

# European Securities Network LLP

## REPORT AND FINANCIAL STATEMENTS

For the year ended 31 December 2014

LLP No. OC302570

THURSDAY



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COMPANIES HOUSE

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# European Securities Network LLP

## LLP INFORMATION

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### DESIGNATED MEMBERS

Banca Akros S.p.A.  
Bank Degroof S.A.  
BEKA Finance S.V.S.A.  
Caixa Banco de Investimento S.A.  
CM-CIC Securities S.A.  
equinet Bank AG  
Investment Bank of Greece S.A.  
Pohjola Bank plc  
SNS Securities N.V.

### REGISTERED OFFICE

16 Old Bailey  
London  
EC4M 7EG

### AUDITORS

Baker Tilly UK Audit LLP  
Chartered Accountants  
Highfield Court  
Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 3TY

### BANKERS

Banca Akros S.p.A.  
20149 Milano  
Viale Eginardo, 29  
Milano  
Italy

# European Securities Network LLP

## DESIGNATED MEMBERS' REPORT

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The designated members submit their report and the financial statements of European Securities Network LLP for the year ended 31 December 2014.

### 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 2014:

Banca Akros S.p.A.  
Bank Degroof S.A.  
BEKA Finance S.V.S.A.  
Caixa Banco de Investimento S.A.  
CM-CIC Securities S.A.  
equinet Bank AG  
Investment Bank of Greece S.A.  
Pohjola Bank plc  
SNS Securities N.V.



## European Securities Network LLP

### DESIGNATED MEMBERS' REPORT

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#### STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

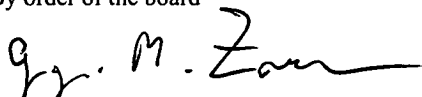
The designated members who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the designated members have confirmed that they have taken all the steps that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

#### AUDITOR

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 24 April 2015

**European Securities Network LLP**  
(ESN LLP)  
Chief Executive Officer

# European Securities Network LLP

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

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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 13. 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 Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

### Opinion on financial statements

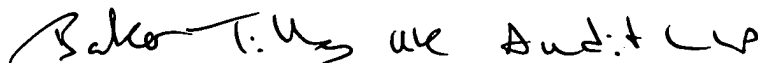
In our opinion the financial statements:

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 31 December 2014 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; or
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships' regime.



KEVIN BARWICK (Senior Statutory Auditor)

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

Chartered Accountants

Highfield Court

Tollgate

Chandlers Ford

Eastleigh

Hampshire

SO53 3TY

Date

3 June 2015

# European Securities Network LLP

## PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2014

	Notes	2014 €	2013 €
<b>Turnover</b>	1	1,264,210	1,199,798
Other operating expenses	2	(1,264,953)	(1,199,609)
<b>Operating (loss)/profit</b>		<u>(743)</u>	<u>189</u>
Interest receivable		807	4,470
<b>Profit on ordinary activities before taxation</b>	3	<u>64</u>	<u>4,659</u>
Taxation		-	-
<b>Profit for the financial year before members' remuneration and profit shares</b>		<u>64</u>	<u>4,659</u>
Members' remuneration charged as an expense		-	-
<b>Profit for the financial year available for division among members</b>		<u><u>64</u></u>	<u><u>4,659</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.



# European Securities Network LLP

## BALANCE SHEET

As at 31 December 2014

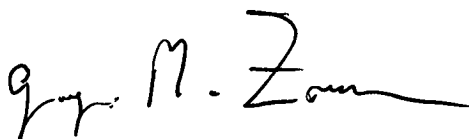
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	Notes	2014 €	2013 €
<b>Fixed assets</b>			
Tangible assets	4	2,890	3,853
<b>Current assets</b>			
Debtors	5	936,370	895,570
Cash at bank and in hand		534,826	188,515
		<u>1,471,196</u>	<u>1,084,085</u>
<b>Creditors: falling due within one year</b>	6	<u>1,463,065</u>	<u>1,046,481</u>
<b>Net current assets</b>		<u>8,131</u>	<u>37,604</u>
<b>Total assets less current liabilities</b>		<u>11,021</u>	<u>41,457</u>
<b>Represented by:</b>			
<b>Loans and other amounts due to members</b>			
Members' capital classified as a liability under FRS 25	7	11,021	41,457
<b>Total members' interests</b>		<u>11,021</u>	<u>41,457</u>

The members acknowledge their responsibility for complying with the requirements of the Companies Act 2006 (as applied to limited liability partnerships) with respect to accounting records and the preparation of financial statements.

These financial statements 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 limited liability partnerships subject to the small limited liability partnerships regime.

The financial statements on pages 6 to 13 were approved by the board and authorised for issue on 24 April 2015 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

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### **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 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.

### **Members' participation rights**

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with FRS 25 (IAS 32) Financial Instruments: Disclosure and Presentation and UITF abstract 39 Members' shares in co-operative entities and similar instruments. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the Profit and Loss Account in the relevant year. To the extent that they remain unpaid at the period end, they are shown as liabilities in the Balance Sheet.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the Profit and Loss Account and are equity appropriations in the Balance Sheet.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the Balance Sheet within 'Loans and other debts due to members' and are charged to the Profit and Loss Account within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the Balance Sheet within 'Members' other interests'. Amounts due from members are classified as assets and are included within debtors.

## European Securities Network LLP

### ACCOUNTING POLICIES

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#### **Financial instruments**

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.



# European Securities Network LLP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

### 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 100% (2013: 100%) was attributable to markets outside the UK.

### 2 Other operating expenses

	2014 €	2013 €
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Administration expenses	1,264,953	1,199,609
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### 3 (Loss)/profit on ordinary activities before taxation

	2014 €	2013 €
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(Loss)/profit on ordinary activities before taxation is stated after charging/(crediting):

Depreciation of tangible assets (charge for the year):

Owned assets	963	1,285
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Loss/(Profit) on foreign exchange transactions	1,083	(2,862)
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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

Computer  
Equipment

Cost brought forward	27,504
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Additions	-
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Cost carried forward	27,504
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Depreciation brought forward	23,651
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Depreciation charge for the year	963
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Depreciation carried forward	24,614
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Net book value at 31 December 2014	2,890
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Net book value at 31 December 2013	3,853
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**European Securities Network LLP**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**For the year ended 31 December 2014**

<b>5</b>	<b>Debtors</b>	<b>2014</b>	<b>2013</b>
		<b>€</b>	<b>€</b>
	Trade debtors	532,903	633,020
	Prepayments and accrued income	398,775	257,418
	VAT	4,692	5,132
		<u>936,370</u>	<u>895,570</u>
<b>6</b>	<b>Creditors: Amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
		<b>€</b>	<b>€</b>
	Trade creditors	551,684	144,978
	Accruals and deferred income	911,381	901,503
		<u>1,463,065</u>	<u>1,046,481</u>
<b>7</b>	<b>Reconciliation of members' interests</b>		
		<b>Loans and</b>	<b>Total</b>
		<b>other debts</b>	<b>2014</b>
		<b>due to</b>	<b>Total</b>
		<b>members</b>	<b>2013</b>
		<b>€</b>	
			<b>€</b>
	Amounts due to members	41,457	41,457
			36,798
	Balance at 31 December 2013	<u>41,457</u>	<u>41,457</u>
			36,798
	Result for the financial period available for division amongst members	64	64
			4,659
	Members' interests after result for the period	<u>41,521</u>	<u>41,521</u>
			41,457
	Members' interests returned to members	(30,500)	(30,500)
			-
	Amounts due to members	<u>11,021</u>	<u>11,021</u>
			41,457
	Balance at 31 December 2014	<u>11,021</u>	<u>11,021</u>
			41,457

The average number of members during the year was 9 (2013: 9).

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 (CONTINUED)**  
**For the year ended 31 December 2014**

**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 €	Members' interests returned €	Share of result available to members €
Banca Akros S.p.A.	85,056	1,668	(3,389)	7
Bank Degroof S.A.	85,056	19,525	(3,389)	7
BEKA Finance S.V.S.A.	85,056	25,384	(3,389)	7
Caixa Banco de Investimento S.A.	85,056	9,144	(3,389)	7
CM-CIC Securities S.A.	85,056	20,350	(3,389)	7
equinet Bank AG	85,056	76,658	(3,389)	7
Investment Bank of Greece S.A.	85,056	49,540	(3,389)	7
Pohjola Bank plc	85,056	44,629	(3,389)	7
SNS Securities N.V.	85,055	76,409	(3,388)	8
	<u>765,503</u>	<u>323,307</u>	<u>(30,500)</u>	<u>64</u>

	Trade debtor balances at year end €	Costs charged in year by designated members €	Other balances debit/(credit) at year end €
Banca Akros S.p.A.	20,000	523,464	(490,420)
Bank Degroof S.A.	-	-	-
BEKA Finance S.V.S.A.	76,667	-	-
Caixa Banco de Investimento S.A.	104,444	-	-
CM-CIC Securities S.A.	79,444	24,000	-
equinet Bank AG	93,776	1,337	(1,337)
Investment Bank of Greece S.A.	79,444	-	-
Pohjola Bank plc	79,128	-	-
SNS Securities N.V.	-	-	-
	<u>532,903</u>	<u>548,801</u>	<u>(491,757)</u>

The above balances do not include accrued amounts or expenses reclaimed.

**European Securities Network LLP**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**For the year ended 31 December 2014**

**8 Related party transactions (continued)**

During the year ended 31 December 2013 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 €
Banca Akros S.p.A.	76,222	30,327	517
Bank Degroof S.A.	76,222	20,175	517
BEKA Finance S.V.S.A.	76,222	26,327	517
Caixa Banco de Investimento S.A.	76,222	6,964	518
CM-CIC Securities S.A.	76,222	67,597	518
equinet Bank AG	76,222	83,941	518
Investment Bank of Greece S.A.	76,222	9,022	518
Pohjola Bank plc	76,224	46,824	518
SNS Securities N.V.	76,222	24,122	518
	<u>686,000</u>	<u>315,299</u>	<u>4,659</u>
	Trade debtor balances at year end €	Costs charged in year by designated members €	Other balances debit/(credit) at year end €
Banca Akros S.p.A.	-	546,637	(54,908)
Bank Degroof S.A.	76,667	-	-
BEKA Finance S.V.S.A.	76,667	36,000	-
Caixa Banco de Investimento S.A.	96,667	-	-
CM-CIC Securities S.A.	76,667	-	-
equinet Bank AG	76,667	26,527	-
Investment Bank of Greece S.A.	76,667	-	-
Pohjola Bank plc	76,351	15,000	-
SNS Securities N.V.	76,667	28,000	-
	<u>633,020</u>	<u>652,164</u>	<u>(54,908)</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 2014 was 1.27771.