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**HAMPSTEAD CAPITAL LLP**

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**MEMBERS' REPORT AND FINANCIAL STATEMENTS**

**For the Year Ended 31 March 2016**

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**HAMPSTEAD CAPITAL LLP**

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## HAMPSTEAD CAPITAL LLP

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### INFORMATION

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**Designated Members** M J Slendebroek, Managing Member  
A B Van Dam  
C P Banse

**LLP registered number** OC324143

**Registered office** 16 Old Bailey  
London  
EC4M 7EG

**Independent auditor** Rawlinson & Hunter Audit LLP  
Statutory Auditor  
Chartered Accountants  
Eighth Floor  
6 New Street Square  
New Fetter Lane  
London  
EC4A 3AQ

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## **HAMPSTEAD CAPITAL LLP**

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### **MEMBERS' REPORT For the Year Ended 31 March 2016**

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The members present their annual report together with the audited financial statements of Hampstead Capital LLP ("the LLP") for the year ended 31 March 2016. The members confirm that the Members' Report and financial statements of the LLP comply with current statutory requirements and the requirements of the LLP's governing document.

#### **PRINCIPAL ACTIVITY**

The principal object of the LLP is to provide investment management services.

#### **DESIGNATED MEMBERS**

M J Slendebroek, A B Van Dam and C P Banse were designated members of the LLP throughout the year and subsequently.

#### **MEMBERS' RESPONSIBILITIES STATEMENT**

The members are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law, as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008, 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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 LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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## HAMPSTEAD CAPITAL LLP

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### MEMBERS' REPORT (continued) For the Year Ended 31 March 2016

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#### BUSINESS REVIEW

During the year, the LLP provided investment management services to Hampstead Global Fund, Hampstead Global Value fund and Hampstead Global Dividend Fund (collectively "the Funds"), which are established outside of the United Kingdom, in accordance with its agreement with those entities. The nature of these services require the LLP to be registered with the Financial Conduct Authority ("FCA") and to bear the resulting administration costs associated with maintaining that registration.

The cost base of the LLP for the year was £713,121 (2015 - £815,187) and the income for the year was £1,000,326 (2015 - £1,743,975). Overall, the profit of the LLP available for discretionary division amongst members was £287,233 (2015 - £928,794). The reduction in the LLP's profits is attributable to the reduced income in the year which reflects reduced funds under management due to the closure of the Hampstead Global Fund during the year. The members continue to keep a tight control over the LLP's overheads with a view to increase the profitability as fees due to the LLP increase with the increased funds under management.

The LLP's balance sheet shows a net asset position of £537,233 (2015 - £1,178,794), with the LLP maintaining a sufficient level of cash reserves in relation to its overhead commitments. This is mainly due to the FCA's solvency requirements that the LLP must meet in order to maintain its FCA registration. The LLP is committed to meeting all of its regulatory requirements in the future.

The future of the LLP's activities remains linked to the provision of services to the Funds that it currently manages. The members will explore further opportunities that present themselves in relation to taking on new funds under management. The LLP is therefore dependent upon the relationship that it has with the Funds for its future activities and it is for this reason that the members are committed to providing an efficient and cost effective service and one that produces improved returns for the investors in the Funds. The members are confident that, with the level of returns provided under its management, it can rely on the continued support of the investors in the Funds to maintain its trading relationship.

#### FINANCIAL RISK MANAGEMENT

##### Business and operational risk

The key business and operational risk to which the LLP is exposed is the risk of a fall in the value of funds under management. A loss of key staff or reputation may reduce the level of funds under management. This would have a direct impact on the fee income earned by the LLP and its ability to finance its operating costs. The members assess these risks as part of the Internal Capital Adequacy Assessment Process ("ICAAP") and believe that they are mitigated.

##### Foreign exchange risk

The LLP is exposed to movement in foreign exchange rates as a result of transactions with the Funds that it manages. However, the members do not consider that the LLP is exposed to significant foreign exchange risk. Should the need arise the members will consider the need to protect the LLP's exposure by using the most cost efficient method available to the LLP to minimise the risk and cost to the LLP.

##### Credit risk

The members do not consider that the LLP has significant exposure to credit risk as it has agreed payment terms with its customers, which it considers to be creditworthy and hence able to pay fees that are due to the LLP in line with their agreed terms.

##### Liquidity risk

The LLP manages the liquidity position with the objective of maintaining the FCA's solvency requirements, which the LLP must meet in order to maintain its FCA registration.

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## **HAMPSTEAD CAPITAL LLP**

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### **MEMBERS' REPORT (continued) For the Year Ended 31 March 2016**

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#### **FINANCIAL RISK MANAGEMENT (continued)**

##### **Interest rate risk**

The LLP's operating activities are currently fully funded through existing cash resources. The members do not have any plans to fund future operations from bank or other borrowings.

##### **FCA CAPITAL RESOURCES**

The LLP is a BIPRU limited licence firm subject to a Euro €50,000 base capital requirement. Pillar 1 capital is the greater of the base capital requirement, the sum of the market risk and credit risk capital requirements and the fixed overheads requirement. The LLP applies a standardised approach to credit risk, applying 8% to the risk weighted exposure amounts. Pillar 2 capital is calculated by the LLP as representing any additional capital to be maintained against risks not adequately covered under the requirements in Pillar 1 as part of its ICAAP. Having performed the ICAAP it is the members' opinion that no additional capital is required in excess of its Pillar 1 capital requirement.

The Tier one capital resources amounted to £250,000 as at 31 March 2016 and comprised the members' capital and audited other reserves excluding excess drawings over profits of £73,000. Deductions from total capital resources as at 31 March 2016 amounted to £154,000, being the higher of its variable capital requirement (which is the market & credit risk requirements) and the fixed overhead requirement. Accordingly the total own funds surplus amounted to £23,000 as at 31 March 2016.

##### **MEMBERS' CAPITAL AND INTERESTS**

Each member's subscription to the capital of the LLP is set out in the LLP's Limited Liability Partnership Deed and is only repayable upon liquidation of the LLP or prior to ceasing to be a member of the LLP but subject to the discretion of the members of the LLP.

Details of changes in members' capital in the year ended 31 March 2016 are set out in the notes to the financial statements.

Profits are allocated and divided between members after finalisation of the LLP's financial statements. Members may make drawings in anticipation of their profit shares during the period in which these arise, with the balance of profits distributed after the period end, subject to the cash requirements of the business. Members are required to make their own provision for taxation, pensions and other benefits.

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## HAMPSTEAD CAPITAL LLP

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### MEMBERS' REPORT (continued) For the Year Ended 31 March 2016

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#### REMUNERATION CODE ("Code") DISCLOSURE

Details of the members' remuneration policy (profit allocations) are stated above. There are no other employees whose actions have a material impact on the risk profile of the LLP.

#### Quantitative information on remuneration

Two members have an entitlement to receive drawings on a monthly basis ("priority drawings") in anticipation of their profit allocation and accordingly the aggregate remuneration for all staff including Code staff is £583,557 and the aggregate remuneration for all Code staff is £287,233.

#### STEWARDSHIP CODE DISCLOSURE

The Stewardship Code was published by the Financial Reporting Council ("FRC"), the UK's independent regulator responsible for promoting high quality corporate governance and reporting in order to foster investment. The Stewardship Code sets out good practice for institutional investors in their dealings with the companies in which they have invested.

The FCA's regulations outline the LLP's obligations in relation to the Stewardship Code and for firms which manage assets for corporate professional clients to disclose to these clients the nature of their commitment to the Stewardship Code, or where it does not commit to the Stewardship Code its alternative business model.

The LLP aims to apply the principles of the FRC's Stewardship Code in all markets in which it operates and insofar as it applies to the LLP's activities. The LLP's stewardship responsibilities and how it meets the requirements of the Stewardship Code are communicated to its clients but are not publicly available.

#### DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are members at the time when this Members' Report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the LLP's auditor is unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

#### AUDITOR

The auditor, Rawlinson & Hunter Audit LLP, has indicated its willingness to continue in office. The designated members will propose a motion re-appointing the auditor at a meeting of the members.

This report was approved by the members on *25 July 2016* and signed on their behalf by:



**M J Slendebroek**  
Designated member

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## **HAMPSTEAD CAPITAL LLP**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMPSTEAD CAPITAL LLP**

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We have audited the financial statements of Hampstead Capital LLP ("the LLP") for the year ended 31 March 2016, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is 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 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the LLP's members in accordance with the Companies Act 2006, as applied by Part 12 of 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 LLP'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 LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF MEMBERS AND AUDITOR**

As explained more fully in the Members' Responsibilities Statement, 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 Financial Reporting Council'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 LLP's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Members' Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 March 2016 and of its profit 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.

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**HAMPSTEAD CAPITAL LLP**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAMPSTEAD CAPITAL LLP**

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**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.

*Rawlinson & Hunter Audit LLP*

Kulwam Nagra (Senior Statutory Auditor)

for and on behalf of

**Rawlinson & Hunter Audit LLP**

Statutory Auditor

Chartered Accountants

Eighth Floor

6 New Street Square

New Fetter Lane

London

EC4A 3AQ

Date:

*25 July 2016*

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**HAMPSTEAD CAPITAL LLP**

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**PROFIT AND LOSS ACCOUNT**  
For the Year Ended 31 March 2016

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	Note	2016 £	2015 £
<b>TURNOVER</b>	1,4	<b>1,000,326</b>	<b>1,743,975</b>
Cost of sales		<b>(6,545)</b>	<b>(83,146)</b>
		<hr/>	<hr/>
<b>GROSS PROFIT</b>		<b>993,781</b>	<b>1,660,829</b>
Administrative expenses		<b>(706,576)</b>	<b>(732,041)</b>
		<hr/>	<hr/>
<b>OPERATING PROFIT</b>	5	<b>287,205</b>	<b>928,788</b>
Interest receivable and similar income	9	<b>28</b>	<b>8</b>
Interest payable and similar charges	10	<b>-</b>	<b>(2)</b>
		<hr/>	<hr/>
<b>PROFIT FOR THE YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>	16	<b>287,233</b>	<b>928,794</b>
		<hr/> <hr/>	<hr/> <hr/>
Profit for the year before members' remuneration and profit shares		<b>287,233</b>	<b>928,794</b>
		<hr/> <hr/>	<hr/> <hr/>

There were no recognised gains and losses for 2016 or 2015 other than those included in the profit and loss account.


The notes on pages 12 to 21 form part of these financial statements.

**HAMPSTEAD CAPITAL LLP**  
Registered number: OC324143

**BALANCE SHEET**  
As at 31 March 2016

	Note	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	11	3,649	11,381
		<u>3,649</u>	<u>11,381</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	12	550,007	931,326
Cash at bank and in hand	13	262,038	431,246
		<u>812,045</u>	<u>1,362,572</u>
Creditors: amounts falling due within one year	14	(278,461)	(195,159)
<b>NET CURRENT ASSETS</b>		<u>533,584</u>	<u>1,167,413</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>537,233</u>	<u>1,178,794</u>
<b>REPRESENTED BY:</b>			
<b>MEMBERS' OTHER INTERESTS</b>			
Members' capital classified as equity	16	250,000	250,000
Other reserves	16	287,233	928,794
	16	<u>537,233</u>	<u>1,178,794</u>
<b>TOTAL MEMBERS' INTERESTS</b>			
Amounts due from members (included in debtors)	12,16	(360,000)	(775,883)
Members' other interests	16	537,233	1,178,794
		<u>177,233</u>	<u>402,911</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf by:

  
**M J Slenderbroek**  
Designated member

Date: 25 July 2016

The notes on pages 12 to 21 form part of these financial statements.

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**HAMPSTEAD CAPITAL LLP**

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**STATEMENT OF CHANGES IN EQUITY**  
For the Year Ended 31 March 2016

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	Members capital (classified as equity) £	Other reserves £	Total equity £
At 1 April 2015	250,000	928,794	1,178,794
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for year for discretionary division among members	-	287,233	287,233
Allocated profit	-	(928,794)	(928,794)
<b>AT 31 MARCH 2016</b>	<b>250,000</b>	<b>287,233</b>	<b>537,233</b>

**STATEMENT OF CHANGES IN EQUITY**  
For the Year Ended 31 March 2015

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	Members capital (classified as equity) £	Other reserves £	Total equity £
At 1 April 2014	250,000	504,039	754,039
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for year for discretionary division among members	-	928,794	928,794
Allocated profit	-	(504,039)	(504,039)
<b>AT 31 MARCH 2015</b>	<b>250,000</b>	<b>928,794</b>	<b>1,178,794</b>

The notes on pages 12 to 21 form part of these financial statements.

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HAMPSTEAD CAPITAL LLP

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STATEMENT OF CASH FLOWS  
For the Year Ended 31 March 2016

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	2016 £	2015 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the financial year	287,233	928,794
<b>ADJUSTMENTS FOR:</b>		
Depreciation of tangible assets	7,732	15,672
Interest paid	-	2
Interest received	(28)	(8)
(Increase) in debtors	(34,564)	(19,346)
Increase/(decrease) in creditors	83,302	(51,168)
<b>NET CASH GENERATED FROM OPERATING ACTIVITIES</b>	<b>343,675</b>	<b>873,946</b>
<b>CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES</b>		
Purchase of tangible fixed assets	-	(7,632)
Interest received	28	8
<b>NET CASH FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>28</b>	<b>(7,624)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	-	(2)
Drawings by members	(512,911)	(851,398)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(512,911)</b>	<b>(851,400)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(169,208)</b>	<b>14,922</b>
Cash and cash equivalents at beginning of year	431,246	416,324
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR</b>	<b>262,038</b>	<b>431,246</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:</b>		
Cash at bank and in hand	262,038	431,246
	<b>262,038</b>	<b>431,246</b>

The notes on pages 12 to 21 form part of these financial statements.

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## HAMPSTEAD CAPITAL LLP

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### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2016

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#### 1. GENERAL INFORMATION

Hampstead Capital LLP ("the LLP") is a limited liability partnership incorporated in England and Wales. Its registered office is at 16 Old Bailey, London, EC4M 7EG. The principal activity of the LLP is to provide investment advisory services.

#### 2. ACCOUNTING POLICIES

##### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" and the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

Information on the impact of first-time adoption of FRS 102 is given in Note 17.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the entity's accounting policies (see Note 3).

The following principal accounting policies have been applied:

##### 2.2 TURNOVER

Turnover comprises revenue recognised by the LLP in respect of services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue is recognised in accordance with the terms of the agreements established between the LLP and its customers, with the management fees being recognised on a monthly basis as services are provided and performance fees recognised when the performance period ends.

##### 2.3 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the LLP assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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## HAMPSTEAD CAPITAL LLP

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### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2016

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#### 2. ACCOUNTING POLICIES (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures & fittings	- 5 Years
Office equipment	- 3 Years
Computer equipment	- 3 Years
Software	- 3 Years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Profit and Loss Account.

#### 2.4 OPERATING LEASES: LESSEE

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

#### 2.5 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.6 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the entity's cash management.

#### 2.7 FINANCIAL INSTRUMENTS

The LLP only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

#### 2.8 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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## HAMPSTEAD CAPITAL LLP

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### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2016

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#### 2. ACCOUNTING POLICIES (continued)

##### 2.9 FOREIGN CURRENCY TRANSLATION

###### Functional and presentation currency

The LLP's functional and presentational currency is GBP.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

##### 2.10 FINANCE COSTS

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.11 INTEREST INCOME

Interest income is recognised in the Profit and Loss Account using the effective interest method.

##### 2.12 PENSIONS

The LLP contributes to the personal pension plans of certain employees. The pension charge represents the amounts payable by the LLP to the personal pension plans in respect of the year.

##### 2.13 TAXATION

In accordance with Section 10 of the Limited Liability Partnership Act 2000, any trade, profession or business carried on by the LLP is treated as though that business were carried on in partnership by its members. Accordingly, any liability to taxation is that of the members themselves and not of the LLP. Thus there is no provision for taxation in these financial statements.

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## HAMPSTEAD CAPITAL LLP

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### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2016

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#### 3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the financial statements, management has to make judgements on how to apply the LLP's accounting policies and make estimates about the future. The critical judgements that have been made in arriving at the amounts recognised in the financial statements and the key areas of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities in the next financial year, are discussed below:

##### Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets. See Note 11 for the carrying amount of tangible assets, and Note 2.3 for the useful economic lives for each class of assets.

##### Impairment of trade and other debtors

The LLP makes an estimate of the recoverable value of trade and other debtors, including accrued income. When assessing impairment of trade and other debtors, management considers factors including the credit rating of the debtor, the ageing profile of debtors and historical experience. See Note 12 for the net carrying amount of the debtors.

##### Prepayments and accrued income

Prepayments are based on pro rata calculation for a period on the assumption that the work is divided evenly throughout the period while accrued income is based on services provided before the year end using pre agreed formulae with customers.

##### Accruals

Accrued amounts are estimated based on past knowledge of suppliers and work done or services provided or post year end invoices.

#### 4. ANALYSIS OF TURNOVER

The whole of the turnover is attributable to the LLP's principal activity.

£96,782 (2015 - £1,274,393) of the turnover arose within the British West Indies and £903,544 (2015 - £469,582) of the turnover arose within Europe.

#### 5. OPERATING PROFIT

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets	7,732	15,672
Exchange differences	7,682	49,815
Operating lease rentals	105,308	77,440

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**HAMPSTEAD CAPITAL LLP**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2016**

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**6. AUDITOR'S REMUNERATION**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Fees payable to the LLP's auditor for the audit of the LLP's annual accounts	<b>9,774</b>	<b>7,716</b>
Fees payable to the LLP's auditor in respect of all other services	<b>4,808</b>	<b>8,869</b>
	<u><b>14,582</b></u>	<u><b>16,585</b></u>

**7. EMPLOYEES**

Staff costs were as follows:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>289,625</b>	<b>278,863</b>
Social security costs	<b>32,367</b>	<b>30,649</b>
Other pension costs (Note 18)	<b>6,699</b>	<b>7,465</b>
	<u><b>328,691</b></u>	<u><b>316,977</b></u>

The average monthly number of persons (including members with contracts of employment) employed during the year was as follows:

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
Administration	<b>5</b>	<b>5</b>
	<u><b>5</b></u>	<u><b>5</b></u>

**8. INFORMATION IN RELATION TO MEMBERS**

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
The average number of members during the year was	<b>3</b>	<b>3</b>
	<u><b>3</b></u>	<u><b>3</b></u>

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
The amount of profit attributable to the member with the largest entitlement was	<b>-</b>	<b>312,199</b>
	<u><b>-</b></u>	<u><b>312,199</b></u>

Subject to the discretion of the members, the profit for the financial year is allocated to the members after finalisation of the LLP's financial statements in accordance with the profit share percentage stated in the LLP's Limited Liability Partnership Deed.

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**HAMPSTEAD CAPITAL LLP**

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2016

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**9. INTEREST RECEIVABLE**

	2016 £	2015 £
Other interest receivable	28	8
	<u>28</u>	<u>8</u>

**10. INTEREST PAYABLE AND SIMILAR CHARGES**

	2016 £	2015 £
Bank interest payable	-	2
	<u>-</u>	<u>2</u>

**11. TANGIBLE FIXED ASSETS**

	Fixtures & fittings £	Office equipment £	Computer equipment £	Software £	Total £
<b>COST OR VALUATION</b>					
At 1 April 2015	54,278	6,638	46,777	28,350	136,043
At 31 March 2016	<u>54,278</u>	<u>6,638</u>	<u>46,777</u>	<u>28,350</u>	<u>136,043</u>
<b>DEPRECIATION</b>					
At 1 April 2015	51,564	6,055	38,693	28,350	124,662
Charge owned for the period	2,714	250	4,768	-	7,732
At 31 March 2016	<u>54,278</u>	<u>6,305</u>	<u>43,461</u>	<u>28,350</u>	<u>132,394</u>
<b>NET BOOK VALUE</b>					
At 31 March 2016	<u>-</u>	<u>333</u>	<u>3,316</u>	<u>-</u>	<u>3,649</u>
At 31 March 2015	<u>2,714</u>	<u>583</u>	<u>8,084</u>	<u>-</u>	<u>11,381</u>

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**HAMPSTEAD CAPITAL LLP**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2016**

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**12. DEBTORS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Other debtors	<b>19,239</b>	<b>10,885</b>
Prepayments and accrued income	<b>170,768</b>	<b>144,558</b>
Amounts due from members (Note 20)	<b>360,000</b>	<b>775,883</b>
	<b>550,007</b>	<b>931,326</b>

**13. CASH AND CASH EQUIVALENTS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>262,038</b>	<b>431,246</b>
	<b>262,038</b>	<b>431,246</b>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Trade creditors	<b>86,320</b>	<b>44,818</b>
Taxation and social security	<b>6,285</b>	<b>5,655</b>
Other creditors	<b>1,620</b>	<b>6,816</b>
Accruals and deferred income	<b>184,236</b>	<b>137,870</b>
	<b>278,461</b>	<b>195,159</b>

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## HAMPSTEAD CAPITAL LLP

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### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2016

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#### 15. FINANCIAL INSTRUMENTS

	2016 £	2015 £
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through profit or loss	262,038	431,246
Financial assets that are debt instruments measured at amortised cost	505,024	919,664
	<u>767,062</u>	<u>1,350,910</u>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	(272,176)	(189,504)
	<u>(272,176)</u>	<u>(189,504)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise other debtors, accrued income and amounts due from members.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

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**HAMPSTEAD CAPITAL LLP**

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2016

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**16. RECONCILIATION OF MEMBERS' INTERESTS**

	EQUITY			DEBT		Total members' interests
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors		
	Members' capital (classified as equity)	Other reserves	Total	Other amounts	Total	
	£	£	£	£	£	£
BALANCE AT 31 MARCH 2015	250,000	928,794	1,178,794	(775,883)	(775,883)	402,911
Profit for the year available for discretionary division among members	-	287,233	287,233	-	-	287,233
MEMBERS' INTERESTS AFTER PROFIT FOR THE YEAR	250,000	1,216,027	1,466,027	(775,883)	(775,883)	690,144
Allocation of profits	-	(928,794)	(928,794)	928,794	928,794	-
Drawings	-	-	-	(512,911)	(512,911)	(512,911)
Amounts due from members	-	-	-	(360,000)	(360,000)	(360,000)
BALANCE AT 31 MARCH 2016	250,000	287,233	537,233	(360,000)	(360,000)	177,233

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## HAMPSTEAD CAPITAL LLP

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### NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 March 2016

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#### 17. FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

#### 18. PENSION COMMITMENTS

The LLP makes contribution to the personal pension plans of certain employees. The assets of the plans are held separately from those of the LLP in an independently administered fund. The pension cost charge represents contributions payable by the LLP to the fund and amounted to £6,699 (2015 - £7,465). At the balance sheet date, there were outstanding contributions payable to the fund of £Nil (2015 - £Nil).

#### 19. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2016 the LLP had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	211,032	151,980
Later than 1 year and not later than 5 years	633,096	607,920
<b>TOTAL</b>	<b>844,128</b>	<b>759,900</b>

The LLP's commitment under non-cancellable operating lease shown above is a joint commitment with a related undertaking, Rinkelberg Capital Limited, with the LLP recognising a 50% share of this cost in its Profit and Loss Account.

#### 20. RELATED PARTY TRANSACTIONS

At 31 March 2016, the following amounts, which were paid to the members of the LLP in anticipation of profit shares, were due from the members of the LLP:

	2016 £	2015 £
M J Slendebroek	-	215,177
C Banse	180,000	308,434
A B Van Dam	180,000	252,272
	<b>360,000</b>	<b>775,883</b>