

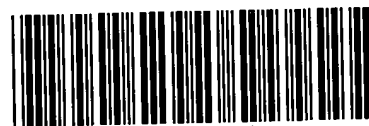
Registered No: 05000601

# **FAM Services Limited**

## **Group Report and Audited Financial Statements**

For the year ended 31 December 2014

TUESDAY



\*A4GY3Z14\*

A15

29/09/2015

#108

COMPANIES HOUSE

# FAM Services Limited

Registered No: 05000601

<b>Contents</b>	<b>Page</b>
Administrative information	1
Strategic report	2
Director's report	3
Statement of director's responsibilities	4
Independent auditor's report	5
Group profit and loss account	7
Group balance sheet	8
Company balance sheet	9
Group cash flow statement	10
Notes to the financial statements	11

FAM Services Limited

Registered No: 05000601

---

## Administrative information

### **Director**

A D Stevens

### **Secretary**

J Davidson

### **Auditors**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

### **Bankers**

Coutts & Co  
188 Fleet Street  
London  
EC4A 2HY

### **Solicitors**

Withers LLP  
16 Old Bailey  
London  
EC4M 7EG

### **Registered Office**

Marble Arch House  
66 Seymour Street  
London  
W1H 5BT

## Strategic report

The director presents his strategic report on the group for the year ended 31 December 2014. The group comprises FAM Services Limited and its subsidiary undertakings, Fulcrum Asset Management LLP, Fulcrum Asset Management LP and Fulcrum Asset Management GP LLC.

### Business review

The past year has continued to see an extremely challenging market environment for the Alternative Investment Industry and in light of this the results and the financial position at the year end were considered satisfactory by the director.

The director does not see any change in the nature of the group activity going forward.

### Results and dividends

The group profit for the year under review, after taxation and minority interest, is shown in the profit and loss account on page 7. The group balance sheet on page 8 shows a satisfactory year end position with net assets of £1,047,540 (2013: £1,104,511). No dividend was paid during the current or previous year.

### Risk management

The principal risk affecting the group is the performance of funds under management as these generate its revenue. The immediate risk to the group of underperforming funds is a decline in revenues, and, longer-term, the risk of redemptions in the funds managed by the group.

Other key risks relate to the company's ability to attract and retain key investment management personnel.

The company operates systems and controls to mitigate any adverse effects across the range of risks that it faces. The company has no significant exposure to price, credit or interest rate risk.

### Key performance indicators


The company's activities relate directly to those of its subsidiary, Fulcrum Asset Management LLP ("LLP"). The key performance indicators are therefore linked to those of the LLP which relate to the growth of funds under management and the performance of the funds managed.

### Going concern

The group currently has sufficient financial resources. It is envisaged that assets under management of Fulcrum Asset Management Limited will be maintained at such a level that the related management and performance fee income of the group will continue to exceed costs during the next twelve months.

The director has assessed the going concern status of the group and concluded that there are no material uncertainties that may cast significant doubt about the group's ability to continue as a going concern.

On behalf of the board



A D Stevens  
Director

03 September 2015

## Director's report

For the year ended 31 December 2014

The director presents his report and the audited financial statements of the company and of the group for the year ended 31 December 2014.

### Principal activity

The principal activity of the company is that of a service company, providing such services to its subsidiary, Fulcrum Asset Management LLP ("the LLP"). The LLP is a limited liability partnership incorporated in England and Wales whose principal activity is the provision of investment management services. The LLP was authorised and regulated by the Financial Conduct Authority ('FCA'), previously Financial Services Authority ('FSA'), on 14 April 2004.

The director does not see any change in the nature of the group activity going forward.

### Director

The director during the year under review and up to the date of this report was A D Stevens.

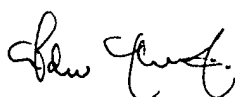
### Director's statement as to disclosure of information to auditors

The director has taken all steps that he ought to have taken as director to make himself aware of any relevant audit information and to establish that the auditors are aware of this information. So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware.

### Auditors

The auditors, Ernst & Young LLP, have indicated their willingness to continue in office. A resolution to reappoint Ernst & Young LLP as auditors will be put to the director at the meeting held to approve these financial statements.

On behalf of the board



A D Stevens

Director

03 September 2015

## Statement of director's responsibilities

The director is responsible for preparing the Strategic Report, Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Independent auditor's report

### To the members of FAM Services Limited

We have audited the financial statements of FAM Services Limited for the year ended 31 December 2014 which comprise the Group profit and loss account, the Group balance sheet, the Company balance sheet, the Group cash flow statement, the Group statement of total recognised gains and losses and the related notes 1 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 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 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 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 the director and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the director is 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 group's and the parent 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 describe the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 group's and of the parent company's affairs as at 31 December 2014 and of the group's loss 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

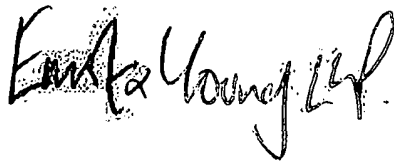
## Independent auditor's report

To the members of FAM Services Limited (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 requires us to report to you if, in our opinion:

- ▶ adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ▶ the parent company financial statements are not in agreement with the accounting records and returns; or
- ▶ certain disclosures of director's remuneration specified by law are not made; or
- ▶ we have not received all the information and explanations we require for our audit.



Julian Young (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

London

7 September 2015



## Group profit and loss account

For the year ended 31 December 2014

	Note	2014 £	2013 £
<b>Turnover</b>	1,2	11,038,016	9,726,064
Administrative expenses		<u>(8,826,561)</u>	<u>(7,763,705)</u>
<b>Operating profit</b>	3	2,211,455	1,962,359
Loss on disposal of tangible assets		(10,600)	-
Interest receivable		3,951	1,250
		<u>2,204,806</u>	<u>1,963,609</u>
<b>Profit on ordinary activities before taxation</b>		2,204,806	1,963,609
Tax on ordinary activities	5	<u>(87,316)</u>	<u>(19,500)</u>
<b>Profit on ordinary activities after taxation</b>		2,117,490	1,944,109
Minority interest	11	<u>(2,174,461)</u>	<u>(1,648,355)</u>
<b>(Loss)/profit for the financial year</b>	13	<u>(56,971)</u>	<u>295,754</u>

All amounts are in respect of continuing activities.

## Group statement of total recognised gains and losses

The group has no recognised gains or losses other than the loss for the current year and profit for the previous year as shown above and therefore no separate statement of total recognised gains and losses has been presented.

**Group balance sheet**

At 31 December 2014

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Tangible fixed assets	6	1,400,243	270,918
Investments	7	48,764	47,169
		<u>1,449,007</u>	<u>318,087</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	2,006,680	2,013,587
Debtors: amounts falling due after more than one year	8	-	327,357
Cash in hand and at bank		<u>1,194,552</u>	<u>1,447,312</u>
		<u>3,201,232</u>	<u>3,788,256</u>
<b>Creditors: amounts falling due within one year</b>	9	<u>(2,434,610)</u>	<u>(1,499,434)</u>
<b>Net current assets</b>		<u>766,622</u>	<u>2,288,822</u>
<b>Total assets less current liabilities</b>		<u>2,215,629</u>	<u>2,606,909</u>
<b>Creditors: amounts falling due after more than one year</b>	10	<u>(247,181)</u>	<u>(247,181)</u>
		<u>1,968,448</u>	<u>2,359,728</u>
<b>Minority interest</b>	11	<u>(920,908)</u>	<u>(1,255,217)</u>
<b>Net assets</b>		<u>1,047,540</u>	<u>1,104,511</u>
<b>Capital and reserves</b>			
Called up share capital	12	437,500	437,500
Share premium	13	667,011	667,011
Profit and loss account	13	<u>(56,971)</u>	<u>-</u>
<b>Shareholders' funds</b>	13	<u>1,047,540</u>	<u>1,104,511</u>

The financial statements were approved by the board on 03 September 2015 and authorised for issue on its behalf by:



A D Stevens  
Director

**Company balance sheet**

At 31 December 2014

	Note	2014 £	2013 £
<b>Fixed assets</b>			
Tangible fixed assets	6	1,400,243	270,918
Investments	7	<u>1,395,000</u>	<u>1,395,000</u>
		2,795,243	1,665,918
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	768,549	1,291,977
Debtors: amounts falling due after more than one year	8	-	327,357
Cash in hand and at bank		<u>37,184</u>	<u>18,719</u>
		805,733	1,638,053
<b>Creditors: amounts falling due within one year</b>	9	<u>(2,425,418)</u>	<u>(1,376,219)</u>
<b>Net current (liabilities)/assets</b>		<u>(1,619,685)</u>	<u>261,834</u>
<b>Total assets less current liabilities</b>		1,175,558	1,927,752
<b>Creditors: amounts falling due after more than one year</b>	10	<u>(247,181)</u>	<u>(247,181)</u>
<b>Net assets</b>		<u>928,377</u>	<u>1,680,571</u>
<b>Capital and reserves</b>			
Called up share capital	12	437,500	437,500
Share premium	13	667,011	667,011
Profit and loss account	13	<u>(176,134)</u>	<u>576,060</u>
<b>Shareholders' funds</b>	13	<u>928,377</u>	<u>1,680,571</u>

The financial statements were approved by the board on 03 September 2015 and authorised for issue on its behalf by:



A D Stevens  
Director

**Group cash flow statement**

For the year ended 31 December 2014

	Note	2014 £	2013 £
Net cash inflow from operating activities	14 (a)	3,646,712	2,192,519
Returns on investments and servicing of finance	14 (b)	3,951	1,250
Taxation	14 (b)	(21,544)	(41,680)
Capital expenditure and investing activities	14 (b)	<u>(1,373,109)</u>	<u>(233,488)</u>
Net cash inflow before management of liquid resources and financing		2,256,010	1,918,601
Financing	14 (b)	<u>(2,508,770)</u>	<u>(1,422,276)</u>
(Decrease)/increase in cash	14 (c)	<u>(252,760)</u>	<u>496,325</u>

**Reconciliation of net cash flow to movement in net funds**

	Note	2014 £	2013 £
(Decrease)/increase in cash in the year		<u>(252,760)</u>	<u>496,325</u>
Change in net debt resulting from cash flows	14 (c)	(252,760)	496,325
Net funds at beginning of year		<u>1,447,312</u>	<u>950,987</u>
Net funds at end of year		<u>1,194,552</u>	<u>1,447,312</u>

## Notes to the financial statements

For the year ended 31 December 2014

### 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 consistently applied applicable UK accounting standards. The principal accounting policies are set out below.

#### Basis of consolidation

The consolidated financial statements include the accounts of the company and its subsidiary undertaking (collectively the "group") drawn up to 31 December 2014. All material intercompany transactions and balances have been eliminated in the group financial statements.

No profit and loss account is presented for FAM Services Limited as permitted by section 408 of the Companies Act 2006. Of the group profit for the year, a loss of £752,194 (2013: loss of £142,294) is dealt with in the accounts of the company.

#### Revenue recognition

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales tax duty.

#### Other income

Other income is recognised on an accruals basis and to the extent the group obtains the right to consideration in exchange for its performance.

#### Operating leases

Rentals paid under operating leases are charged to the profit and loss account as incurred. The value of any rent free periods are amortised over the life of the lease.

#### Foreign currencies

Assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at 31 December 2014. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All currency differences are taken to the profit and loss account.

#### Taxation and deferred taxation

Provision is made for corporation tax at the current rates on the excess of taxable income over allowable expenses. Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date other than those differences regarded as permanent. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Any deferred tax assets and liabilities recognised are provided at the average rate of tax expected to apply when the asset and liability crystallise and are not discounted.

#### Tangible fixed assets

All fixed assets are recorded at cost less accumulated depreciation

Depreciation of fixed assets is calculated to write off their cost less any residual value over their estimated useful lives as follows:

Computer equipment	-	3 years straight line
Office equipment	-	3 years straight line
Furniture and fittings	-	4 years straight line
Leasehold improvements	-	5 years straight line

## Notes to the financial statements

For the year ended 31 December 2014

### 1. Accounting policies (continued)

#### Investments

Investments held as fixed assets are stated at cost less provision for any impairment in value.

#### Pensions

The company operates a defined contribution money purchase pension scheme. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

### 2. Turnover

Turnover represents management fees and performance fees arising from continuing activities in the United Kingdom.

### 3. Operating profit

	2014 £	2013 £
Profit on ordinary activities is stated after charging:		
Depreciation of tangible fixed assets (note 6)	231,589	136,167
Auditors' remuneration		
- audit services		
(parent company: £14,600, 2013: £13,550)	20,600	19,550
- taxation services		6,000
Operating lease rentals – buildings	633,279	330,600
(Gain)/Loss on foreign exchange	<u>(278,564)</u>	<u>81,695</u>

### 4. Staff costs

	2014 £	2013 £
Wages and salaries	4,453,308	3,782,419
Social security costs	517,667	439,368
Pension contributions	<u>171,777</u>	<u>146,984</u>
	<u>5,142,752</u>	<u>4,368,771</u>

The average monthly number of employees during the year was as follows:

	Number	Number
Investment management	33	33
Office and administration	<u>2</u>	<u>2</u>
	<u>35</u>	<u>35</u>

The director did not receive any remuneration during the current or previous year.

## Notes to the financial statements

For the year ended 31 December 2014

### 5. Taxation

(a) Tax on profit on ordinary activities:

	2014 £	2013 £
The tax charge is made up as follows:		
UK corporation tax on profit for the year	64,226	15,305
Overseas taxation	5,289	3,670
Adjustment in respect of previous periods	<u>12,502</u>	<u>21</u>
Total current tax charge (note 5b)	82,017	18,975
Deferred tax (note 5c)	<u>5,299</u>	<u>525</u>
Total tax charge	<u>87,316</u>	<u>19,500</u>

(b) Factors affecting the tax charge for the year:

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>2,204,806</u>	<u>1,963,609</u>
Corporation tax at 21.49% (2013 – 23.25%)	473,882	456,540
Effect of:		
Income taxable on minority interests	(412,355)	(453,806)
Expenses not deductible for tax purposes	13,193	6,112
Depreciation in excess of capital allowances	-	5,236
Capital allowances in excess of depreciation	(2,122)	-
Income taxable at small companies rate	(738)	-
Profit attributable to overseas operations	(7,634)	-
Overseas operations	5,289	3,670
Adjustment in respect of previous periods	<u>12,502</u>	<u>1,223</u>
	<u>82,017</u>	<u>18,975</u>

## Notes to the financial statements

For the year ended 31 December 2014

### 5. Taxation (continued)

(c) Deferred tax asset

#### *Group & Company*

	2014 £	2013 £
At beginning of year	9,672	10,197
Deferred tax (charge) in profit and loss account	<u>(5,299)</u>	<u>(525)</u>
At end of year	<u>4,373</u>	<u>9,672</u>

The deferred tax asset is made up as follows:

	2014 £	2013 £
Depreciation in excess of capital allowances	<u>4,373</u>	<u>9,672</u>

### 6. Tangible fixed assets

#### *Group & Company*

	Leasehold improvements £	Office equipment £	Fixtures & fittings £	Computer equipment £	Total £
<b>Cost:</b>					
At 1 January 2014	266,719	35,253	186,330	768,097	1,256,399
Additions	1,021,188	-	154,090	196,236	1,371,514
Disposals	<u>(266,719)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(266,719)</u>
At 31 December 2014	<u>1,021,188</u>	<u>35,253</u>	<u>340,420</u>	<u>964,333</u>	<u>2,361,194</u>
<b>Depreciation:</b>					
At 1 January 2014	252,195	35,253	154,616	543,417	985,481
Charge for the year	61,081	-	10,169	160,339	231,589
Disposals	<u>(256,119)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(256,119)</u>
At 31 December 2014	<u>57,157</u>	<u>35,253</u>	<u>164,785</u>	<u>703,756</u>	<u>960,951</u>
<b>Net book value:</b>					
At 31 December 2014	<u>964,031</u>	<u>-</u>	<u>175,635</u>	<u>260,577</u>	<u>1,400,243</u>
At 1 January 2014	<u>14,524</u>	<u>-</u>	<u>31,714</u>	<u>224,680</u>	<u>270,918</u>



## Notes to the financial statements

For the year ended 31 December 2014

### 7. Fixed asset investments

#### *Group*

	2014 £	2013 £
<b>At cost:</b>		
At 1 January	47,169	47,169
Additions	<u>1,595</u>	<u>47,169</u>
 At 31 December	 <u>48,764</u>	 <u>47,169</u>

During the year the Group made a number of investments in its underlying funds managed by the LLP.

#### *Company*

	2014 £	2013 £
<b>At cost:</b>		
At 1 January	<u>1,395,000</u>	<u>1,395,000</u>
 At 31 December	 <u>1,395,000</u>	 <u>1,395,000</u>

The investment represents the company's 64.1% (31 December 2013: 64.1%) capital interest in its subsidiary undertaking, Fulcrum Asset Management LLP, a limited liability partnership incorporated in England and Wales whose principal activity is the provision of investment management services.

Fulcrum Asset Management LLP is the beneficial owner of Fulcrum Asset Management LP and Fulcrum Asset Management GP LLC. Both companies were incorporated in the state of Delaware in the USA on 28 Feb 2011. The main activity of the LP is the provision of marketing services. The LLC was established as an investment company.

## Notes to the financial statements

For the year ended 31 December 2014

### 8. Debtors

Amounts falling due within one year:

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Trade debtors	37,159	37,159	7,341	7,341
Amounts due from Fulcrum Asset Management Limited	9,519	78,656		78,656
Amounts due from Fulcrum Asset Management LLP	-	221,798		869,050
Amounts due from Fulcrum LP	-	13,181		12,564
Deferred tax (note 5c)	4,373	4,373	9,672	9,672
Other debtors	622	-	374	374
VAT recoverable	96,821	96,816	62,717	62,717
Prepayments and accrued income	<u>1,858,186</u>	<u>316,566</u>	<u>1,933,483</u>	<u>251,603</u>
	<u>2,006,680</u>	<u>768,549</u>	<u>2,013,587</u>	<u>1,291,977</u>

Amounts falling due after more than one year:

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Rent deposit	<u>-</u>	<u>-</u>	<u>327,357</u>	<u>327,357</u>

## Notes to the financial statements

For the year ended 31 December 2014

### 9. Creditors: amounts falling due within one year

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Trade creditors	181,009	179,506	109,357	83,319
Other creditors	18,315	18,315	-	-
Amounts due to Fulcrum Asset Management Limited	-	-	33,188	-
Accruals and deferred income	2,068,746	2,061,057	1,262,910	1,195,651
Social security and other taxes	102,314	102,314	90,226	90,226
Corporation tax	64,226	64,226	3,753	7,023
	<u>2,434,610</u>	<u>2,425,418</u>	<u>1,499,434</u>	<u>1,376,219</u>

### 10. Creditors: amounts falling due after more than one year

	Group 2014 £	Company 2014 £	Group 2013 £	Company 2013 £
Long term loan	<u>247,181</u>	<u>247,181</u>	<u>247,181</u>	<u>247,181</u>
	<u>247,181</u>	<u>247,181</u>	<u>247,181</u>	<u>247,181</u>

The long term loan was unsecured and repayable 20 days after the date on which the rent deposit debtor is repaid by the landlord to the company. Interest due on the loan is limited to all interest earned on the rent deposit debtor provided it is paid and not withheld by the landlord. Following the move to new premises and the repayment of the rent deposit, the terms of the loan granted by Gavyn Davies, a member of the LLP, were changed such that no interest is due and the loan is repayable at the discretion of the company.

### 11. Minority interests

Minority interests represent the interests of the other members of Fulcrum Asset Management LLP.

	2014 £	2013 £
At beginning of year	1,255,217	1,029,138
Capital contribution	-	10,000
Minority interest's share of unallocated profits of the LLP	2,174,461	2,040,859
Distribution	(541,358)	(431,404)
Payments to minority interests	<u>(1,967,412)</u>	<u>(1,393,376)</u>
	<u>920,908</u>	<u>1,255,217</u>

## Notes to the financial statements

For the year ended 31 December 2014

### 12. Called up share capital

*Group and company*

	Allotted, called up & fully paid 2014 £	Allotted, called up & fully paid 2013 £
Ordinary shares of £1 each	<u>437,500</u>	<u>437,500</u>

### 13. Reconciliation of Shareholders' funds and movements on reserves

*Group*

	Share capital £	Share premium £	Profit and loss account £	Total shareholders' funds £
At 1 January 2014	437,500	667,011		1,104,511
Loss for the year	<u>-</u>	<u>-</u>	<u>(56,971)</u>	<u>(56,971)</u>
At 31 December 2014	<u>437,500</u>	<u>667,011</u>	<u>(56,971)</u>	<u>1,047,540</u>

*Company*

	Share capital £	Share premium £	Profit and loss account £	Total shareholders' funds £
At 1 January 2014	437,500	667,011	576,060	1,680,571
Loss for the year	<u>-</u>	<u>-</u>	<u>(752,194)</u>	<u>(752,194)</u>
At 31 December 2014	<u>437,500</u>	<u>667,011</u>	<u>(176,134)</u>	<u>928,377</u>

## Notes to the financial statements

For the year ended 31 December 2014

### 14. Notes to group cash flow statement

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

	2014 £	2013 £
Operating profit	2,211,455	1,962,359
Depreciation	231,589	136,167
Decrease/(increase) in debtors	328,965	(447,464)
Increase in creditors	874,703	541,457
Net cash inflow from operating activities	<u>3,646,712</u>	<u>2,192,519</u>

#### (b) Analysis of cash flows for headings netted in the statement of cash flows

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	<u>3,951</u>	<u>1,250</u>
<b>Taxation</b>		
Corporation tax paid	<u>(21,544)</u>	<u>(41,680)</u>
<b>Capital expenditure and investing activities</b>		
Payments to acquire tangible fixed assets	(1,371,514)	(186,319)
Purchase of investment	<u>(1,595)</u>	<u>(47,169)</u>
	<u>(1,373,109)</u>	<u>(233,488)</u>
<b>Financing</b>		
Capital contribution from minority interests		15,000
Capital repaid to minority interests		(5,000)
Payments to minority interests	<u>(2,508,770)</u>	<u>(1,432,276)</u>
	<u>(2,508,770)</u>	<u>(1,422,276)</u>

#### (c) Analysis of changes in cash

	At 31 December 2013 £	Cash flows £	At 31 December 2014 £
Cash at bank	<u>1,447,312</u>	<u>(252,760)</u>	<u>1,194,552</u>

### 15. Operating lease commitments

At 31 December 2014 the company was committed to making the following annual payments in respect of operating leases:

## Notes to the financial statements

For the year ended 31 December 2014

	Buildings 2014 £	Buildings 2013 £
Leases which expire:		
In less than one year		192,850
In more than 5 years	356,979	

### 16. Related party transactions

No disclosure has been made of transactions between the company and its subsidiary undertaking, Fulcrum Asset Management LLP in accordance with paragraph 3(a) of FRS8 "Related Party Disclosures".

During the year, the group received management and performance fees of £5,263,533 (2013: £2,966,047) from Fulcrum Asset Management Limited, the parent undertaking. During the year the LLP paid expenses on behalf of Fulcrum Asset Management Limited of £3,904 (2013: £14,293).

At 31 December 2014, Fulcrum Asset Management Limited owed the company £78,656 (2013: £78,656) and the group £9,519 (2013: owed to Fulcrum Asset Management Limited £33,188).

### 17. Parent undertaking and controlling party

In the director's opinion, the company's ultimate parent undertaking is Fulcrum Asset Management Limited, a company registered in the Cayman Islands.