

3829996

Platinum Capital Management Limited

Report And Financial Statements

30 June 2011



COMPANY INFORMATION

Directors	B Sanghvi P A Sprecher S Martin T Scacchi P M Taylor
Company number	03829996
Registered office	Independent House 18-20 Thorpe Road Norfolk NR1 1RY
Auditors	Rees Pollock 35 New Bridge Street London EC4V 6BW
Bankers	The Royal Bank of Scotland 62/63 Threadneedle Street London EC2R 8LA
Solicitors	Mayer Brown International LLP 201 Bishopsgate London EC2M 3AF

DIRECTORS' REPORT

For the year ended 30 June 2011

The directors present their report and the financial statements for the year ended 30 June 2011

Principal activities

The principal activity of the company during the year was the provision of marketing and administration services and investment management services to the Platinum Funds

Business review

The company is dependent on the environment in which it operates. The launch of the Platinum Funds continues to gather momentum. Results for the year are in line with directors' expectations.

Results and dividends

The profit for the year, after taxation, amounted to £17,513 (2010 - £84,367)

The directors have not recommended a dividend

Directors

The directors who served during the year were

B Sanghvi
P A Sprecher
S Martin
T Scacchi
C M Booker (resigned 22 July 2011)
T Sprecher (resigned 31 August 2010)

Subsequent to the year end P M Taylor was appointed a director on 6 September 2011

Pillar III disclosures

The firm has documented the disclosures required by the FSA under BIPRU 11.3. These are available from the registered office.

Provision of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

Auditors

The auditors, Rees Pollock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

DIRECTORS' REPORT

For the year ended 30 June 2011

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 the directors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the board on 17 October 2011 and signed on its behalf



B Sanghvi
Director



REES POLLOCK

Chartered Accountants

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London EC4V 6BW
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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PLATINUM CAPITAL MANAGEMENT LIMITED

We have audited the financial statements of Platinum Capital Management Limited for the year ended 30 June 2011, set out on pages 4 to 14. 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 company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement, the directors 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

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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2011 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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 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
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Simon Rees (Senior statutory auditor)
for and on behalf of
Rees Pollock, Statutory Auditor

20 October 2011

PROFIT AND LOSS ACCOUNT
For the year ended 30 June 2011

	Note	2011 £	2010 £
TURNOVER	1,2	1,246,695	720,096
Administrative expenses		(1,225,867)	(639,054)
Other operating income	3	-	27,134
		<hr/>	<hr/>
OPERATING PROFIT	4	20,828	108,176
Interest receivable and similar income		330	190
Interest payable and similar charges		-	(1,031)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		21,158	107,335
Tax on profit on ordinary activities	7	(3,645)	(22,968)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	15	17,513	84,367
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations

There were no recognised gains and losses for 2011 or 2010 other than those included in the profit and loss account

The notes on pages 7 to 14 form part of these financial statements

BALANCE SHEET
As at 30 June 2011

	Note	£	2011 £	£	2010 £
FIXED ASSETS					
Tangible assets	8		10,963		2,674
CURRENT ASSETS					
Debtors	9	223,328		100,783	
Cash in hand		429,717		326,202	
		<u>653,045</u>		<u>426,985</u>	
CREDITORS amounts falling due within one year	10	(447,426)		(230,590)	
NET CURRENT ASSETS			205,619		196,395
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>216,582</u>		<u>199,069</u>
CAPITAL AND RESERVES					
Called up share capital	14		15,030		15,030
Capital redemption reserve	15		14,970		14,970
Profit and loss account	15		186,582		169,069
SHAREHOLDERS' FUNDS	16		<u>216,582</u>		<u>199,069</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 October 2011



B Sanghvi
Director

The notes on pages 7 to 14 form part of these financial statements

CASH FLOW STATEMENT
For the year ended 30 June 2011

	Note	2011 £	2010 £
Net cash flow from operating activities	17	114,302	124,966
Returns on investments and servicing of finance	18	330	190
Taxation		(1,042)	-
Capital expenditure and financial investment	18	(10,075)	(1,755)
INCREASE IN CASH IN THE YEAR		<u>103,515</u>	<u>123,401</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
For the year ended 30 June 2011

	2011 £	2010 £
Increase in cash in the year	<u>103,515</u>	<u>123,401</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>103,515</u>	<u>123,401</u>
Net funds at 1 July 2010	<u>232,202</u>	<u>108,801</u>
NET FUNDS AT 30 JUNE 2011	<u>335,717</u>	<u>232,202</u>

The notes on pages 7 to 14 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 Turnover

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

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Leasehold Property	-	amortised over the period of the lease
Computer equipment	-	25% on cost

1.4 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Deferred tax assets and liabilities are not discounted

1.6 Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

2. TURNOVER

The turnover and operating profit for the year was derived from the company's principal continuing activity which was carried out wholly in the UK. All turnover arises from outside the UK

All turnover arose within the United Kingdom

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

3 OTHER OPERATING INCOME

	2011 £	2010 £
Other operating income	-	27,134

4. OPERATING PROFIT

The operating profit is stated after charging

	2011 £	2010 £
Depreciation of tangible fixed assets		
- owned by the company	1,786	2,947
Auditors' remuneration	8,500	11,000
Auditors' remuneration - non-audit	12,200	14,300
Operating lease rentals		
- other operating leases	83,039	127,294
Difference on foreign exchange	1,589	-

5. STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2011 £	2010 £
Wages and salaries	277,375	228,146
Social security costs	32,828	25,668
	310,203	253,814

The average monthly number of employees, including the directors, during the year was as follows

	2011 No.	2010 No.
Number of administrative staff	5	5

6 DIRECTORS' REMUNERATION

	2011 £	2010 £
Emoluments	139,848	104,582

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

7. TAXATION

	2011 £	2010 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK corporation tax charge on profit for the year	68	40
Deferred tax (see note 11)		
Reversal/(recognition) of deferred tax asset	3,577	22,928
Tax on profit on ordinary activities	<u>3,645</u>	<u>22,968</u>

Factors affecting tax charge for the year

The tax assessed for the year differs from that calculated using the standard rate of corporation tax in the UK of 20% (2010 - 21%). The differences are explained below

	2011 £	2010 £
Profit on ordinary activities before tax	<u>21,158</u>	<u>107,335</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2010 - 21%)	4,232	22,540
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	742	500
Timing differences on fixed assets	(1,904)	(72)
Utilisation of tax losses	(3,004)	(22,928)
Difference due to change in rate of tax	2	-
Current tax charge for the year (see note above)	<u>68</u>	<u>40</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

8. TANGIBLE FIXED ASSETS

	S/Term Leasehold Property £	Computer equipment £	Total £
Cost			
At 1 July 2010	3,710	51,155	54,865
Additions	-	10,075	10,075
At 30 June 2011	3,710	61,230	64,940
Depreciation			
At 1 July 2010	3,710	48,481	52,191
Charge for the year	-	1,786	1,786
At 30 June 2011	3,710	50,267	53,977
Net book value			
At 30 June 2011	-	10,963	10,963
At 30 June 2010	-	2,674	2,674

9. DEBTORS

	2011 £	2010 £
Due after more than one year		
Other debtors	33,981	33,981
Due within one year		
Trade debtors	-	44
Other debtors	19,157	1,733
Prepayments and accrued income	161,740	52,998
Deferred tax asset (see note 11)	8,450	12,027
	223,328	100,783

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

10 CREDITORS

Amounts falling due within one year

	2011 £	2010 £
Subordinated loan	34,000	34,000
Trade creditors	36,087	40,357
Corporation tax	100	1,074
Social security and other taxes	11,235	8,785
Other creditors	245,053	47,574
Accruals and deferred income	60,951	38,800
Share capital treated as debt (Note 14)	60,000	60,000
	<u>447,426</u>	<u>230,590</u>

Disclosure of the terms and conditions attached to the non-equity shares are made in note 14

The company has an obligation to redeem 30,000 Redeemable Preference "C" shares of £1 each at the request of its founder shareholder at a price of £2 per share. The "C" shares were to be redeemed on or before 30th October 2009, and are now repayable upon demand of the shareholders.

The £34,000 subordinated loan is repayable upon one month's written notice. Interest accrues annually on the loan at a rate of 1% over the LIBOR rate.

11 DEFERRED TAX ASSET

	2011 £	2010 £
At beginning of year	12,027	34,955
Gains/(losses) recognised during the year	(3,577)	(22,928)
At end of year	<u>8,450</u>	<u>12,027</u>

The deferred tax asset is made up as follows:

	2011 £	2010 £
Tax losses carried forward	<u>8,450</u>	<u>12,027</u>

12 OPERATING LEASE COMMITMENTS

At 30 June 2011 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2011 £	2010 £
Expiry date:		
Between 2 and 5 years	<u>57,840</u>	<u>57,840</u>

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

13. RELATED PARTY TRANSACTIONS

The following information relates to transactions and balances with other companies in which the directors have a material interest

During the year income of £752,843 (2010 £720,096) was receivable from Platinum Trading Management Limited, a company in which P A Sprecher has a material interest. At the year end an amount of £242,552 (2010 £46,574) was owed to Platinum Trading Management Limited

Additionally, during 2009 Platinum Trading Management Limited granted Platinum Capital Management Limited a subordinated loan of £34,000, the terms of which are given in note 10. This loan was outstanding at the year end

During the year the company incurred consultancy fees of £12,350 (2010 £10,550) to Booker Consultants, a company in which C M Booker has a material interest. At the year end, an amount of £1,000 (2010 £1,000) was due to Booker Consultants

During the year the company incurred consultancy fees of £18,433 (2010 £nil) to S Martin. At the year end, an amount of £nil (2010 £nil) was due to S Martin

During the year the company incurred marketing and distribution fees of £309,751 (2010 £nil) to T Scacchi. At the year end, an amount of £36,795 (2010 £nil) was due to T Scacchi

All of the above transactions have been undertaken on normal commercial terms

14. SHARE CAPITAL

	2011 £	2010 £
Shares classified as capital		
Allotted, called up and fully paid		
7,515 Class A Ordinary shares of £1 each	7,515	7,515
7,515 Class B Ordinary shares of £1 each	7,515	7,515
	<u>15,030</u>	<u>15,030</u>
Shares classified as debt		
Allotted, called up and fully paid		
60,000 Class C Redeemable Preference shares of £1 each	<u>60,000</u>	<u>60,000</u>

15. RESERVES

	Capital redempt'n reserve £	Profit and loss account £
At 1 July 2010	14,970	169,069
Profit for the year		17,513
	<u>14,970</u>	<u>186,582</u>
At 30 June 2011		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

16 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Opening shareholders' funds	199,069	114,702
Profit for the year	17,513	84,367
Closing shareholders' funds	216,582	199,069

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2011 £	2010 £
Operating profit	20,828	108,176
Depreciation of tangible fixed assets	1,786	2,947
(Increase)/decrease in debtors	(126,122)	121,329
Increase/(decrease) in creditors	217,810	(107,486)
Net cash inflow from operating activities	114,302	124,966

18 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2011 £	2010 £
Returns on investments and servicing of finance		
Interest received	330	190
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(10,075)	(1,755)

19 ANALYSIS OF CHANGES IN NET FUNDS

	1 July 2010 £	Cash flow £	Other non-cash changes £	30 June 2011 £
Cash at bank and in hand	326,202	103,515	-	429,717
Debt:				
Debts due within one year	(94,000)	-	-	(94,000)
Net funds	232,202	103,515	-	335,717

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2011

20. ULTIMATE CONTROLLING PARTY

The company's ultimate controlling party during the current and previous year has been P A Sprecher, by virtue of his controlling interest in the company's issued share capital