

European Securities Network LLP

REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2012

LLP No. OC302570



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31/05/2013

#105

COMPANIES HOUSE

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European Securities Network LLP

LLP INFORMATION

MEMBERS

Investment Bank of Greece S A
CM-CIC Securities S A
Bankia Bolsa S V S A (Formerly Caja Madrid Bolsa S V S A)
Banca Akros S p A
Caixa Banco de Investimento S A
Bank Degroof S A
equinet Bank AG
SNS Securities N V
Pohjola Bank plc

REGISTERED OFFICE

16 Old Bailey
London
EC4M 7EG

AUDITORS

Baker Tilly UK Audit LLP
Chartered Accountants
Springpark House
Basing View
Basingstoke
Hampshire
RG21 4HG



European Securities Network LLP

DESIGNATED MEMBERS REPORT

The designated members submit their report and the financial statements of European Securities Network LLP for the year ended 31 December 2012

PRINCIPAL ACTIVITIES

The principal activity of the limited liability partnership is that of owning and licensing the trademarks, formulating and co-ordinating common European Equity research, with common templates and minimum standards of co-operation, and at supporting equity sales and order execution among its Members on a non-exclusive basis, acting as a "service company" for the Members formed for the purpose of improving the internal decision process as a common "centre of co-ordination and integration" among the Members

REVIEW OF THE BUSINESS

The designated members consider the results for the year to be satisfactory

RESULTS AND DISTRIBUTIONS

The results for the year are shown in the profit and loss account on page 6

MEMBERS PROFIT ALLOCATION AND DRAWINGS

The partnership agreement dated 17 October 2012 governs the policy for Members' drawings, subscriptions and repayment of capital

Members contribute an initial capital amount of €1,000 on admission as a Member. Thereafter, new members are charged an entry fee

All amounts drawn are subject to cash being available and the working capital requirements of the business. Members' capital is repayable upon their resignation as members

DESIGNATED MEMBERS

The following designated members have held office since 1 January 2012

Investment Bank of Greece S A
CM-CIC Securities S A
Bankia Bolsa S V S A
Banca Akros S p A
Caixa Banco de Investimento S A
Bank Degroof S A
NCB Stockbrokers Limited
equinet Bank AG
SNS Securities N V
Pohjola Bank plc

(Resigned 31 December 2012)



European Securities Network LLP

DESIGNATED MEMBERS REPORT

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

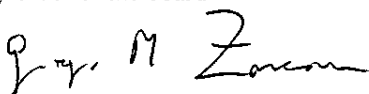
The designated members who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the designated members have confirmed that they have taken all the steps that they ought to have taken as designated members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

AUDITORS

A resolution to reappoint Baker Tilly UK Audit LLP will be put to the members at the annual general meeting.

This report has been prepared in accordance with the provisions applicable to entities entitled to the small entities exemption.

By order of the board



Giorgio Zancan representing European Securities Network LLP

Date 26 APRIL 2013
European Securities Network LLP
(ESN LLP)
Chief Executive Officer

European Securities Network LLP

DESIGNATED MEMBERS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The members are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under the 2008 Regulations, the members 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 partnership and of the profit or loss of the partnership for that period.

In preparing those financial statements, the members are required to

- a) Select suitable accounting policies and then apply them consistently,
- b) Make judgements and estimates that are reasonable and prudent,
- c) Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business.

Under the 2008 Regulations the members are responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and to enable them to ensure that the financial statements comply with the requirements of those Regulations. They are also responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the partnership's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

These responsibilities are exercised by the designated members on behalf of the members.



INDEPENDENT AUDITOR'S REPORT TO THE DESIGNATED MEMBERS OF EUROPEAN SECURITIES NETWORK LLP

We have audited the financial statements on pages 6 to 12. 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 Limited Liability Partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Limited Liability Partnership'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 Limited Liability Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As more fully explained in the Members' Responsibilities Statement set out on pages 4, the members 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm

Opinion on financial statements

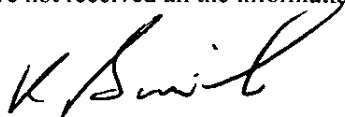
In our opinion the financial statements

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 31 December 2012 and of its result 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008

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 as applied to limited liability partnerships 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 financial statements are not in agreement with the accounting records and returns,
- we have not received all the information and explanations we require for our audit



KEVIN BARWICK (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Springpark House

Basing View

Basingstoke

RG21 4HG

Date

16 May 2013

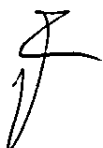


European Securities Network LLP
PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2012

	Notes	2012 €	2011 €
Turnover	1	1,368,508	1,442,422
Other operating expenses (net)	2	(1,372,615)	(1,452,396)
Operating (loss)		<u>(4,107)</u>	<u>(9,974)</u>
Interest receivable		7,839	12,290
Profit on ordinary activities before taxation	3	<u>3,732</u>	<u>2,316</u>
Taxation		-	-
Profit for the financial year before members' remuneration and profit shares		<u>3,732</u>	<u>2,316</u>
Remuneration charged as an expense		-	-
Profit for the financial year available for division among members		<u><u>3,732</u></u>	<u><u>2,316</u></u>

The profit for the year arises from the partnership's continuing operations

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the profit and loss account



European Securities Network LLP

BALANCE SHEET

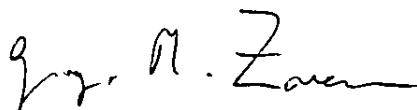
31 December 2012

LLP No OC302570

	Notes	2012 €	2011 €
Fixed assets			
Tangible assets	4	5,138	4,725
Current assets			
Debtors	5	847,662	263,432
Cash at bank and in hand		1,057,477	501,116
		<u>1,905,139</u>	<u>764,548</u>
Creditors: falling due within one year	6	<u>1,873,479</u>	<u>735,207</u>
Net current assets		<u>31,660</u>	<u>29,341</u>
Total assets less current liabilities		<u>36,798</u>	<u>34,066</u>
Represented by:			
Loans and other amounts due to members			
Members capital classified as a liability under FRS 25	7	36,798	34,066
Total members' interests		<u>36,798</u>	<u>34,066</u>

These accounts have been prepared in accordance with the special provisions of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit)(Application of the Companies Act 2006) Regulations 2008) applicable to LLPs subject to the small LLPs regime

The financial statements on pages 6 to 12 were approved by the board and authorised for issue on 24 APRIL 2013 and signed on its behalf by



Giorgio Zancan representing European Securities Network LLP
European Securities Network LLP
(ESN LLP)
Chief Executive Officer

European Securities Network LLP

ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" March 2010

Tangible fixed assets

Fixed assets are stated at historical cost less depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected life, as follows

Computer equipment	25% reducing balance
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Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate ruling at the date of the transaction
All differences are taken to the profit and loss account

Turnover

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers



European Securities Network LLP

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

1 Turnover and operating profit

The partnership's turnover and operating profit were all derived from its principal activity. Sales were made solely in Europe and 90% (2011: 90%) was attributable to markets outside the UK.

2 Other operating expenses

	2012 €	2011 €
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Administration expenses	1,372,615	1,452,396
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3 Profit on ordinary activities before taxation

	2012 €	2011 €
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Profit on ordinary activities before taxation is stated after charging/(crediting)

Depreciation of tangible assets (charge for the year)

Owned assets	1,251	1,575
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Loss/(profit) on foreign exchange transactions	2,691	997
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Auditors' remuneration

In respect of audit services	11,500	11,500
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In respect of non audit services	16,500	16,500
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4 Fixed assets

	2012 €
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Computer
Equipment

Cost brought forward	25,840
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Additions	1,664
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Cost carried forward	27,504
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Depreciation brought forward	21,115
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Depreciation charge for the year	1,251
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Depreciation carried forward	22,366
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Net book value at 31 December 2012	5,138
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Net book value at 31 December 2011	4,725
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5 Debtors

	2012 €	2011 €
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Trade debtors	657,064	62,311
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Prepayments and accrued income	182,656	195,237
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VAT	7,942	5,884
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	847,662	263,432
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European Securities Network LLP

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

6	Creditors Amounts falling due within one year	2012 €	2011 €
	Trade creditors	754,353	32,235
	Accruals and deferred income	1,119,126	702,972
		<u>1,873,479</u>	<u>735,207</u>

7	Loans and other debts due to members	Loans and other debts due to members €	Total €
	Members' interests as at 31 December 2011	34,066	34,066
	Result for the financial period available for division amongst members	3,732	3,732
	Members' interests after result for the period	<u>37,798</u>	<u>37,798</u>
	Introduced by Members	-	-
	Returned to Members	(1,000)	(1,000)
	Members' interests as at 31 December 2012	<u>36,798</u>	<u>36,798</u>

The average number of members during the year was 10 (2011 10)

In the event of winding up, loans and other debts due to Members will be repaid after all other liabilities have been discharged

European Securities Network LLP

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

8 Related party transactions

During the year sales were made to designated members as follows

	Annual fees fixed contribution and entry fees €	Annual fees from rebated commissions and unbundling €	Share of result available to members €
Investment Bank of Greece S A	70,000	15,265	415
CM-CIC Securities S A	70,000	55,878	415
Bankia Bolsa S V S A	70,000	35,461	415
Banca Akros S p A	70,000	52,722	415
Caixa Banco de Investimento S A	70,000	13,300	415
Bank Degroof S A	70,000	18,132	415
NCB Stockbrokers Limited	85,000	49,336	-
equinet Bank AG	70,000	112,166	414
SNS Securities N V	70,000	13,684	414
Pohjola Bank plc	70,000	52,517	414
	<u>715,000</u>	<u>418,461</u>	<u>3,732</u>
	Trade debtor balances at year end €	Costs charged in year by designated members €	Other balances debit/(credit) at year end €
Investment Bank of Greece S A	92,222	-	15,000
CM-CIC Securities S A	110,419	4,000	11,000
Bankia Bolsa S V S A	-	-	15,000
Banca Akros S p A	10,000	670,382	(600,288)
Caixa Banco de Investimento S A	82,222	-	15,000
Bank Degroof S A	82,222	17,643	15,000
NCB Stockbrokers Limited	-	30,804	(30,000)
equinet Bank AG	92,222	34,069	13,931
SNS Securities N V	82,222	22,000	15,000
Pohjola Bank plc	103,224	8,275	15,000
	<u>654,753</u>	<u>787,173</u>	<u>(515,357)</u>

The above balances do not include accrued amounts or expenses reclaimed

European Securities Network LLP

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2012

8 Related party transactions (continued)

During the year ended 31 December 2011 sales were made to designated members as follows

	Annual fees fixed contribution and entry fees €	Annual fees from rebated commissions €	Share of result available to members €
Investment Bank of Greece S A	59,000	20,213	232
CM-CIC Securities S A	59,000	83,821	232
Bankia Bolsa S V S A	59,000	69,678	232
Banca Akros S p A	59,000	48,143	232
Caixa Banco de Investimento S A	59,000	22,060	232
Bank Degroof S A	59,000	29,985	232
NCB Stockbrokers Limited	59,000	57,501	231
equinet Bank AG	59,000	118,675	231
SNS Securities N V	58,999	46,258	231
Pohjola Bank plc	150,000	4,477	231
	<u>680,999</u>	<u>500,811</u>	<u>2,316</u>
	Trade debtor balances at year end €	Costs charged in year by designated members €	Other balances debit/(credit) at year end €
Investment Bank of Greece S A	-	-	32,111
CM-CIC Securities S A	-	36,000	32,111
Bankia Bolsa S V S A	-	6,000	32,111
Banca Akros S p A	10,000	676,819	22,715
Caixa Banco de Investimento S A	-	5,000	32,111
Bank Degroof S A	50,000	7,000	32,111
NCB Stockbrokers Limited	-	13,000	32,111
equinet Bank AG	-	19,000	32,111
SNS Securities N V	-	22,000	32,112
Pohjola Bank plc	-	-	-
	<u>60,000</u>	<u>784,819</u>	<u>279,604</u>

The above balances do not include accrued amounts or expenses reclaimed

9 Foreign exchange

The financial statements have been prepared in Euros The Sterling exchange rate at 31 December 2012 was 1.22196



European Securities Network LLP
INTERNAL PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2012

	2012 €	2011 €
Turnover		
Annual fees first contribution – less refundable	715,000	530,999
Annual fees from rebated commissions	418,461	500,811
Supply of licenses to intellectual property	70,179	92,358
Entry fees	-	150,000
Other revenues	164,868	168,254
	<u>1,368,508</u>	<u>1,442,422</u>
Administration expenses		
Secondment and services fees	636,161	722,811
Incentives	130,000	225,000
Travel	47,914	40,351
Seminars	46,603	50,735
Software and computer expenses	396,913	333,272
Legal fees	27,980	22,463
Insurance	11,872	11,760
Accountancy	28,000	28,000
Telephone	16,817	9,296
Advertising and various	24,927	4,793
Depreciation	1,251	1,575
Exchange rate variance	2,691	997
Bank charges	1,486	1,343
	<u>1,372,615</u>	<u>1,452,396</u>
Interest receivable	7,839	12,290
Result for year	<u>3,732</u>	<u>2,316</u>

This page does not form part of the statutory financial statements

