

Cambridge Place Partners (UK) Limited

Report and Consolidated Financial Statements

For the year to 30 November 2013

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COMPANIES HOUSE

Registered No: 05137567

Directors

Nicholas Aspinall
Robert Michael Kramer
Martin Finegold

Secretary

Nicholas Aspinall

Auditors

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

Bankers

Barclays Bank plc
1 Churchill Place
London E14 5HP

Registered Office

Jessop House, Jessop Avenue
Cheltenham GL50 3WG

Directors' report

The directors present their report and the audited Consolidated Financial Statements of Cambridge Place Partners (UK) Limited ("the Company") and its subsidiary undertaking Cambridge Place Investment Management LLP (together "the Group") for the year ended 30 November 2013.

Principal activity

The principal activity of the Group during the year was that of providing investment advisory and management services.

The Company is an intermediary holding company. It is a subsidiary of Cambridge Place Partners LP, an entity domiciled in the Isle of Man and together with its subsidiary undertaking Cambridge Place Investment Management LLP forms part of the Cambridge Place Group ("the CPIM Group").

Directors

The directors of the Company (all of whom held office throughout the period) at 30 November 2013 were:

Nicholas Aspinall

Robert Michael Kramer

Martin Finegold

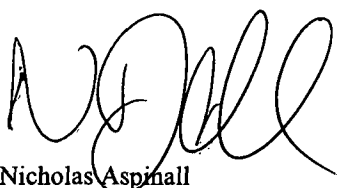
Disclosure of information to the auditors

So far as the directors are aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the Company's auditor is unaware. The directors have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of this information.

Reappointment of auditors

Ernst & Young LLP were appointed as auditor on 11 August 2004 and will continue in office as the Company has resolved not to appoint the auditor annually.

Signed on behalf of the board on 20 August 2014 by



Nicholas Aspinall

Director

Strategic report

Results and business review

The results for the year, and the Company's financial position at the end of the year, are shown on pages 9 to 13. The directors do not propose the payment of an ordinary dividend (2012: £nil).

The Group's key financial and other performance indicators during the year were as follows:

	2013 £'000	2012 £'000
Group turnover and other income	1,118	1,406
Administrative expenses and service charges	(269)	(493)
Profit for the financial year	856	873
Shareholders' funds	8,152	8,314
Cash at bank and in hand	1,076	18

The Assets under management of the structured credit funds fell during the year from \$55,734,643 to \$28,889,127 as available funds were returned to investors during the year, a process that will continue. The structured credit funds have continued to realise assets and return excess cash to investors, leading to a fall in management fees from \$422,865 in 2012 to \$243,300 in 2013.

The Group manages three Collateralised Debt Obligations ("CDOs"); the gross assets of these fell from \$963,578,103 in 2012 to \$843,577,652 in 2013, leading to a fall in management fees from \$668,398 to \$540,758.

Management fees from the Crownstone real estate fund fell from \$634,191 in 2012 to \$410,710 in 2013 reflecting the reduced value of the properties under management and a change in the fee-sharing arrangements.

Staff numbers within the Cambridge Place Group were reduced slightly during the year from 27 to 25 in line with the reduced requirements for resources. Going forward, the success of the business will be measured by the new projects it brings to fruition.

Principal risks and uncertainties

The Group's principal risks relate to the management of cashflows and liquidity. Cambridge Place Investment Management LLP ("CPIM LLP"), receives monthly management fees and income from new projects. The management fees from the legacy business are expected to decline slowly, with income from new projects replacing them, though the latter is less predictable. Fees payable by the Group to the service companies in the CPIM Group, Cambridge Place Limited and Cambridge Place Investment Management Inc, are only required to be paid when the Group has sufficient funds.

Credit risk is minimal, as CPIM LLP's management fees are calculated and paid on a monthly basis by the fund's administrators.

Liquidity risk is managed by closely monitoring cash flow forecasts and maintaining sufficient capital to ensure that the Group is able to meet its financial obligations and retain sufficient regulatory capital.

Operational risk is low, as the Group maintains strong risk and compliance monitoring processes, key staff have a strong personal and financial commitment to the Group and all outsourcing partners are continuously monitored.

Going concern

The financial statements are prepared on a going concern basis, which assumes that the Company will continue in existence for the foreseeable future.

Whilst the Group is profitable and has adequate regulatory capital, given the dependence of the Group on a number of UK and US affiliated entities within the CPIM Group ("the Affiliated Group") for the provision of services, in considering the suitability of the going concern assessment, the directors have acknowledged that it is necessary to assess the ability of the Affiliated Group to continue as a going

Strategic report

concern, as well as the Company. At 30 November 2013 the Affiliated Group has a net liability position of £64.2m, including debt finance of £49.8m and a retained loss for the current financial year of £6.8m. The maturity on the \$18m of Convertible Loan Notes issued by the Affiliated Group ("the CLNs") has been extended to 31 December 2015, and \$3.1m of this was repaid during the year leaving a current principal balance at the year end of \$14.9m. After the year end a further repayment of \$1.7m has been made, leaving a balance of \$13.2m, and \$6.3m was repaid to a lender associated with the Company's ultimate holding company.

Notwithstanding that the Affiliated Group's current financial position and performance indicates that there is significant uncertainty that the Affiliated Group will be able to continue as a going concern without continued financial support, the CPIM Group has initiatives in place that the directors believe have reasonable prospects of stimulating growth and generating a financial return from which the Affiliated Group will be able to repay both its short and medium term financing obligations; as well as managing its on-going working capital requirements and provide a significant return to its investors. The directors believe that these legacy asset management activities will continue for the foreseeable future and together with income from new activities provide sufficient income for the Company to continue as a going concern, if required, with the support of the CPIM Group.

Where it has been required to meet working capital requirements, the CPIM Group has been successful in raising additional finance from lenders. The directors have the expectation that, if additional finance were required to enable the Affiliated Group to meet its obligations, this finance would be made available.

In addition to the financial support available from the Affiliated Group, the Group continues to generate income from legacy asset management related activities and new activities. Although the legacy activities are in the process of being wound down, the length of time for which these services will be provided remains uncertain. The directors believe that these legacy asset management activities will continue for the foreseeable future and together with income from new activities provide sufficient income to manage the Company's existing capital requirement and continue as a going concern, if required, with the support of the Affiliated Group.

Material uncertainty

The directors acknowledge that, due to the dependence of the Company on the Affiliated Group, the Group's existing financial position and the uncertainty regarding the timing and delivery of the Group's future projects, there is a material uncertainty that may cast significant doubt upon the Company's ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of assets or to the classification of liabilities that may be necessary if it were considered that the Company was unable to continue as a going concern.

Mitigating factors

Notwithstanding that the Affiliated Group's current financial position and performance indicates that there is significant uncertainty that the Company will be able to continue as a going concern without continued financial support, the CPIM Group has initiatives in place that the directors believe will stimulate growth and generate a financial return from which the Affiliated Group will be able to repay both its short and medium term financing obligations; as well as managing its on-going working capital requirements and provide a significant return to its investors.

i) UK consumer lender

On 22 December 2013 the CPIM Group and a US financial institution each acquired a 40% stake in a start-up UK consumer lender. This company has developed a sophisticated IT platform to enable it to enter the UK consumer loan market. CPIM together with its co-investor agreed to recapitalise the company and provide a working capital to enable it to launch. The company started lending in April 2014 after revising its original business plan.

Strategic report

ii) UK Bank Project

The CPIM Group has invested in the development of a new UK retail bank. However, there are a number of significant obstacles and risks to the launch of the bank including: a failure to attract adequate capital; final regulatory approval; and the wider economic environment.

The directors do not believe that these matters represent an insurmountable barrier to launch and consider there is a prospect that the bank can be launched, potentially in conjunction with the UK consumer lender in (i) above.

iii) Debt repayments

The CLNs that were due to mature on 31 December 2012 had their maturity extended to 31 December 2015. The CLNs are held by the same parties that have provided the CPIM Group with medium term debt finance. A repayment of \$3.1m was made in September 2013, leaving a current balance at the year end of \$14.9m. After the year end a further repayment of \$1.7m has been made, leaving a balance of \$13.2m. In addition \$20.7m of principal was repaid on the ultimate parent Cambridge Place Partners LP's related party financing arrangements and \$6.3m of the Affiliated Group's outstanding debt finance. Further repayments will be made as and when it is prudent to do so.

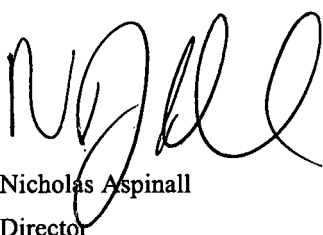
iv) Litigation Claims

A US subsidiary of the Affiliated Group has made claims against a number of counterparties relating to the mis-selling of certain financial products ("the Claims") purchased for \$3.2bn. The Affiliated Group has had significant success in the litigation, having achieved a number of commercially satisfactory settlements. The litigation continues against one defendant. Additional information in relation to the Claims is not disclosed on the basis that it may prejudice the existing litigation proceeding.

Conclusion

The directors believe that the going concern basis is appropriate for the Company given its projected income and its ability to manage certain of its variable expenses, and due to the financial return that will be generated from these planned business activities and the support of its investors.

Signed on behalf of the board on 20 August 2014 by



Nicholas Aspinall
Director

Statement of directors' responsibilities in respect of the Financial Statements

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 (UK 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 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 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.

Independent Auditors' Report

to the Members of Cambridge Place Partners (UK) Limited

We have audited the financial statements ("the financial statements") of Cambridge Place Partners (UK) Limited for the year ended 30 November 2013 which comprise the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows and the related notes 1 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 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 directors and auditors

As explained more fully in the Statement of directors' responsibilities on page 6, 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 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

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 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 report and consolidated financial statements 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 Group's and the Company's affairs as at 30 November 2013 and of the Group's 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.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the Strategic Report concerning the Company's ability to continue as a going concern. The matters explained therein indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

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

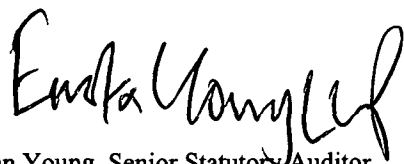
Independent Auditors' Report

to the Members of Cambridge Place Partners (UK) 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 Company, 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.



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

21 August 2014

Consolidated Profit and Loss Account

for the year ended 30 November 2013

	<i>Notes</i>	<i>2013</i> £	<i>2012</i> £
Turnover			
Fee income	1	738,195	1,092,785
Administrative expenses		(216,872)	(224,399)
Services charges		(52,083)	(268,152)
Operating profit		469,240	600,234
Other income		380,167	312,809
Interest receivable		-	3
Foreign exchange profit/(loss)		6,884	(39,522)
Profit on ordinary activities before taxation		856,291	873,524
Taxation on profit on ordinary activities	3	-	-
Profit on ordinary activities after taxation		856,291	873,524
Minority interests	8	(856,291)	(873,524)
Profit for the financial year	10(a)	-	-

All amounts are in respect of continuing activities.

The notes on pages 14 to 20 form a part of these Financial Statements.

Consolidated Statement of Total Recognised Gains and Losses

	<i>Note</i>	<i>2013</i> <i>£</i>	<i>2012</i> <i>£</i>
<i>Profit for the financial year</i>		–	–
Exchange difference on retranslation of subsidiary	10(a)	(162,359)	(261,319)
<i>Total gains and losses recognised</i>		<u>(162,359)</u>	<u>(261,319)</u>

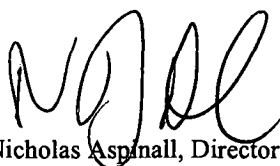
The notes on pages 14 to 20 form a part of these Financial Statements.

Consolidated Balance Sheet

at 30 November 2013

	Notes	2013 £	2012 £
Fixed assets			
Tangible assets	4	161,889	380,762
Current assets			
Debtors	6	1,767,901	1,803,473
Cash at bank and in hand		1,075,617	18,333
		<u>2,843,518</u>	<u>1,821,806</u>
Creditors: amounts falling due within one year	7	(280,559)	(287,280)
		<u>2,562,959</u>	<u>1,534,526</u>
Net current assets			
		<u>2,724,848</u>	<u>1,915,288</u>
Total assets less current liabilities			
Minority interests		5,427,127	6,399,046
		<u>8,151,975</u>	<u>8,314,334</u>
Net assets attributable to equity holders of the parent company			
Capital and reserves			
Called up share capital	9	6,645,985	6,645,985
Profit and loss account	10(a)	1,505,990	1,668,349
		<u>8,151,975</u>	<u>8,314,334</u>
Total shareholders' funds			
		<u>8,151,975</u>	<u>8,314,334</u>

Signed on behalf of the Board on 20 August 2014 by



Nicholas Aspinall, Director

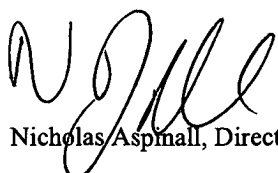
The notes on pages 14 to 20 form a part of these Financial Statements.

Company Balance Sheet

at 30 November 2013

	<i>Notes</i>	<i>2013</i> £	<i>2012</i> £
Fixed assets			
Investments	5	6,645,985	6,645,985
Current assets			
Cash at bank and in hand		—	—
Net assets		<u>6,645,985</u>	<u>6,645,985</u>
Capital and reserves			
Called up share capital	9	6,645,985	6,645,985
Profit and loss account	10(b)	—	—
Total shareholders' funds		<u>6,645,985</u>	<u>6,645,985</u>

Signed on behalf of the Board on 20 August 2014 by



Nicholas Aspinall, Director

The notes on pages 14 to 20 form a part of these Financial Statements.

Consolidated Statement of Cash Flows

for the year ended 30 November 2013

	<i>Note</i>	<i>2013</i> £	<i>2012</i> £
Net cash inflow from operating activities	11(a)	1,097,130	94,977
Returns on investments and servicing of finance	11(b)	-	3
Increase in net cash in the year		<u>1,097,130</u>	<u>94,980</u>

Reconciliation of net cash flow to movement in net funds

	<i>Note</i>	<i>2013</i> £	<i>2012</i> £
Increase in cash	11(c)	1,097,130	94,980
Movement in net funds	11(c)	<u>1,097,130</u>	<u>94,980</u>
Foreign exchange differences	11(c)	(39,846)	(83,716)
Net funds at 1 December	11(c)	18,333	7,069
Net funds at 30 November	11(c)	<u>1,075,617</u>	<u>18,333</u>

The notes on pages 14 to 20 form a part of these Financial Statements.

Notes to the Financial Statements

at 30 November 2013

1. Accounting policies

Basis of preparation

These financial statements have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and under the historical cost convention. The financial statements are prepared on a going concern basis, which assumes that the Company will continue in existence for the foreseeable future and is able to meet its liabilities as they fall due.

Basis of consolidation

The Financial Statements of the Group consolidate the financial statements of Cambridge Place Partners (UK) Limited and the Company's share of the interests in Cambridge Place Investment Management LLP. The financial statements are drawn up to 30 November. No profit and loss account is presented for Cambridge Place Partners (UK) Limited as permitted by Section 408 of the Companies Act 2006, the net profit of the Company was £nil (2012: £nil).

Tangible fixed assets

All fixed assets are initially recorded at cost.

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

Computer and office equipment	-	3 years straight line
Leasehold improvements	-	on a straight line basis over the life of the lease from the date of occupation or commencement of use

Investments

Investments are held at cost less provision for any impairment in value.

Minority Interest

Minority interests represent the interests of the other members in Cambridge Place Investment Management LLP.

Foreign currencies

Company

Transactions in foreign currencies are recorded at the prevailing rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date, £1:\$1.6348 (2012: £1:\$1.6022). All differences are taken to the profit and loss account.

Group

The financial statements of subsidiary undertakings that are denominated in other currencies are translated at the rate of exchange ruling at the balance sheet date. The exchange difference arising on the retranslation of opening net assets is taken directly to reserves.

Service charges

Service charges represent the charges payable to Cambridge Place Limited and Cambridge Place Investment Management Inc, in accordance with their respective Corporate Service Agreements. These charges are recognised on an accruals basis.

Notes to the Financial Statements

at 30 November 2013

1. Accounting policies (continued)

Fee income

Fee income represents fees receivable for investment advisory and investment management services provided during the year and arising from continuing activities in the UK. Management and advisory fees are recognised on an accruals basis net of VAT and rebates. Performance fees are recognised in the period in which they crystallise.

Other income represents rental income from subletting part of the Group's premises, fees earned from the disposal of property assets belonging to a real estate fund managed by the Group, plus any miscellaneous income earned during the year. The former is recognised on a straight line accrual basis, over the tenure of the lease. All other income entitlements and interest receivable are recognised on an accruals basis.

Directors' remuneration and employees

The directors of the Company are all remunerated by Cambridge Place Limited, a fellow subsidiary of the Company's ultimate parent entity, Cambridge Place Partners LP. In the opinion of the directors, the proportion of each director's remuneration that is attributable to work performed on behalf of the Company is not able to be allocated on a reasonable basis. Therefore, no allocation of directors' remuneration has been made to the Company. The cost of the services provided by the directors to the Company is covered by the service charge incurred by the Company. The Company has no employees and outsources all services to Cambridge Place Limited. Costs incurred by employees of Cambridge Place Limited on behalf of the Company are recharged in the form of a service charge. The portion of the service charge relating to remuneration of staff is not separately identifiable from the overall charge.

Tax

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred taxation is provided using the liability method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

2. Auditor's remuneration

The fee for the audit of the financial statements was borne by Cambridge Place Limited and was not recharged to the Company. The audit fee for 2013 is £8,500 (2012: £8,500). The Company did not incur any non-audit fees that were payable to the auditor during the year (2012: £nil).

Notes to the Financial Statements

at 30 November 2013

3. Taxation

(a) Tax on profit/(loss) on ordinary activities:

	<i>Group</i> 2013 £	<i>Group</i> 2012 £
The tax charge is made up as follows:		
UK Corporation Tax on result for the year	–	–
Total current tax	–	–
(b) Factors affecting the tax charge for the year:		
Profit on ordinary activities before taxation	856,291	873,524
Corporation Tax 23.33% (24.67%)	199,773	215,498
Effect of:		
Non-taxable income	(199,773)	(215,498)
	–	–

The Company made a profit of £nil for the year ended 30 November 2013 (2012: £nil) and as a consequence no corporation tax is payable (2012: £nil). There was no deferred tax asset at the year end.

4. Tangible fixed assets

Group	<i>Computer and office equipment</i> £	<i>Leasehold improvements</i> £	<i>Total</i> £
Cost:			
At 1 December 2012	312,635	1,584,408	1,897,043
Foreign exchange difference	(6,234)	(31,595)	(37,829)
At 30 November 2013	306,401	1,552,813	1,859,214
Depreciation:			
At 1 December 2012	312,635	1,203,646	1,516,281
Foreign exchange difference	(6,234)	(24,003)	(30,237)
Charge for the year	–	211,280	211,280
At 30 November 2013	306,401	1,390,923	1,697,324
Net book value:			
At 30 November 2013	–	161,890	161,890
Net book value:			
At 30 November 2012	–	380,762	380,762

There were no tangible fixed assets owned by the Company during the year (2012: none).

Notes to the Financial Statements

at 30 November 2013

5. Fixed asset investments - Company

	<i>Unlisted Investments</i>	<i>Total</i>
	£	£
At 1 December 2012 and 30 November 2013	6,645,985	6,645,985

The unlisted investment of £6,645,985 represents capital contributions made to Cambridge Place Investment Management LLP, and is stated at the lower of cost and the net realisable value.

As at 30 November 2013, Cambridge Place Partners (UK) Limited held a 99.71% (2012: 99.71%) interest in the members' capital of Cambridge Place Investment Management LLP, a provider of investment management and advisory services, incorporated and registered in England and Wales.

The directors are of the opinion that the net realisable value of the investment in this partnership is not less than the amount at which it is stated in these financial statements.

6. Debtors: amounts falling due within one year

	<i>2013 Group</i>	<i>2013 Company</i>	<i>2012 Group</i>	<i>2012 Company</i>
	£	£	£	£
Amounts due from Cambridge Place Limited	1,536,344	-	1,563,154	-
Amounts due from other group companies	92,469	-	94,257	-
Trade debtors	139,088	-	146,062	-
	<u>1,767,901</u>	<u>-</u>	<u>1,803,473</u>	<u>-</u>

7. Creditors: amounts falling due within one year

	<i>2013 Group</i>	<i>2013 Company</i>	<i>2012 Group</i>	<i>2012 Company</i>
	£	£	£	£
Trade creditors	7,861	-	11,902	-
Accruals	10,670	-	9,959	-
Other creditors	75,559	-	165,622	-
Amounts due to other group companies	169,042	-	82,484	-
VAT payable	17,427	-	17,313	-
	<u>280,559</u>	<u>-</u>	<u>287,280</u>	<u>-</u>

8. Minority Interest

The proportion of the net loss of the Group that is attributable to the minority interests in the year is disclosed on the profit and loss account. The proportion of the profit on ordinary activities after tax of the Group that are attributable to minority interests is shown on the balance sheet.

Notes to the Financial Statements

at 30 November 2013

9. Called up share capital

	<i>Authorised 2013 No.</i>	<i>Issued and fully paid 2013 No.</i>	<i>Authorised 2012 No.</i>	<i>Issued and fully paid 2012 No.</i>
Ordinary shares of £1 each	6,645,985	6,645,985	6,645,985	6,645,985

10. Reconciliation of shareholders' funds and movements on reserves

(a) Group

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total shareholders' funds £</i>
At 1 December 2012	6,645,985	1,668,349	8,314,334
Exchange difference on retranslation of subsidiary	–	(162,359)	(162,359)
Retained profit for the year	–	–	–
At 30 November 2013	<u>6,645,985</u>	<u>1,505,990</u>	<u>8,151,975</u>

(b) Company

	<i>Share capital £</i>	<i>Profit and loss account £</i>	<i>Total shareholders' funds £</i>
At 1 December 2012	6,645,985	–	6,645,985
At 30 November 2013	<u>6,645,985</u>	<u>–</u>	<u>6,645,985</u>

Notes to the Financial Statements

at 30 November 2013

11. Notes to consolidated statement of cash flows

(a) Reconciliation of operating loss to net cash outflow from group operating activities

	2013 £	2012 £
Operating profit	469,240	600,234
Other income	380,167	312,809
Depreciation	211,280	215,578
Exchange gain on fixed assets	7,592	17,825
Decrease/(increase) in debtors	35,572	(1,166,182)
(Decrease)/increase in creditors	(6,721)	114,713
Nat cash outflow from operating activities	1,097,130	94,977

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

	2013 £	2012 £
<i>Returns on investments and servicing of finance</i>		
Interest received	-	3

11. Notes to consolidated statement of cash flows (continued)

(c) Analysis of changes in cash

	At 1 December 2012 £	Cash flow £	Foreign exchange differences £	At 30 November 2013 £
Cash at bank	18,333	1,097,130	(39,846)	1,075,617

12. Operating lease commitments

Operating lease commitments of £470,656 (2012: £470,656) were borne on behalf of the Group by Cambridge Place Limited, a designated member of Cambridge Place Investment Management LLP. The proportion of this current commitment that is attributable to the Group is allocated as part of the service charge allocated to the Group by Cambridge Place Limited. The Group does not have any other commitments or contingent liabilities (2012: none).

Notes to the Financial Statements

at 30 November 2013

13. Related party transactions

Cambridge Place Partners (UK) Limited and Cambridge Place Limited are Designated Members of CPIM LLP, a limited liability partnership registered in England and Wales. During the year £nil (2012: £189,259) was payable to Cambridge Place Limited. In addition £52,083 (2012: £78,885) was payable to Cambridge Place Securities LLC.

At the year end an amount of £1,536,344 (2012: £1,563,154) was due from Cambridge Place Limited and an aggregate of £92,469 (2012: £94,257) was due from other CPIM Group companies.

The Group has taken advantage of the exemption in *Financial Reporting Standard 8 Related Party Disclosure* relating to transactions between 90% or more controlled subsidiaries.

14. Ultimate parent undertaking

The Group is a wholly-owned subsidiary of Cambridge Place Partners LP, a limited partnership incorporated in the Isle of Man. Aston Partners Limited is the general partner of Cambridge Place Partners LP and is its controller.