

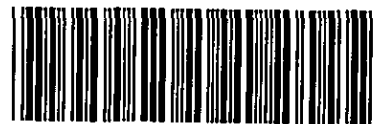
5617499

CZ Capital Services Limited

Report and Financial Statements

31 March 2013

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COMPANIES HOUSE

Directors

C Curtis
S Evans
W Rushmer

Secretary

Throgmorton Secretaries LLP

Auditors

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

Bankers

The Royal Bank of Scotland
43 Curzon Street
London W1Y 7RF

Solicitors

Simmons & Simmons
City Point
One Ropemaker Street
London EC2Y 9SS

Registered Office

4th Floor
Reading Bridge House
George Street
Reading
Berkshire RG1 8LS

Registered No 5617499

Directors' report

The directors present their report and financial statements of the group for the year ended 31 March 2013. The group financial statements include those of CZ Capital LLP ('the LLP'), an entity controlled by CZ Capital Services Limited ('the Company'). The group therefore comprises both CZ Capital LLP and CZ Capital Services Ltd.

Results and dividends

The group profit for the year after taxation amounted to £426,140 (2012 – profit of £1,419,492). The directors did not pay an interim dividend during the year (2012 – £nil) and do not recommend the payment of a final dividend.

Principal activities and review of the business

The Group's principal activity is the provision of investment management services to a hedge funds, CZ Equilibria UK Fund Ltd and CZ Enhanced Fund Ltd.

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

	2013 £000	2012 £000	Change %
Turnover	1,048	2,029	-48%
Operating profit	431	1,424	-70%
Profit after tax	426	1,419	-70%

Turnover fell by 48% during the year, primarily due to the fall in performance fee earned on the management of the CZ Equilibria UK Fund Ltd for the year to Dec 2012. At this stage it is not possible to indicate the level of performance fee expected for the current year as this will not crystallise until 31 December 2013 and will be driven by the performance achieved for the funds to that date.

Operating profit fell by 70%, mainly resulting from the decrease in performance fee as mentioned above.

Future development

The future development of the business is dependent on maintaining a satisfactory performance record for the CZ Equilibria UK Fund Ltd and the CZ Enhanced Fund Ltd.

Principal risks and uncertainties

The key business risks and uncertainties affecting the business are considered to relate to the performance of the underlying fund managed by the Group.

The Group is not exposed to any significant price, credit, liquidity or cash flow risk.

Directors' report

Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the review of the business above. The financial position of the Group and its liquidity position are reflected on the balance sheet. The Group has sufficient financial resources and an on-going investment management contract. As a consequence, the directors believe that the Group is well placed to manage its business risks successfully. The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors

The directors who served the company during the year were as follows

C Curtis

S Evans

M Kearney (Resigned 31/03/13)

W Rushmer

M Stacpoole (Resigned 30/12/12)

Political and charitable contributions

During the year the Group made charitable donations of £1,629 (2012 – £1,596)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



Charles Curtis

Director

26 June 2013

Statement of directors' responsibilities

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 group and company and of the profit or loss of the group 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

Independent auditors' report

to the members of CZ Capital Services Limited

We have audited the financial statements of CZ Capital Services Limited for the year ended 31 March 2013 which comprise the Group Profit and Loss Account, Group Statement of Total Recognised Gains and Losses, Group and Company Balance Sheet, Group Statement of Cash Flows and the related notes 1 to 21. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 group's and the parent undertaking'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 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 the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and parent undertaking's affairs as at 31 March 2013 and of its 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.

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.

Independent auditors' report (continued)

to the members of CZ Capital Services Limited

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 undertaking, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent undertaking 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



Jeremy Young (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date



Group profit and loss account

for the year ended 31 March 2013

	Notes	2013 £	2012 £
Turnover			
Management and performance fees	2	1,048,236	2,029,075
Other operating income		151,250	165,110
Administrative expenses		(768,521)	(770,647)
Operating profit	3	430,965	1,423,538
Bank interest		571	841
Foreign exchange loss		(1,616)	(2,245)
Profit on ordinary activities before taxation		429,920	1,422,134
Tax	6	(3,780)	(2,642)
Profit for the financial year		426,140	1,419,492
Minority interest	14	(416,266)	(1,410,386)
Retained profit	16	9,874	9,106

All amounts relate to continuing activities

Group statement of total recognised gains and losses

for the year ended 31 March 2013

There are no recognised gains or losses other than the profit attributable to the shareholders of the company of £426,140 in the year ended 31 March 2013 (2012 £1,419,492)

The accompanying notes 1 to 21 form part of the consolidated financial statements

Registered no 05617499

Group balance sheet

at 31 March 2013

	Notes	2013 £	2012 £
Fixed assets			
Tangible assets	7	5,711	8,801
Current assets			
Debtors amounts falling due within one year	9	183,594	167,952
Debtors amounts falling due after more than one year	10	38,598	36,760
Amounts due from members	11	200,000	965,000
Cash at bank		636,296	879,615
		<u>1,058,488</u>	<u>2,049,327</u>
Creditors amounts falling due within one year	12	<u>(101,259)</u>	<u>(110,942)</u>
Net current assets		<u>957,229</u>	<u>1,938,385</u>
Total assets less liabilities		<u>962,940</u>	<u>1,976,186</u>
Creditors: amounts falling due after more than one year			
Subordinated loan	13	(40,000)	(40,000)
Minority interest	14	<u>(869,266)</u>	<u>(1,863,386)</u>
Net assets		<u>53,674</u>	<u>43,800</u>
Capital and reserves			
Called up share capital	15	10,000	10,000
Profit and loss account	16	<u>43,674</u>	<u>33,800</u>
Shareholders' funds	16	<u>53,674</u>	<u>43,800</u>

The financial statements on pages 7 to 19 were approved by the Board of Directors on 26 June 2013 and signed on its behalf by,



Charles Curtis
Director

The accompanying notes 1 to 21 form part of the consolidated financial statements

Registered no 05617499

Company balance sheet

at 31 March 2013

	Notes	2013 £	2012 £
Fixed assets			
Tangible assets	7	46	82
Investments	8	47,000	47,000
		<u>47,046</u>	<u>47,082</u>
Current assets			
Debtors amounts falling due within one year	9	84,229	60,380
Cash at bank		31,970	38,413
		<u>116,199</u>	<u>98,793</u>
Creditors: amounts falling due within one year	12	<u>(69,571)</u>	<u>(62,075)</u>
Net current assets		<u>46,628</u>	<u>36,718</u>
Total assets less liabilities		<u>93,674</u>	<u>83,800</u>
Creditors amounts falling due after more than one year			
Subordinated loan	13	<u>(40,000)</u>	<u>(40,000)</u>
Net assets		<u>53,674</u>	<u>43,800</u>
Capital and reserves			
Called up share capital	15	10,000	10,000
Profit and loss account	16	<u>43,674</u>	<u>33,800</u>
Shareholders' funds	16	<u>53,674</u>	<u>43,800</u>

The financial statements on pages 7 to 19 were approved by the Board of Directors on 26 June 2013 and signed on its behalf by,



Charles Curtis

The accompanying notes 1 to 21 form part of the consolidated financial statements

Group statement of cash flows

for the year ended 31 March 2013

	Notes	2013 £	2012 £
Net cash increase from operating activities	17(a)	405,190	1,443,803
Returns on Investments and servicing of finance	17(b)	571	841
Taxation paid	17(b)	(2,642)	(2,488)
Capital expenditure and financial investments	17(b)	(1,052)	(6,303)
Distribution to partners and drawings	17(b)	(645,386)	(1,719,038)
Decrease in cash		<u>(243,319)</u>	<u>(283,185)</u>

Notes to the financial statements

at 31 March 2013

1. Accounting policies

Basis of preparation

The group and company financial statements are presented in Sterling, the primary and functional currency of operations of the Group

Comparative figures are for the year ended 31 March 2012

Group financial statements

The group financial statements include the financial statements of the company and its subsidiary undertaking, CZ Capital LLP (collectively the 'Group') The Company acts as the managing member of CZ Capital LLP and has responsibility for the management and control of the business and the affairs of the subsidiary No profit and loss account is presented for CZ Capital Services Limited as permitted by section 408 of the Companies Act 2006

The financial statements of the subsidiary have been prepared and audited in accordance with United Kingdom Generally Accepted Accounting Practice

All intercompany transactions and balances have been eliminated in the Group financial statements

Tangible fixed assets

All tangible fixed assets are recorded at cost and depreciated

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows

Computers and technology equipment	–	3 years
Fixtures and fittings	–	3 years

Investments

Investments are carried at cost less provision for any impairment in value in the balance sheet of the Company

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling on the date of the transaction Differences arising from rate movement between the due date and the payment date are taken to the profit and loss account

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date and differences arising are taken to the profit and loss account

Expenses

All expenses are accounted for on an accruals basis

Taxation and deferred taxation

The charge for taxation is based on the profit 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

Members' profit allocations

Discretionary profit allocations are recognised when formally approved by all of the members Allocations made to members which are not considered discretionary are accrued as an expense to the profit and loss account

Notes to the financial statements

at 31 March 2013

1. Accounting policies (continued)

Operating leases

All leased assets are held under operating leases and the total lease payments are charged on a straight-line basis over the life of the lease

Pension policy

Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they are accrued

Other operating income

Other operating income refers to fees receivable in respect of administrative services provided to a third-party

2. Turnover

Turnover, which is stated net of value added tax, represents management and performance fees receivable for investment management services provided to a fund domiciled in the Cayman Islands. Fees are recognised when the group obtains the right for consideration in exchange for its performance and are measured at the fair value of the consideration received, net of value added tax. All income in the year arose from continuing activities in the UK.

3. Operating Profit

This is stated after charging

	<i>Group</i>		<i>Company</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
<i>Auditors' remuneration:</i>				
Audit services	20,000	21,000	11,000	12,000
Taxation services	10,590	10,450	5,970	6,050
	<u>4,142</u>	<u>2,707</u>	<u>36</u>	<u>27</u>
Depreciation				
	<u>220,975</u>	<u>213,138</u>	<u>1,600</u>	<u>1,906</u>
Operating lease rentals				

4. Directors' remuneration

The aggregate payroll costs relating to directors were as follows

	<i>2013</i>	<i>2012</i>
	<i>£</i>	<i>£</i>
Aggregate cost	<u>80,000</u>	<u>33,952</u>

Notes to the financial statements

at 31 March 2013

5. Staff costs

	2013 £	2012 £
Wages and salaries	199,452	200,000
Social security costs	24,853	25,728
	<u>224,305</u>	<u>225,728</u>

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

	No	No
Administration/compliance	3	2
Fund management	–	–
	<u>3</u>	<u>2</u>

6. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows

	2013 £	2012 £
Current tax		
UK corporation tax on the profit for the year	3,780	2,642
Deferred tax (note 6(c))	–	–
Tax on profit on ordinary activities	<u>3,780</u>	<u>2,642</u>

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

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20% (2012 – 26%) The differences are explained below

	2013 £	2012 £
Profit on ordinary activities before tax	<u>429,920</u>	<u>1,422,134</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2012 – 26%)	85,984	369,755
<i>Effects of</i>		
Profit taxable on other members of the subsidiary undertaking	(83,253)	(366,700)
Non-deductible expenses	1,049	380
Marginal relief	–	(793)
Current tax for the year (note 6(a))	<u>3,780</u>	<u>2,642</u>

Notes to the financial statements

at 31 March 2013

6. Tax (continued)

(c) Deferred tax

There is no deferred tax asset or liability for the Group or the Company for the current year (2012 – £nil)

7. Tangible fixed assets

<i>Group</i>	<i>Computers and technology £</i>	<i>Fixtures and fittings £</i>	<i>Total £</i>
Cost			
At 1 April 2012	16,647	109	16,756
Additions	1,052	–	1,052
At 31 March 2013	17,699	109	17,808
Depreciation			
At 1 April 2012	7,928	27	7,955
Provided during the year	4,106	36	4,142
At 31 March 2013	12,034	63	12,097
Net book value			
At 31 March 2013	5,625	46	5,711
At 1 April 2012	8,719	82	8,801
<i>Company</i>		<i>Fixtures and fittings £</i>	<i>Total £</i>
Cost			
At 1 April 2012		109	109
Additions		–	–
At 31 March 2013		109	109
Depreciation			
At 1 April 2012		27	27
Provided during the year		36	36
At 31 March 2013		63	63
Net book value			
At 31 March 2013		46	46
At 1 April 2012		82	82

Notes to the financial statements

at 31 March 2013

8. Investments

<i>Company</i>	£
Cost	
At 1 April 2012 and 31 March 2013	<u>47,000</u>

Details of the subsidiary undertaking are as follows

<i>Name of company</i>	<i>Proportion of voting rights and capital contributed</i>	<i>Country of registration and operation</i>
CZ Capital LLP*	9.4%	England

* Direct holding

The company's investment in its subsidiary undertaking at the year-end represented 9.4% (2012 – 9.4%) of that entity's voting rights and capital

The company controls CZ Capital LLP, as its managing member

9. Debtors: amounts falling due within one year

	<i>Group</i>	
	<i>2013</i>	<i>2012</i>
	£	£
Fees receivable due from CZ Capital Services (Cayman) Ltd	86,376	98,874
Other fees receivable	38,588	16,500
Prepayments	45,757	39,686
VAT recoverable	12,873	12,892
	<u>183,594</u>	<u>167,952</u>

	<i>Company</i>	
	<i>2013</i>	<i>2012</i>
	£	£
Amounts due from CZ Capital LLP	26,563	25,824
Other fees receivable	33,000	16,500
Prepayments	21,066	18,056
VAT recoverable	3,600	-
	<u>84,229</u>	<u>60,380</u>

10. Debtors: amounts falling due after more than one year

	<i>Group</i>	
	<i>2013</i>	<i>2012</i>
	£	£
Rent deposits	<u>38,598</u>	<u>36,760</u>

Notes to the financial statements

at 31 March 2013

11. Amounts due from members

	<i>Group</i>	
	<i>2013</i>	<i>2012</i>
	<i>£</i>	<i>£</i>
Drawings paid to members	200,000	965,000

12. Creditors: amounts falling due within one year

	<i>Group</i>	
	<i>2013</i>	<i>2012</i>
	<i>£</i>	<i>£</i>
Trade creditors	62,111	64,935
Corporation tax	3,780	2,642
Accruals	35,368	43,365
	<u>101,259</u>	<u>110,942</u>

	<i>Company</i>	
	<i>2013</i>	<i>2012</i>
	<i>£</i>	<i>£</i>
Trade creditors	36,386	25,738
Accruals	29,405	33,165
Corporation tax	3,780	2,642
VAT payable	-	530
	<u>69,571</u>	<u>62,075</u>

13. Loans

	<i>Group</i>		<i>Company</i>	
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Subordinated loan	40,000	40,000	40,000	40,000

On 1 March 2006 the Company received an interest-free £40,000 unsecured subordinated loan from its parent undertaking, CZ Capital Services (Cayman) Limited. The loan is repayable upon the expiry of 3 months' written notice, providing that such notice shall expire on a date after 15 May 2011 and the prior written consent of the Financial Conduct Authority has first been obtained.

Notes to the financial statements

at 31 March 2013

14. Minority interest

Minority interests represent the interests of the other members of CZ Capital LLP and their share of the LLP's retained reserves

	2013 £	2012 £
At 1 April 2012	(1,863,386)	(1,757,038)
Profit allocation distributed	1,410,386	1,304,038
Share of retained profit of CZ Capital LLP	(416,266)	(1,410,386)
At 31 March 2013	<u>(869,266)</u>	<u>(1,863,386)</u>

15. Issued share capital

Group and company		2013 £		2012 £
<i>Allotted, called up and fully paid</i>	<i>No</i>		<i>No</i>	
Ordinary shares of £1 each	10,000	<u>10,000</u>	10,000	<u>10,000</u>

16. Reconciliation of shareholders' funds and movements on reserves

Group and company	Share capital £	Profit and loss account £	Total share- holders' funds £
At 1 April 2012	10,000	24,694	34,694
Profit for the year	–	9,106	9,106
At 1 April 2012	10,000	33,800	43,800
Profit for the year	–	9,874	9,874
At 31 March 2013	<u>10,000</u>	<u>43,674</u>	<u>53,674</u>

17. Notes to the statement of cash flows

Group

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

	2013 £	2012 £
Operating profit	430,965	1,423,538
Depreciation	4,142	2,707
(Increase)/decrease in debtors	(17,480)	9,335
(Decrease)/increase in creditors	(10,821)	10,468
Foreign exchange loss	(1,616)	(2,245)
	<u>405,190</u>	<u>1,443,803</u>

Notes to the financial statements

at 31 March 2013

17. Notes to the statement of cash flows (continued)

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

	2013 £	2012 £
Returns on investments and servicing of finance		
Bank interest received	571	841
Taxation		
Corporation tax paid	(2,642)	(2,488)
Capital expenditure and financial investments		
Payments to acquire tangible fixed assets	(1,052)	(6,303)
Distribution to partners and drawings		
Distribution to partners	(445,386)	(754,038)
Drawings	(200,000)	(965,000)
	<u>(645,386)</u>	<u>(1,719,038)</u>

(c) Analysis of net decrease

	At 1 April 2012 £	Cash flow £	At 31 March 2013 £
Cash at bank	879,615	(243,319)	636,296

18. Other financial commitments

At 31 March 2013 the company had annual commitments under non-cancellable operating leases as set out below

	Group		Company	
	2013 £	2012 £	2013 £	2012 £
Operating leases which expire				
Within one year	223,672	213,059	800	800

19. Capital commitments and contingent liabilities

There are no other financial commitments or contingencies at the year-end (2012 – £nil)

Notes to the financial statements

at 31 March 2013

20. Related party transactions

The Company is the managing member of CZ Capital LLP which has been appointed by CZ Capital Services (Cayman) Limited to provide investment management services to hedge funds, CZ Equilibria UK Fund Limited and CZ Enhanced Fund Limited

CZ Capital Services (Cayman) Limited is itself the Manager of the fund. Amounts due from CZ Capital Services (Cayman) Ltd are disclosed in note 9

Investment management fee income amounting to £1,048,236 (2012 – £2,029,075) is included in turnover in the profit and loss account and amounts due to CZ Capital LLP from CZ Capital Services (Cayman) Limited at the year-end were £86,376 (2012 – £98,874)

CZ Capital Services (Cayman) Limited is owned by one of the directors of the Company

During the year a distribution amounting to £1,410,386 (2012 – £1,304,038) was paid to certain of the directors in their capacity as members of CZ Capital LLP

21. Ultimate parent undertaking and controlling party

The parent undertaking of CZ Capital Services Limited is CZ Capital Services (Cayman) Limited, a company incorporated in the Cayman Islands

The ultimate controlling party of the group is Mr Charles Curtis, who owns 100% of CZ Capital Services (Cayman) Limited