                                                          | Notes | 2010<br>£        | 2009<br>£        |
|----------------------------------------------------------|-------|------------------|------------------|
| <b>Current assets</b>                                    |       |                  |                  |
| Debtors                                                  | 4     | 2,070,203        | 395,576          |
| Cash at bank and in hand                                 |       | <u>2,386,095</u> | <u>2,237,993</u> |
|                                                          |       | 4,456,298        | 2,633,569        |
| <br><b>Creditors amounts falling due within one year</b> | 5     | (21,273)         | (10,639)         |
| <br><b>Net current assets</b>                            |       | <u>4,435,025</u> | <u>2,622,930</u> |
| <br><b>Net assets attributable to members</b>            |       | <u>4,435,025</u> | <u>2,622,930</u> |
| <br><b>Represented by</b>                                |       |                  |                  |
| <br>Loans and other debts due to members within one year | 6     | 3,425,025        | 1,622,930        |
| <br><b>Members' other interests</b>                      |       |                  |                  |
| Members' Capital classified as equity under FRS 25       | 6     | 1,010,000        | 1,000,000        |
| Other reserves                                           | 6     | <u>-</u>         | <u>-</u>         |
|                                                          |       | <u>1,010,000</u> | <u>1,000,000</u> |
|                                                          |       | <u>4,435,025</u> | <u>2,622,930</u> |
| <br><b>Memorandum of members' total interests</b>        |       |                  |                  |
| <br>Members' other interests                             | 6     | 1,010,000        | 1,000,000        |
| Loans to and other amounts due from members              | 6     | <u>3,425,025</u> | <u>1,622,930</u> |
| Members' total interests                                 | 6     | <u>4,435,025</u> | <u>2,622,930</u> |

Notes 1-8 form an integral part of these financial statements

The financial statements were approved by the members on 30 March 2011 and were signed on their behalf by

Gilles Fretigne



## Amber Capital UK LLP

Registered Number 0C322586

### Notes to the financial statements for the year ended 31 December 2010

#### 1. Accounting policies

##### Basis of accounting

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice 'Accounting for Limited Liability Partnerships' issued March 2010

##### Cash Flow Statement

Amber Capital UK Holdings Limited controls 99% of the voting rights in the LLP. The LLP is included in the consolidated financial statements of Amber Capital UK Holdings Limited which are publicly available. Consequently, the LLP has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1

##### Turnover and revenue recognition

Turnover, which is stated net of any value added tax, represents sub-advisory fees, management and incentive fees, arising from continuing activities in the United Kingdom and is recognized on an accruals basis

##### Expenses

Expenses incurred have been recognised on an accruals basis

##### Foreign currencies

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 the profit and loss account

##### Taxation

No provision has been made for taxation in the financial statements. Each member is exclusively liable for any tax liabilities arising out of his/her interest in the LLP. Tax will be assessed on the individual members and not on the LLP

#### 2 Operating profit

Operating profit is stated after charging

|                                                          | 2010<br>£        | 2009<br>£        |
|----------------------------------------------------------|------------------|------------------|
| Auditors remuneration                                    |                  |                  |
| Fee payable to auditor for audit of financial statements | <u>8,000</u>     | <u>8,000</u>     |
| Fees payable to auditor for tax and other services       | <u>12,400</u>    | <u>4,000</u>     |
| Advisory Fee paid to Amber Capital UK Holdings Limited   | <u>2,995,347</u> | <u>1,511,395</u> |

## Amber Capital UK LLP

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### Notes to the financial statements (continued) for the year ended 31 December 2010

#### 3. Payments to members

A member's share in the profit or loss for the year is accounted for as an allocation of profits or losses. Any unallocated profits and losses are distributed to members in the following accounting year.

Amounts due to members in respect of equity participation rights, following a discretionary division of profits, are debited to equity and credited to member's current accounts in the period when the allocation occurs. Unallocated profits and losses are included within 'other reserves' and are included in equity. Any drawings paid in respect of those profits are included within debtors.

|                                                                                                                      | 2010<br>£      | 2009<br>£      |
|----------------------------------------------------------------------------------------------------------------------|----------------|----------------|
| Profit for the financial year before members' remuneration and profit share and available for division among members | <u>656,828</u> | <u>429,255</u> |
| Profit for the financial year available for discretionary division among members                                     | <u>656,828</u> | <u>429,255</u> |
| Profit in respect of the highest paid member during the year                                                         | <u>450,158</u> | <u>282,402</u> |

The average monthly number of members in the year was 2 (2009: 2)

#### 4 Debtors: amounts falling due within one year

|                                                     | 2010<br>£        | 2009<br>£      |
|-----------------------------------------------------|------------------|----------------|
| VAT receivable                                      | 1,032            | 149            |
| Prepayments                                         | 3,116            | 2,981          |
| Other Debtors – New Partner Capital Contribution    | 10,000           | 0              |
| Amount receivable from Fund - ARC                   | 69,635           | 0              |
| Amount receivable from Amber Capital LP             | 1,982,920        | 385,076        |
| Amount receivable from Amber Capital Italia SGR SpA | <u>3,500</u>     | <u>7,369</u>   |
|                                                     | <u>2,070,203</u> | <u>395,575</u> |

## Amber Capital UK LLP

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### Notes to the financial statements (continued) for the year ended 31 December 2010

#### 5. Creditors

|                 | 2010<br>£     | 2009<br>£     |
|-----------------|---------------|---------------|
| Trade creditors | 5,875         | 1,139         |
| Accruals        | 15,398        | 9,500         |
|                 | <u>21,273</u> | <u>10,639</u> |

#### 6. Reconciliation of movements in members' other and members' total interests

|                                                                                 | Members'<br>capital<br>(classified<br>as equity)<br>£ | Other<br>reserves<br>£ | Total<br>£       | Loans and other<br>debts due to<br>members less any<br>amounts due from<br>members<br>£ | Members'<br>total<br>interests<br>£ |
|---------------------------------------------------------------------------------|-------------------------------------------------------|------------------------|------------------|-----------------------------------------------------------------------------------------|-------------------------------------|
| Members' interests as<br>at 01 January 2010                                     | 1,000,000                                             | -                      | 1,000,000        | 1,622,930                                                                               | 2,622,930                           |
| Profit for the year<br>available for<br>discretionary division<br>among members | -                                                     | 656,828                | 656,828          | -                                                                                       | 656,828                             |
| Members' interests after<br>profit for the year                                 | 1,000,000                                             | 656,828                | 1,656,828        | 1,622,930                                                                               | 3,279,758                           |
| Drawings                                                                        | -                                                     | -                      | -                | (146,853)                                                                               | (146,853)                           |
| Appropriations of profit                                                        | -                                                     | (656,828)              | (656,828)        | 656,828                                                                                 | -                                   |
| Other movements                                                                 | 10,000                                                | -                      | 10,000           | 1,292,120                                                                               | 1,302,120                           |
| Members' interests as<br>at 31 December 2010                                    | <u>1,010,000</u>                                      | <u>-</u>               | <u>1,010,000</u> | <u>3,425,025</u>                                                                        | <u>4,435,025</u>                    |

#### 7. Parent undertaking and ultimate controlling party

The LLP's immediate parent undertaking is Amber Capital UK Holdings Limited, which has included the LLP in its consolidated financial statements, copies of which are available from its registered office at Third Floor, 10 Brook Street, London, W1S 1BG. The ultimate controlling party is Joseph Oughourlian.

Amber Capital UK LLP

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## **Notes to the financial statements (continued)**

**for the year ended 31 December 2010**

### **8. Related Party Transactions**

During the year, service fee of £2,995,347 was charged from Amber Capital UK Holdings Limited. The amount due to Amber Capital UK Holdings at 31 December 2010 was £1,720,961 including loans and other debts due to the member.

The LLP charged research service fees of £3,607,920 to Amber Capital LP and Execution service fees of £21,881 to Amber Capital Italia SGR SpA. The amounts due from Amber Capital LP and Amber Capital Italia SGR SpA at 31 December 2010 were £1,982,920 and £3,500 respectively.

## Amber Capital UK LLP

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### Additional Information – Pillar III disclosure (unaudited)

The following unaudited additional information does not form part of the financial statements

#### **AMBER CAPITAL UK LLP PILLAR 3 RISK DISCLOSURE STATEMENT**

##### **Introduction**

Amber Capital UK LLP (the "Firm") is required by the Financial Services Authority ("FSA") to disclose information relating to the capital it holds and each material category of risk it faces in order to assist users of its accounts and to encourage market discipline. These disclosures aim to provide information on the risk exposures faced by the Firm and the risk assessment process it has in place to monitor these. Known as "Pillar 3" disclosures, they are required to be made under Chapter 11 of the FSA's Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU") and are seen as complimentary to the Firm's minimum capital requirement calculation ("Pillar 1") and the internal review of its capital adequacy ("Pillar 2").

The Firm is a limited liability partnership incorporated in England. The Firm is 99% owned by a corporate member, Amber Capital UK Holdings Ltd ("ACUK Holdings"), and 1% owned by its Managing Member, Gilles Fretigne. ACUK Holdings is a private limited company incorporated in England. The Firm is controlled by ACUK Holdings. The Directors of ACUK Holdings are Mr. Fretigne and Michel Brogard, also a Managing Partner of its parent entity, Amber Capital LP ("ACLP").

ACUK Holdings is 100% owned by ACLP, a limited partnership organized under the laws of the State of Delaware, U.S.A. ACLP is the Investment Manager of several collective investment vehicles (the "Funds") and is responsible for all trading and other investment decisions for the Funds. ACLP is registered with the U.S. Securities and Exchange Commission as an investment adviser under the Investment Advisers Act of 1940, as amended.

The Firm was established to provide market research, marketing and trade execution services to ACLP, its ultimate parent company and main client.

##### **Risk management**

The Firm has established a risk management process in order to ensure that it has effective systems and controls in place to identify, monitor and manage risks arising in the business. The risk management process is overseen by Gilles Fretigne, the Firm's Managing Member, with the Directors of the Firm's parent entity, Amber Capital UK Holdings Ltd, taking overall responsibility for this process. A formal update on operational matters is provided to the Directors on a quarterly basis. Management accounts demonstrating continued adequacy of the Firm's regulatory capital are also provided on a quarterly basis.

Appropriate action is taken where risks are identified which fall outside of the Firm's risk tolerance levels or where the need for remedial action is required in respect of identified weaknesses in the Firm's mitigating controls.

Specific risks applicable to the Firm come under the headings of business, operational, and credit risks.

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### **Business risk**

The Firm's revenue is reliant on the existing service agreements with ACLP and with Amber Capital Italia SGR Spa, which are both calculated using a cost plus method. As such, the risk posed to the Firm relates to the termination of these agreements by ACLP. This risk is mitigated by the Firm's US parent issuing a 12-month "Letter of Support" and significant levels of capital held by the Firm which will continue to cover all the expenses of the business in excess of 13-weeks and also sufficient in the worst case event of a wind down scenario.

### **Operational risk**

The Firm places strong reliance on the operational procedures and controls that it has in place in order to mitigate risk and seeks to ensure that all personnel are aware of their responsibilities in this respect.

The Firm has identified a number of key operational risks to manage. These relate to key man issues, the risk of occurrence of trading errors, disaster recovery risks and the potential for serious regulatory breaches. Appropriate policies are in place to mitigate against these risks, which includes taking out adequate professional indemnity insurance.

The risk of loss of key trading personnel is mitigated by the fact that ACLP has the capability to trade on its own. Operational procedures exist to prevent and identify trade errors. The Firm has alternative arrangements in place should a disaster recovery event occur. These arrangements are tested on a regular basis in order to ensure that they would be effective should they be required to be invoked. The Firm's employees undergo periodic training to ensure that they understand their regulatory obligations.

### **Credit risk**

The Firm is exposed to credit risk in respect of fees billed to ACLP and Amber Capital Italia SGR Spa, its rent deposit with its landlord and cash held on deposit.

Since the Firm has one main client, its total number of credit exposures is limited. Additionally, since the firm's main client is also its ultimate parent, the Firm considers that there is little risk of default by its client. The Firm's bank accounts are held with large international credit institutions.

Given the nature of the Firm's exposures, no specific policy for hedging and mitigating credit risk is in place. The Firm uses the simplified standardised approach detailed in BIPRU 3.5.5 of the FSA Handbook when calculating risk weighted exposures in respect of its debtors. This amounts to 8% of the total balance due. All bank balances are subject to a risk weighted exposure of 1.6% in accordance with BIPRU 3.4 of the FSA Handbook.

### **Consolidation**

The Firm is a member of a group and prepares accounts on a fully consolidated basis for accounting purposes under UK GAAP. The accounts of the group and of the subsidiary companies are prepared on the going concern basis. Consolidated supervision reports prepared for the purpose of providing prudential returns to the FSA require each company in the group to assess the capital held and the capital required in accordance with the provisions set out in BIPRU 8 of the FSA Handbook. This requires all regulated firms within the group to maintain adequate capital resources so as to meet their capital requirements. Unregulated firms are not required to meet capital requirements on an individual basis provided there is adequate capital in the group as a whole.

The Firm is responsible for preparing consolidated accounts and ensures that sufficient capital is maintained on an entity by entity basis as well as on a consolidated basis.

## Amber Capital UK LLP

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### Remuneration Code

#### Decision-making process for remuneration policy

The Directors of the Firm's parent entity, Amber Capital LP, together with the Members' of Amber Capital UK LLP are responsible for approving the remuneration policy and in doing so takes into account the pay and conditions across the Firm

This includes the individual remuneration packages of Members and other senior employees, including all in positions of significant influence and those having an impact on our risk profile (Code Staff)

Members receive drawings in accordance with the Deed of Adherence and any remaining profits are allocated to members in accordance with this Deed following a written resolution

No individual is involved in decisions relating to his or her own remuneration

#### a) Code Staff criteria

In accordance with the FSA's criteria for Code Staff, the firm has identified those individuals who meet the relevant criteria, based on the definition noted below

- a person who performs a significant influence function for a firm,
- a senior manager,
- risk takers, whose professional activities could have a material impact on the Firm's risk profile and
- all staff whose total remuneration takes them into the same bracket as senior management and risk takers

#### b) The link between pay and performance for Code Staff

Remuneration is made up of fixed pay (ie salary and benefits) and performance-related pay (ie annual bonus) Performance related pay is designed to reflect success or failure against a range of targets The structure of the remuneration package is such that the fixed element is sufficiently large to enable the Firm to operate a truly flexible bonus policy

### Capital adequacy

#### Capital resources

As at 31 December 2010, the Firm held regulatory capital resources of £2,973,659 This comprised solely of core Tier 1 capital

#### Capital requirement

As at 31 December 2010, the Firm's Pillar 1 capital requirement was £325,353 This has been determined by reference to the Firm's Fixed Overheads Requirement ("FOR") and calculated in accordance with the FSA's General Prudential Sourcebook ("GENPRU") at GENPRU 2.1.53 The requirement is based on the FOR since at all times this exceeds the total of the credit and market risk capital requirements it faces and also exceeds its base capital requirement of €50,000

The FOR is based on annual expenses net of variable costs deducted, which include discretionary bonuses paid to staff, exchange losses and certain one-off professional fees The Firm monitors its expenditure on a monthly basis and takes into account any material fluctuations in order to determine whether the FOR remains appropriate to the size and nature of the business or whether any adjustment needs to be made intra-year This is monitored by the Managing Member and reported to the Directors of ACUK Holdings on a quarterly basis



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**Satisfaction of capital requirements**

Since the Firm's ICAAP (Pillar 2) process has not identified capital to be held over and above the Pillar 1 requirement, the capital resources detailed above are considered adequate to continue to finance the Firm over the next year. No additional capital injections are considered necessary and the Firm expects to continue to be profitable.