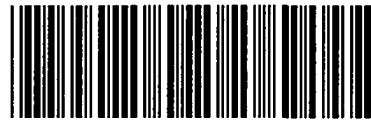


# Brummer & Partners Services (UK) Limited

## Report and Accounts

For the year ended 31 December 2014

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## Contents

	Page
Company information	1
Directors' Report	2
Strategic Report	3
Statement of the responsibilities of the Directors	4
Independent Auditor's Report	5
Profit and loss account	6
Balance sheet	7
Cash flow statement	8
Notes to the financial statements	9-12

**Directors**

Henrik Paulsson  
Hans Ulinder  
Conrad Levy

**Auditor**

KPMG LLP  
15 Canada Square  
Canary Wharf  
London, E14 5GL

**Registered Office**

31 Maddox Street  
London  
W1S 2PB

## Directors' report

The directors present their annual report and the audited financial statements of Brummer & Partners Services (UK) Limited (the "Company") for the year ended 31 December 2014.

### Directors

The directors who served during the year and up to the date of this report were as follows:

Hans Gunnar Ulinder

Conrad Levy

Hendrik Paulsson

### Political and Charitable Donations

The Company made no political contributions (2013 - £ nil) or charitable donations (2013 - £ nil) during the year.

### Disclosure of information to auditor

The director of the company at the date of approval of this director's report confirm that so far as he is individually aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the company's auditor is unaware; and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information

### Auditor

KPMG Audit Plc resigned in 19 November 2014. KPMG LLP was appointed auditor on the same date and will continue to act as auditor.

On behalf of the board



Conrad Levy

Director

11 March 2015

## Strategic Report

The directors present their strategic report and the audited financial statements of Brummer & Partners Services (UK) Limited (the "Company") for the year ended 31 December 2014.

### Principal activities and business review

The company was incorporated on 6 August 2010. The principal activity of the company is investment management. The company was authorised by the Financial Conduct Authority on 20 August 2013, and commenced advising a group company as well as continuing supporting its group companies in fund administrative services.

### Results and dividends

The company started trading on 23 February 2012 providing services for associated companies. Loss for the year was £860 (2013: profit of £523,769). The directors do not recommend the payment of a dividend. The company's balance sheet as detailed on page 7 shows a satisfactory position with shareholder's funds amounting to £310,236 at 31 December 2014 (2013: £311,096).

### Principal risks and uncertainties

The company's main income represents activities which are driven by the assets under management and investment performance of the funds managed by its group companies. The business is subject to risks associated with performance of the funds managed, the tax and regulatory regimes within which its business operates, attracting and retaining the services of key investment professionals and operational risk.

### Key Performance Indicators

The company considers that its associate companies' assets under management, investment performance, income from investment management fees and operating profit will be the key performance indicators of the business.

### Going Concern

The company's business activities, together with the factors likely to affect its financial position, exposure to principle risks and uncertainties and future development, are described above.

The company has financial resources and the support of its parent and as a consequence, the directors believe that the company is well placed to manage its business risks. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual reports and accounts.

On behalf of the board



Conrad Levy  
Director  
11 March 2015

## **Statement of directors' responsibilities in respect of the accounts**

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 parent company and of their profit or loss for that period. In preparing company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the parent 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 parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

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## **Independent auditor's report**

### **to the members of Brummer & Partners Services (UK) Limited**

We have audited the financial statements of Brummer & Partners Services (UK) Limited for the year ended 31 December 2014 set out on pages 6 to 12. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of the company's loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

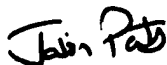
#### **Opinion on other matters prescribed by the Companies Act 2006**

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

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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



**Jatin Patel (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

15 Canada Square, Canary Wharf, London, E14 5GL

Date: 11 March 2015

## Profit and loss account

for the year to 31 December 2014

	Notes	2014 £	2013 £
Turnover	2	1,882,688	761,564
Administrative expenses		(1,882,688)	(1,446,489)
<i>Operating profit/(loss)</i>	3	-	(684,925)
<i>Profit/(loss) on ordinary activities before taxation</i>		-	(684,925)
Tax on profit on ordinary activities	6	(860)	161,156
<i>Loss on ordinary activities after taxation</i>		(860)	(523,769)
<i>Loss retained for the financial year</i>	11	(860)	(523,769)

All amounts are in respect of continuing operations.

There were no recognised gains or losses other than those included in the profit and loss account therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 9 to 12 form an integral part of these financial statements.



**Balance sheet****At 31 December 2014**

	<i>Notes</i>	<i>2014</i> £	<i>2013</i> £
<b>Fixed assets</b>			
Tangible assets	7	203,109	-
<b>Current assets</b>			
Debtors	8	328,936	234,970
Cash at bank		109,919	410,912
		438,855	645,882
<b>Creditors: amounts falling due within one year</b>	9	(331,728)	(334,786)
<b>Net current assets</b>		107,127	311,096
<b>Total assets less current liabilities</b>		310,236	311,096
<b>Capital and reserves</b>			
Share capital	10	300,000	300,000
Profit and loss account	11	10,236	11,096
<b>Shareholders' funds - Equity</b>		310,236	311,096

The notes on pages 9 to 12 form an integral part of these financial statements.

The financial statements were approved and authorised for issue by the board of directors 11 March 2015 and signed on its behalf by:



Conrad Levy

Director

## Cash flow statement

for the year ended 31 December 2014

	<i>Notes</i>	<i>2014</i> £	<i>2013</i> £
<b>Net cash outflow from operating activities</b>	12(a)	(83,353)	(371,197)
<b>Taxation paid</b>		(1,413)	(173,358)
<b>Capital expenditure and financial investment</b>		(216,227)	-
<b>Decrease in cash</b>	12(b)	<u>(300,993)</u>	<u>(544,555)</u>

The notes on pages 9 to 12 form an integral part of these financial statements.

## Notes to the accounts

at 31 December 2014

### 1. Accounting policies

#### Basis of preparation

The financial statements of the company have been prepared on a going concern basis under the historical cost convention and in accordance with applicable accounting standards (United Kingdom Generally Accepted Accounting Practice). Accounting policies have been consistently applied within the financial statements in the current financial period.

#### Turnover

Turnover comprises fee income from fund management and performance fees of a fund domiciled in Sweden. Management fees and other income are recognised on an accruals basis, and performance fees are recognised when they crystallise as payable, and are shown exclusive of Value Added Tax. All turnover is generated in the UK.

#### Leases

Rental costs in respect of operating leases are charged to the profit and loss account on a straight line basis over the life of the lease.

#### Deferred tax

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

Deferred tax assets are recognised to the extent that it is more likely than not that they will be recovered.

### 2. Turnover

All turnover arose within the United Kingdom.

### 3. Operating profit/(loss)

	2014 £	2013 £
Auditor's remuneration		
- Audit services	12,000	14,000

### 4. Staff costs

	2014 £	2013 £
Wages and salaries	681,538	486,256
Social security costs	87,167	57,886
	768,705	544,142

The average number of employees during the year was 8 (2013: 6)

### 5. Directors' emoluments

No emoluments were paid to the directors.

## Notes to the accounts

at 31 December 2014

### 6. Tax on profit on ordinary activities

(a) Analysis of charge in the year

	2014 £	2013 £
UK Corporation tax:		
- on profits of the year	860	(161,156)
Total current tax	860	(161,156)

(b) Factors affecting the tax charge for the year

	2014 £	2013 £
Profit/(Loss) on ordinary activities before taxation	-	(684,925)
Profit/(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.50% (23.25%)	-	(159,245)
Effect of:		
Disallowed expenses	5,329	5,036
Effect of capital allowances	(4,469)	-
Change in tax rates	-	(6,947)
Current tax charge for the year	860	(161,156)

### 7. Fixed assets

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost:			
At 31 December 2013	-	-	-
Additions	136,248	79,979	216,227
At 31 December 2014	136,248	79,979	216,227
Depreciation:			
At 31 December 2013	-	-	-
Provided during the year	6,980	6,138	13,118
At 31 December 2014	6,980	6,138	13,118
Net book value:			
At 31 December 2014	129,268	73,841	203,109
At 31 December 2013	-	-	-

## Notes to the accounts

at 31 December 2014

### 8. Debtors

	2014 £	2013 £
Other debtors	29,306	33,723
Amounts owed by group undertakings	15,302	23,891
Amounts owed by associates	122,619	16,200
Taxation recoverable	161,709	161,156
	<u>328,936</u>	<u>234,970</u>

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

	2014 £	2013 £
Trade creditors	20,871	13,113
Amounts owed to group undertakings	160,213	236,004
Accruals	150,644	85,669
	<u>331,728</u>	<u>334,786</u>

### 10. Share capital

	2014 No	2013 No
Allotted called up and fully paid: Ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>

### 11. Profit and loss account

	Share capital	Profit and loss account	Total shareholders' funds
At 31 December 2013	300,000	11,096	311,096
Profit for year	-	(860)	(860)
At 31 December 2014	<u>300,000</u>	<u>10,236</u>	<u>310,236</u>

## Notes to the accounts

at 31 December 2014

### 12. Notes to statement of cash flows

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

	2014 £	2013 £
Operating profit/(loss)	-	(684,925)
(Increase)/decrease in debtors	(93,413)	6,240
(Decrease)/increase in creditors	(3,058)	307,488
Depreciation	13,118	-
	(83,353)	(371,197)

(b) Analysis of changes in cash

	<i>At</i> 31 December 2013 £	<i>Net</i> cash flows £	<i>At</i> 31 December 2014 £
Cash at bank	410,912	(300,993)	109,919
	410,912	(300,993)	109,919

### 13. Related parties

During the period, the company charged fees to B&P Bermuda of £232,258 (2013: £338,555). As at 31 December 2014 B&P Bermuda owed the company £6,418 (2013: £15,219)

During the period, the company charged fees to B&P Fund Services AB of £1564,257 (2013: £422,917). As at 31 December 2014 B&P Fund Services AB owed the company £Nil (2013: £236,004)

During the period, Zenit Asset Management LLP charged the company £1,000 for secondment fees (2013: £12,000). As at 31 December 2014 Zenit Asset Management LLP owed the company £12,483 (2013: £Nil)

During the period, Brummer & Partners (UK) Ltd, the immediate parent undertaking charged the company rent and other costs of £257,715 (2013: £166,421). As at 31 December 2014, Brummer & Partners (UK) Ltd was owed by the company £153,795 (2013: £8,335 owed to the company)

### 14. Controlling party

The immediate parent undertaking is Brummer & Partners (UK) Ltd and the ultimate controlling party of the company is Brummer & Partners AB, a company incorporated in Sweden.