

Registered number  
06603042

Silk Invest Limited  
Report and Accounts  
31 December 2012

TUESDAY



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30/04/2013

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COMPANIES HOUSE

**Silk Invest Limited**  
**Report and accounts**  
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**Silk Invest Limited**  
**Company Information**

**Directors**

Zin El Abdin Bekkali  
Daniel Broby  
Abdeltif Stitou  
Hajar Mouatassim (resigned 20 February 2013)

**Secretary**

Zin El Abdin Bekkali

**Accountants**

Day Smith & Hunter  
Batchworth House  
Batchworth Place  
Rickmansworth  
Hertfordshire  
WD3 1JE

**Auditors**

Day Smith & Hunter  
Batchworth House  
Batchworth Place  
Church Street  
Rickmansworth  
Hertfordshire  
WD3 1JE

**Bankers**

HSBC Bank  
90 Baker Street  
London  
W1U 6AX

**Registered office**

4 Lombard Street  
London  
EC3V 9HD

**Registered number**

06603042

**Silk Invest Limited****Registered number:**

06603042

**Directors' Report**

The directors present their report and accounts for the year ended 31 December 2012

**Principal activities**

The company's principal activity during the year continued to be that of international fund managers

**Operating and financial review**

Turnover generated from the management of the six investment funds under the management of the company, and advisory fees, totalled £2,101,643. This represents a 9.7% increase over the previous year. Gross profit on this was £1,693,231. The investment in the company's investment platform, reflecting the directors' ambition for the company to be the largest on the ground frontier investment manager, resulted in administrative expenses of some £1,951,148. The majority of these were either staff costs, travel, trailer or advisory fees.

The company has team members representing a range of nationalities in Africa, Asia and the Middle East with the majority of them working on the investment side of the business. The directors believe this capacity gives the company institutional credibility.

To further strengthen its platform and continue its growth Silk Invest has pursued strategic partnership discussions which should result in a significant capital increase in 2013.

The investment directors believe interest in frontier market investment has picked up and the company entered into a number of distribution arrangements with major European financial institutions.

**Risks and uncertainties**

Silk Invest's board regularly discusses the Risks and uncertainties which are also the base for the Internal Capital Adequacy Assessment Process assessment that is needed for the Financial Conduct Authority. The various assessments include operational risks and business planning. The company has established processes to deal with each risk and reviews various stress tests to enable early identification of issues which may impact the business.

The company's key operational risks are in trading errors, process failure, financial crime and key man exposure. Business and planning risks are largely impacted by financial markets and the company aims to take them into account by using a conservative approach in its budgeting. The company aims to continue to grow its platform to benefit fully from the expected future demand for its products. The firm has supportive shareholders who have committed to this strategy and provided additional capital to the company when needed.

**Results and dividends**

The results for the year are shown in the profit and loss account on page 6. The loss for the year before taxation was £257,755 and the loss for the year after taxation was £257,306.

No dividends were declared or paid in the year.

**Fixed asset movements**

During the year the company invested £830 in fixed assets.

**Issue of share capital**

During the year the company issued 1,886 ordinary shares of £1 and 611 preference shares of £100.

**Silk Invest Limited**  
**Registered number:**  
**Directors' Report**

06603042

**Directors**

The following persons served as directors during the year

Zin El Abdin Bekkali  
Daniel Broby  
Abdelatif Stitou  
Hajar Mouatassim (resigned 20 February 2013)

**Directors' responsibilities**

The directors are responsible for preparing the report and accounts in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial year. Under that law the directors have elected to prepare the accounts 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 accounts 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 accounts, the directors are 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 accounts,
- prepare the accounts 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 accounts 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.

**Disclosure of information to auditors**

Each person who was a director at the time this report was approved confirms that

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board on 25 April 2013 and signed on its behalf



Daniel Broby  
Director

**Silk Invest Limited**  
**Independent auditors' report**  
**to the shareholders of Silk Invest Limited**

We have audited the financial statements of Silk Invest Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, 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 accounts**

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

**Opinion on the accounts**

In our opinion the accounts

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matters 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 accounts.

**Silk Invest Limited**  
**Independent auditors' report**  
**to the shareholders of Silk Invest 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, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts 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

**Other matters**

The financial statements for the year end 31 December 2011 were not audited

Alexander Bell  
(Senior Statutory Auditor)  
for and on behalf of  
Day Smith & Hunter  
Chartered Accountants and Statutory Auditors

Batchworth House  
Batchworth Place  
Rickmansworth  
Hertfordshire  
WD3 1JE

Date 25 April 2013

**Silk Invest Limited**  
**Profit and Loss Account**  
**for the year ended 31 December 2012**

	Notes	2012 £	2011 £
Turnover	2	2,101,643	1,914,572
Cost of sales		(408,412)	(319,696)
<b>Gross profit</b>		<u>1,693,231</u>	<u>1,594,876</u>
Administrative expenses		(1,951,148)	(1,818,584)
<b>Operating loss</b>	3	<u>(257,917)</u>	<u>(223,708)</u>
Interest receivable		199	212
Interest payable	6	(37)	-
<b>Loss on ordinary activities before taxation</b>		<u>(257,755)</u>	<u>(223,496)</u>
Tax on loss on ordinary activities	7	449	764
<b>Loss for the financial year</b>		<u>(257,306)</u>	<u>(222,732)</u>

**Continuing operations**

None of the company's activities were acquired or discontinued during the above two financial years

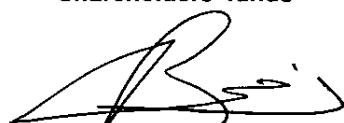
**Statement of total recognised gains and losses**

The company has no recognised gains or losses other than the loss for the above two financial years

**Silk Invest Limited**  
**Balance Sheet**  
**as at 31 December 2012**

Registered number  
06603042

	Notes	2012 £	2011 £
<b>Fixed assets</b>			
Tangible assets	8	9,698	12,106
<b>Current assets</b>			
Debtors	9	409,720	221,754
Cash at bank and in hand		21,671	39,963
		<u>431,391</u>	<u>261,717</u>
<b>Creditors: amounts falling due within one year</b>	10	(252,727)	(43,442)
<b>Net current assets</b>		<u>178,664</u>	<u>218,275</u>
<b>Total assets less current liabilities</b>		<u>188,362</u>	<u>230,381</u>
<b>Provisions for liabilities</b>			
Deferred taxation	11	(1,790)	(2,239)
<b>Net assets</b>		<u>186,572</u>	<u>228,142</u>
<b>Capital and reserves</b>			
Called up share capital	12	495,976	432,990
Share premium	13	274,307	121,557
Profit and loss account	14	(583,711)	(326,405)
<b>Shareholders' funds</b>	15	<u>186,572</u>	<u>228,142</u>



Zin El-Abdin Bekkali  
Director

Approved by the board on 25 April 2013

**Silk Invest Limited**  
**Cash Flow Statement**  
**for the year ended 31 December 2012**

	<b>Notes</b>	<b>2012</b> <b>£</b>	<b>2011</b> <b>£</b>
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating loss		(257,917)	(223,708)
Depreciation and amortisation		3,238	4,036
Loss on disposal of investments		-	27,078
(Increase)/decrease in debtors		(230,750)	151,958
Increase in creditors		209,328	6,611
<b>Net cash outflow from operating activities</b>		<b><u>(276,101)</u></b>	<b><u>(34,025)</u></b>

**CASH FLOW STATEMENT**

<b>Net cash outflow from operating activities</b>		<b>(276,101)</b>	<b>(34,025)</b>
<b>Returns on investments and servicing of finance</b>	<b>16</b>	<b>162</b>	<b>212</b>
<b>Taxation</b>		<b>(43)</b>	<b>(12)</b>
<b>Capital expenditure</b>	<b>16</b>	<b><u>(830)</u></b>	<b><u>(910)</u></b>
		<b>(276,812)</b>	<b>(34,735)</b>
<b>Financing</b>	<b>16</b>	<b>258,520</b>	<b>-</b>
<b>Decrease in cash</b>		<b><u>(18,292)</u></b>	<b><u>(34,735)</u></b>

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

Decrease in cash in the period		(18,292)	(34,735)
<b>Change in net debt</b>	<b>17</b>	<b><u>(18,292)</u></b>	<b><u>(34,735)</u></b>
<b>Net funds at 1 January</b>		<b><u>39,963</u></b>	<b><u>74,698</u></b>
<b>Net funds at 31 December</b>		<b><u>21,671</u></b>	<b><u>39,963</u></b>

**Silk Invest Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

**1 Accounting policies**

***Basis of preparation***

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards

***Turnover***

Turnover represents amounts chargeable to clients for the provision of professional services that have been provided during the year. The company recognises income at the point where it obtains the right to consideration. Amounts unbilled at the year end are included within trade debtors. The excess of the right to consideration over invoiced amounts is shown within other creditors.

***Depreciation***

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Plant and machinery	25% reducing balance
---------------------	----------------------

***Deferred taxation***

Deferred tax is provided in respect of any material tax effect of all timing differences that have originated but not reversed at the balance sheet date.

Deferred tax is measured on a non-discounted basis, at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

***Leasing and hire purchase commitments***

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

**Silk Invest Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

<b>2 Analysis of turnover</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
By activity		
Investment management	1,973,583	1,914,572
Advisory services	128,060	-
	<u>2,101,643</u>	<u>1,914,572</u>
By geographical market		
Rest of world	<u>2,101,643</u>	<u>1,914,572</u>
<b>3 Operating profit</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
This is stated after charging		
Depreciation of owned fixed assets	3,238	4,036
Operating lease rentals - land buildings	184,336	194,439
Auditors' remuneration for audit services	<u>12,000</u>	<u>-</u>
<b>4 Directors' emoluments</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Emoluments	<u>155,074</u>	<u>148,222</u>
<b>5 Staff costs</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Wages and salaries	927,895	978,815
Social security costs	<u>79,729</u>	<u>85,531</u>
	<u>1,007,624</u>	<u>1,064,346</u>
<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
Administration	5	4
Sales, marketing and development	4	3
Investment	<u>15</u>	<u>14</u>
	<u>24</u>	<u>21</u>
<b>6 Interest payable</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	<u>37</u>	<u>-</u>

**Silk Invest Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

<b>7 Taxation</b>	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Analysis of charge in period</b>		
Current tax		
UK corporation tax on profits of the period	-	43
Deferred tax		
Origination and reversal of timing differences	(449)	(807)
	<hr/>	<hr/>
Tax on loss on ordinary activities	(449)	(764)

**Factors affecting tax charge for period**

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	<hr/> (257,755)	<hr/> (223,496)
Standard rate of corporation tax in the UK	20%	20%
	<b>£</b>	<b>£</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax	(51,551)	(44,699)
Effects of		
Expenses not deductible for tax purposes	6,325	5,139
Depreciation in excess of capital allowances	447	807
Tax losses carried forward	44,779	38,796
	<hr/>	<hr/>
Current tax charge for period	-	43

**Silk Invest Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

**8 Tangible fixed assets**

	<b>Plant and machinery £</b>
<b>Cost</b>	
At 1 January 2012	26,386
Additions	<u>830</u>
At 31 December 2012	<u>27,216</u>
<b>Depreciation</b>	
At 1 January 2012	14,280
Charge for the year	<u>3,238</u>
At 31 December 2012	<u>17,518</u>
<b>Net book value</b>	
At 31 December 2012	<u>9,698</u>
At 31 December 2011	<u>12,106</u>

**9 Debtors**

	<b>2012 £</b>	<b>2011 £</b>
Trade debtors	327,087	138,470
Unpaid share capital	1,886	44,670
Other debtors	<u>80,747</u>	<u>38,614</u>
	<u>409,720</u>	<u>221,754</u>

**10 Creditors: amounts falling due within one year**

	<b>2012 £</b>	<b>2011 £</b>
Trade creditors	107,997	5,590
Corporation tax	-	43
Other taxes and social security costs	29,576	30,038
Director loan accounts	7,996	1,500
Other creditors	69,218	6,271
Accruals and deferred income	<u>37,940</u>	<u>-</u>
	<u>252,727</u>	<u>43,442</u>

**Silk Invest Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

<b>11 Deferred taxation</b>	<b>2012 £</b>	<b>2011 £</b>
Accelerated capital allowances	1,790	2,239
Undiscounted provision for deferred tax	1,790	2,239

	<b>2012 £</b>	<b>2011 £</b>
At 1 January	2,239	3,046
Deferred tax charge in profit and loss account	(449)	(807)
At 31 December	1,790	2,239

<b>12 Share capital</b>	<b>Nominal value</b>	<b>2012 Number</b>	<b>2012 £</b>	<b>2011 £</b>
Allotted, called up and fully paid				
Ordinary shares	£1 each	26,976	26,976	25,090
Undated non-cumulative preference shares of £100	£100 each	4,690	469,000	407,900
			<u>495,976</u>	<u>432,990</u>
	<b>Nominal value</b>	<b>Number</b>	<b>Amount £</b>	
Shares issued during the period				
Ordinary shares	£1 each	1,886	1,886	
Undated non-cumulative preference shares of £100	£100 each	611	61,100	
			<u>62,986</u>	

Preference shares are undated non-cumulative preferred shares of £100 each. Shares have equal voting rights to ordinary shares of £1 but will receive preference on winding up over the ordinary shares. This is limited to nominal value. Rights thereafter will be equal to the ordinary shares. All ordinary shares rank pari-passu.

<b>13 Share premium</b>	<b>2012 £</b>
At 1 January 2012	121,557
Shares issued	152,750
At 31 December 2012	<u>274,307</u>

**Silk Invest Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

**14 Profit and loss account**

	<b>2012</b>
	<b>£</b>
At 1 January 2012	(326,405)
Loss for the financial year	(257,306)
At 31 December 2012	<u>(583,711)</u>

**15 Reconciliation of movement in shareholders' funds**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
At 1 January	228,142	450,874
Loss for the financial year	(257,306)	(222,732)
Shares issued	215,736	-
At 31 December	<u>186,572</u>	<u>228,142</u>

**16 Gross cash flows**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>		
Interest received	199	212
Interest paid	(37)	-
	<u>162</u>	<u>212</u>
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	<u>(830)</u>	<u>(910)</u>
<b>Financing</b>		
Issue of share capital	<u>258,520</u>	<u>-</u>

**17 Analysis of changes in net debt**

	<b>At 1 Jan</b>	<b>Cash flows</b>	<b>Non-cash</b>	<b>At 31 Dec</b>
	<b>2012</b>		<b>changes</b>	<b>2012</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	39,963	<u>(18,292)</u>		21,671
Total	<u>39,963</u>	<u>(18,292)</u>	<u>-</u>	<u>21,671</u>

**Silk Invest Limited**  
**Notes to the Accounts**  
**for the year ended 31 December 2012**

**18 Other financial commitments**

At the year end the company had annual commitments under non-cancellable operating leases as set out below

	<b>Land and buildings 2012 £</b>	<b>Land and buildings 2011 £</b>	<b>Other 2012 £</b>	<b>Other 2011 £</b>
Operating leases which expire within one year	<u>239,664</u>	<u>136,375</u>	<u>-</u>	<u>-</u>

**19 Related party transactions**

**2012  
£**                      **2011  
£**

**Daniel Broby**

Director

Unpaid expenses at the year end    The maximum outstanding  
during the year was £10,034

3,220                      1,500

**Zin El Abidin Bakkali**

Director

**Abdelatif Stitou**

Director

Unpaid expenses at the year end    The maximum outstanding  
during the year was £11,594

3,388                      -

**Mrs Hajar Mouatassim**

Director (resigned 20 February 2013)

Director remuneration remaining unpaid at the year end    The  
maximum unpaid during the year was £1,484

1,388                      -

**20 Ultimate controlling party**

The company is controlled by Zin El Abidin Bakkali together with members of his immediate family