

# European Securities Network LLP

## REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2010



LLP No OC302570

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# European Securities Network LLP

## LLP INFORMATION

### MEMBERS

Investment Bank of Greece S A  
CM-CIC Securities S A  
Caja Madrid 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  
Danske Bank A/S  
SNS Securities N V

### 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 2010

### 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 period are shown in the profit and loss account on page 6

### MEMBERS PROFIT ALLOCATION AND DRAWINGS

The partnership agreement dated 27 April 2010 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 2010

Investment Bank of Greece S A  
CM-CIC Securities S A  
Caja Madrid 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  
Danske Bank A/S  
SNS Securities N V

# European Securities Network LLP

## DESIGNATED MEMBERS REPORT

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

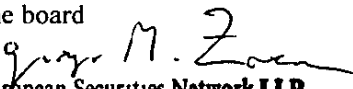
The designated members who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the designated members have confirmed that they have taken all the steps that 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 companies entitled to the small companies exemption.

By order of the board

  
European Securities Network LLP  
(ESN LLP)  
Chief Executive Officer

Giorgio Zancan representing European Securities Network LLP

Date 19<sup>th</sup> April 2011

# European Securities Network LLP

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## DESIGNATED MEMBERS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

Limited Liability Partnership law requires the designated members to prepare financial statements for each financial year. Under that law the designated members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Limited Liability Partnership and of the profit or loss for that year. In preparing those financial statements, the designated members are required to

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

The designated members are responsible for keeping proper accounting records which 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 the Companies Act 2006 as applicable under the Limited Liability Partnerships Act 2000. 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 designated members are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# 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 Act 2000 and regulations made thereunder. 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 auditors

As more fully explained in the Members' Responsibilities Statement set out on page 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 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 Limited Liability Partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the members, and the overall presentation of the financial statements.

## Opinion on the 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 2010 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 Act 2000 and regulations made thereunder.

## 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 by the Limited Liability Partnerships Act 2000 and regulations made thereunder 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, or
- we have not received all the information and explanations we require for our audit or
- if small - the members were not entitled to prepare the financial statements in accordance with the small LLPs regime.

*Baker Tilly UK Audit LLP*

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

*10 May 2011*

*[Handwritten mark]*

**European Securities Network LLP**  
**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2010

	Notes	2010 €	2009 €
<b>Turnover</b>	1	1,537,798	1,571,759
Other operating expenses (net)	2	(1,541,618)	(1,573,890)
<b>Operating (Loss)</b>		<u>(3,820)</u>	<u>(2,131)</u>
Interest receivable		6,492	5,992
<b>Profit on ordinary activities before taxation</b>	3	<u>2,672</u>	<u>3,861</u>
Taxation		-	-
<b>Result for the financial year before members' remuneration and profit shares</b>		<u>2,672</u>	<u>3,861</u>
Remuneration charged as an expense		-	-
<b>Result for the financial year available for division among members</b>		<u>2,672</u>	<u>3,861</u>

The result 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

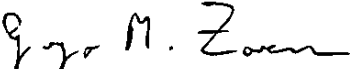
31 December 2010

LLP No OC302570

	<i>Notes</i>	2010 €	2009 €
<b>Fixed assets</b>			
Tangible assets	4	6,300	8,400
<b>Current assets</b>			
Debtors	5	984,181	1,552,844
Cash at bank and in hand		428,170	277,976
		<u>1,412,351</u>	<u>1,830,820</u>
<b>Creditors: falling due within one year</b>	6	<u>1,386,901</u>	<u>1,810,142</u>
<b>Net current assets</b>		<u>25,450</u>	<u>20,678</u>
<b>Total assets less current liabilities</b>		<u>31,750</u>	<u>29,078</u>
<b>Represented by:</b>			
<b>Loans and other amounts due to members</b>			
Members capital classified as an asset under FRS 25	7	31,750	29,078
<b>Total members' interests</b>		<u>31,750</u>	<u>29,078</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime

The financial statements on pages 6 to 12 were approved by the board and authorised for issue on 19<sup>th</sup> April 2011 and signed on its behalf by

  
European Securities Network LLP  
(ESN LLP)  
Chief Executive Officer

Giorgio Zancan representing European Securities Network LLP



# European Securities Network LLP

## ACCOUNTING POLICIES

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, in accordance with applicable accounting standards and in accordance with Statement of Recommended Practice "Accounting by Limited Liability Partnerships"

### **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 outside the group and, in the case of long term contracts, credit is taken appropriate to the stage of completion when the outcome of the contract can be assessed with reasonable certainty

# European Securities Network LLP

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2010

### 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% was attributable to markets outside the UK

### 2 Other operating expenses (net)

	2010 €	2009 €
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Administration expenses	1,541,618	1,573,890
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### 3 Profit on ordinary activities before taxation

	2010 €	2009 €
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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	2,100	2,800
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Loss/(profit) on foreign exchange transactions	8,169	(1,604)
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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	19,276	16,500
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### 4 Fixed assets

	2010 €
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Computer  
Equipment

Cost brought forward	25,840
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Additions	-
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Cost carried forward	25,840
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Depreciation brought forward	17,440
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Depreciation charge for the year	2,100
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Depreciation carried forward	19,540
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Net book value at 31 <sup>st</sup> December 2010	6,300
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Net book value at 31 <sup>st</sup> December 2009	8,400
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### 5 Debtors

	2010 €	2009 €
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Trade debtors	677,998	1,044,643
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Prepayments and accrued income	299,253	408,341
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VAT	6,930	-
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Withholding tax deducted	-	99,860
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	984,181	1,552,844
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# European Securities Network LLP

## NOTES TO THE FINANCIAL STATEMENTS

### for the year ended 31 December 2010

6	Creditors: Amounts falling due within one year	2010 €	2009 €
	Trade creditors	103,854	451,218
	Other taxation and social security	-	125,800
	Accruals and deferred income	1,283,047	1,233,124
		<u>1,386,901</u>	<u>1,810,142</u>

7	Loans and other debts due to members	Members' Capital €	Loans and other debts due to members €	Total €
	Members' interests as at 31 December 2009	-	29,078	29,078
	Result for the financial period available for division amongst members	-	2,672	2,672
	Members' interests after result for the period	-	<u>31,750</u>	<u>31,750</u>
	Introduced by members	-	-	-
	Returned to Members	-	-	-
	Members' interests as at 31 December 2010	-	<u>31,750</u>	<u>31,750</u>

The average number of members during the year was 10 (2009 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 2010

#### 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 €	Share of result available to members €
Investment Bank of Greece S A	88,500	27,452	268
CM-CIC Securities S A	88,500	72,327	268
Caja Madrid Bolsa S V S A	88,500	68,719	267
Banca Akros S p A	88,500	31,717	267
Caixa Banco de Investimento S A	88,500	20,167	267
Bank Degroof S A	88,500	19,902	267
NCB Stockbrokers Limited	88,500	74,429	267
equinet BankAG	88,500	130,991	267
Danske Bank A/S	88,500	71,810	267
SNS Securities N V	88,500	31,409	267
	<u>885,000</u>	<u>548,923</u>	<u>2,672</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	211,639	-	-
CM-CIC Securities S A	91,111	16,313	-
Caja Madrid Bolsa S V S A	91,111	39,500	(30,000)
Banca Akros S p A	22,000	657,281	(12,890)
Caixa Banco de Investimento S A	102,111	2,500	-
Bank Degroof S A	141,111	3,000	-
NCB Stockbrokers Limited	-	12,780	-
equinet Bank AG	-	18,000	-
Danske Bank A/S	-	-	-
SNS Securities N V	-	14,500	-
	<u>659,083</u>	<u>763,874</u>	<u>(42,890)</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 2010

#### 8 Related party transactions (continued)

During the year ended 31 December 2009 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	89,000	48,369	387
CM-CIC Securities S A	89,000	92,430	386
Caja Madrid Bolsa S V S A	89,000	74,862	386
Banca Akros S p A	89,000	28,017	386
Caixa Banco de Investimento S A	89,000	25,297	386
Bank Degroof S A	89,000	23,363	386
NCB Stockbrokers Limited	89,000	81,473	386
equinet BankAG	89,000	143,092	386
Danske Bank A/S	89,000	77,286	386
SNS Securities N V	89,000	37,570	386
	<u>890,000</u>	<u>631,759</u>	<u>3,861</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	101,775	-	-
CM-CIC Securities S A	159,735	16,163	-
Caja Madrid Bolsa S V S A	101,775	71,500	(30,000)
Banca Akros S p A	-	641,226	(381,981)
Caixa Banco de Investimento S A	121,046	2,308	-
Bank Degroof S A	153,213	2,000	-
NCB Stockbrokers Limited	101,775	72,041	-
equinet Bank AG	101,775	18,500	-
Danske Bank A/S	101,775	7,000	-
SNS Securities N V	101,775	7,500	-
	<u>1,044,644</u>	<u>838,238</u>	<u>(411,981)</u>

The above balances do not include accrued amounts or expenses reclaimed

- 9 The financial statements have been prepared in Euros The Sterling exchange rate at 31 December 2010 was 1 16716