

Limited Liability Partnership Registration No. OC330201 (England and Wales)

CAPSTONE INVESTMENT ADVISORS (UK), LLP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015

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CAPSTONE INVESTMENT ADVISORS (UK), LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members	Capstone Investment Advisors, LLC D Sugasa
Limited liability partnership number	OC330201
Registered office	1st Floor 10 New Burlington Street London W1S 3BE
Auditors	Frank Hirth & Co LLP 1st Floor 236 Gray's Inn Road London WC1X 8HB
Bankers	Barclays Bank PLC London Corporate Service Centre PO Box 46116 London EC4N 8WB JPMorgan Chase Bank, N A - London Branch Registered Branch Office 25 Bank Street London United Kingdom E14 5JP Bank of America 2 King Edward Street London EC1A 1HQ

CAPSTONE INVESTMENT ADVISORS (UK), LLP

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CAPSTONE INVESTMENT ADVISORS (UK), LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2015

The members present their Annual Report and financial statements for the year ended 31 December 2015

Principal activities

The principal activity of Capstone Investment Advisors (UK), LLP ('the limited liability partnership') is to establish investment management relationships and to provide investment management services. The limited liability partnership is regulated by the Financial Conduct Authority as a BIPRU firm.

Designated members

The members who held office during the year and up to the date of signature of the financial statements were as follows:

P Britton

(Resigned 25 July 2015)

Capstone Investment Advisors, LLC

D Sugasa

Policy on members' drawings and capital

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

A member's capital requirement is linked to their share of profit and the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so members are repaid their capital at "par".

Members' interests

During the year discretionary profits of £6,933,274 were allocated to members.

Statement of members' responsibilities

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

Company law 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 company law 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 limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing these financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK accounting standards, and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

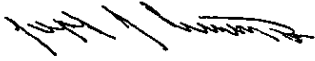
The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the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

CAPSTONE INVESTMENT ADVISORS (UK),LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

On behalf of the members



J Lucas, signing on behalf of
Capstone Investment Advisors, LLC
Designated member

11 April 2016



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAPSTONE INVESTMENT ADVISORS (UK), LLP

We have audited the financial statements of Capstone Investment Advisors (UK), LLP for the year ended 31 December 2015 set out on pages 5 to 18. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 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 auditors

As explained more fully in the Members' Responsibilities Statement set out on page 1, 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 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. In addition, we read all the financial and non-financial information in the Annual Report 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 limited liability partnership's affairs as at 31 December 2015 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.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CAPSTONE INVESTMENT ADVISORS (UK),LLP

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

Nicky Jones

Miss Nicola Anne Jones FCCA (Senior Statutory Auditor)
for and on behalf of Frank Hirth & Co LLP
Statutory Auditor

11 April 2016
1st Floor
236 Gray's Inn Road
London
WC1X 8HB

CAPSTONE INVESTMENT ADVISORS (UK), LLP

STATEMENT OF COMPREHENSIVE INCOME (INCLUDING THE PROFIT AND LOSS ACCOUNT)

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	2014 £
Turnover	2	13,381,218	10,443,259
Cost of sales		(265,905)	(264,244)
Gross profit		13,115,313	10,179,015
Administrative expenses		(5,014,344)	(5,940,830)
Operating profit	3	8,100,969	4,238,185
Profit for the financial year before members' remuneration and profit shares		8,100,969	4,238,185
Profit for the financial year before members' remuneration and profit shares		8,100,969	4,238,185
Members' remuneration charged as an expense	6	(1,167,695)	(1,425,443)
Profit for the financial year available for discretionary division among members		6,933,274	2,812,742
Total comprehensive income for the year		6,933,274	2,812,742

The profit and loss account for the current and comparative periods have been prepared on the basis that all operations are continuing operations

CAPSTONE INVESTMENT ADVISORS (UK), LLP

BALANCE SHEET

AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	7		1,088,191		223,971
Current assets					
Debtors	8	9,783,534		7,351,269	
Cash at bank and in hand		2,173,657		361,437	
		11,957,191		7,712,706	
Creditors amounts falling due within one year	9	(1,436,504)		(678,511)	
Net current assets			10,520,687		7,034,195
Total assets less current liabilities			11,608,878		7,258,166
Net assets attributable to members			11,608,878		7,258,166
Represented by:					
Amounts due in respect of profits			5,711,388		1,355,676
Members' capital classified as equity			5,897,490		5,902,490
			11,608,878		7,258,166
Total members' interests	11				
Amounts due from members			(8,412,975)		(6,346,209)
Loans and other debts due to members			5,711,388		1,355,676
Members' other interests			5,897,490		5,902,490
			3,195,903		911,957

Under Companies Act 2006, s454, on a voluntary basis, the members can amend these financial statements if they subsequently prove to be defective.

The financial statements were approved by the members and authorised for issue on 11 April 2016 and are signed on their behalf by

P Britton, signing on behalf of
Capstone Investment Advisors, LLC
Designated member

Limited Liability Partnership Registration No. OC330201

CAPSTONE INVESTMENT ADVISORS (UK), LLP

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	Members' capital £	Other reserves £	Total £
Balance at 1 January 2014		5,922,490	-	5,922,490
Profit for the year		-	2,812,742	2,812,742
Members' capital redeemed	11	(20,000)	-	(20,000)
Profit allocations		-	(2,812,742)	(2,812,742)
Balance at 31 December 2014		5,902,490	-	5,902,490
Profit for the year		-	6,933,274	6,933,274
Members' capital introduced	11	10,000	-	10,000
Members' capital redeemed	11	(15,000)	-	(15,000)
Profit allocations		-	(6,933,274)	(6,933,274)
Balance at 31 December 2015		5,897,490	-	5,897,490

CAPSTONE INVESTMENT ADVISORS (UK), LLP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Cash flows from operating activities					
Cash generated from operations	19		8,328,130		8,429,867
Investing activities					
Purchase of tangible fixed assets		(1,138,615)		(168,593)	
Net cash used in investing activities			(1,138,615)		(168,593)
Financing activities					
Capital introduced by members (classified as debt or equity)		10,000		-	
Repayment of capital or debt to members		(15,000)		(20,000)	
Payments to members that represent a return on amounts subscribed or otherwise contributed		(5,372,295)		(9,853,623)	
Net cash used in financing activities			(5,377,295)		(9,873,623)
Net increase/(decrease) in cash and cash equivalents			1,812,220		(1,612,349)
Cash and cash equivalents at beginning of year			361,437		1,973,786
Cash and cash equivalents at end of year			<u>2,173,657</u>		<u>361,437</u>

CAPSTONE INVESTMENT ADVISORS (UK), LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Limited liability partnership information

Capstone Investment Advisors (UK), LLP is a limited liability partnership domiciled and incorporated in England and Wales. The registered office is 1st Floor, 10 New Burlington Street, London, W1S 3BE.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' issued in July 2014, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the requirements of the Companies Act 2006 and Financial Reporting Council Abstracts.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements, which are those of Capstone Investment Advisors (UK), LLP as an individual entity, have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of Capstone Investment Advisors (UK), LLP prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102. Certain comparative figures have been re-analysed to conform to FRS 102 disclosures.

1.2 Going concern

At the time of approving the financial statements, the members have a reasonable expectation that the limited liability partnership has adequate resources to continue in operational existence for the foreseeable future. Thus the members continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents the fair value of services provided during the period. Turnover is recognised as contract activity progresses and the right to consideration is earned. Fair value reflects the amount expected to be recoverable and is based on services provided and expenses incurred, but excludes VAT.

CAPSTONE INVESTMENT ADVISORS (UK), LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

1.4 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 section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Unallocated amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Once an unavoidable obligation has been created in favour of members through allocation of profits or other means, any undrawn profits remaining at the reporting date are shown as 'Loans and other debts due to members' to the extent they exceed debts due from a specific member.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Short leasehold land and buildings	over the life of the lease
Plant and machinery	over 5 years on a straight line basis
Fixtures, fittings and equipment	over 5 years on a straight line basis

The profit or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Impairment of fixed assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying value. If the estimated recoverable amount is lower, the carrying value is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying value of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

CAPSTONE INVESTMENT ADVISORS (UK), LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies (Continued)

1.7 Debtors and creditors

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans and other debtors 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.

Creditors

Short term trade creditors and other current creditors payable on demand 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.

1.8 Taxation

The taxation payable on the partnership profits is solely the personal liability of the individual members. Consequently, neither partnership taxation nor related deferred taxation arising in respect of the partnership are accounted for in these financial statements.

1.9 Employee benefits

The cost of holiday pay entitlement is recognised in the period in which the employee's services are rendered.

Termination benefits are recognised immediately as an expense when the limited liability partnership is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits and post retirement payments to members

The company contributes to personal pension schemes of certain individual employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to the profit and loss account on a straight line basis over the term of the relevant lease.

1.12 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling on the date of the transaction. All differences are taken to the profit and loss account.

1.13 Members' remuneration and equity

A member's share in the profit or loss for the year is accounted for when profits are allocated. Unallocated profits and losses are included within other reserves. The treatment of members' remuneration in the profit and loss account is determined by reference to the nature of the participation rights that give rise to the remuneration. If the members' remuneration gives rise to a liability it is charged as an expense. Amounts subscribed or otherwise contributed by members are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity capital. Equity capital is any capital that is repayable to the member only at the discretion of the limited liability partnership.

CAPSTONE INVESTMENT ADVISORS (UK), LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

2 Turnover

An analysis of the limited liability partnership's turnover is as follows

	2015 £	2014 £
Turnover		
Income from the rendering of services	13,381,218	10,443,259

Turnover analysed by geographical market

	2015 £	2014 £
United States of America	13,381,218	10,443,259

3 Operating profit

	2015 £	2014 £
Operating profit for the year is stated after charging/(crediting)		
Exchange losses/(gains)	210,596	91,596
Depreciation of owned tangible fixed assets	103,230	44,880
Loss on disposal of tangible fixed assets	36,669	-
Operating lease charges	610,991	92,691

4 Auditors' remuneration

	2015 £	2014 £
Fees expensed/payable to the LLP's auditor and its associates		
For audit services		
Audit of the LLP's financial statements	34,400	28,500
For other services		
Taxation compliance services	18,624	7,250
All other non-audit services	1,430	7,615
	20,054	14,865

CAPSTONE INVESTMENT ADVISORS (UK), LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

5 Employees

The average number of persons (excluding members) employed by the partnership during the year was

	2015 Number	2014 Number
Advisory	2	3
Administration	20	12
	<u>22</u>	<u>15</u>

Staff costs for the above persons

	2015 £	2014 £
Wages and salaries	2,036,899	1,135,021
Social security costs	256,501	142,289
Pension costs	26,598	10,644
	<u>2,319,998</u>	<u>1,287,954</u>

6 Members' remuneration

	2015 Number	2014 Number
The average number of members during the year was	<u>9</u>	<u>10</u>

	2015 £	2014 £
Profit attributable to the member with the highest entitlement	<u>3,518,013</u>	<u>1,221,375</u>

	2015 £	2014 £
Remuneration under participation rights	<u>1,167,695</u>	<u>1,425,443</u>

CAPSTONE INVESTMENT ADVISORS (UK), LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

7 Tangible fixed assets

	Short leasehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 January 2015	465,777	142,515	36,498	644,790
Additions	731,534	10,288	396,793	1,138,615
Disposals	(301,720)	(67,411)	(170,994)	(540,125)
At 31 December 2015	895,591	85,392	262,297	1,243,280
Depreciation and impairment				
At 1 January 2015	259,022	130,511	31,286	420,819
Depreciation charged in the year	73,473	5,134	24,623	103,230
Eliminated in respect of disposals	(270,270)	(66,804)	(31,886)	(368,960)
At 31 December 2015	62,225	68,841	24,023	155,089
Carrying amount				
At 31 December 2015	833,366	16,551	238,274	1,088,191
At 31 December 2014	206,755	12,004	5,212	223,971

8 Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	217,541	213,893
Amounts due from members	8,412,975	6,346,209
Other debtors	855,303	653,081
Prepayments and accrued income	297,715	37,330
	9,783,534	7,250,513
Amounts falling due after one year:		
Other debtors	-	100,756
Total debtors	9,783,534	7,351,269

CAPSTONE INVESTMENT ADVISORS (UK), LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

9 Creditors, amounts falling due within one year

	2015 £	2014 £
Trade creditors	130,977	129,689
Other creditors	711,333	238,479
Accruals and deferred income	594,194	310,343
	<u>1,436,504</u>	<u>678,511</u>

10 Retirement benefit schemes

Defined contribution schemes

The limited liability partnership contributes to personal pension schemes of certain individual employees. The assets of the schemes are held separately from those of the limited liability partnership in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £26,598 (2014 - £10,644). There were outstanding contributions payable totalling £26,598 at the year end (2014 - £10,644).

CAPSTONE INVESTMENT ADVISORS (UK), LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

11 Reconciliation of members' Interests	EQUITY			MEMBERS' INTERESTS	
	Members' capital (classified as equity)	Other reserves	Total	Other amounts	Total
Amount due to members	£	£	£	£	£
Amount due from members					
Members' interests at 1 January 2015	5,902,490	-	5,902,490	(4,990,533)	911,957
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	-	-	1,167,695	1,167,695
Profit for the financial year available for discretionary division among members	-	6,933,274	-	-	6,933,274
Members' interests after profit and remuneration for the year	5,902,490	6,933,274	12,835,764	(3,822,838)	9,012,926
Allocation of profit for the financial year	-	(6,933,274)	(6,933,274)	6,933,274	-
Introduced by members	10,000	-	10,000	-	10,000
Repayments of capital	(15,000)	-	(15,000)	-	(15,000)
Reclassifications	-	-	-	(439,728)	(439,728)
Drawings	-	-	-	(3,293,647)	(3,293,647)
Other movements - includes trading balances and cash movements with the corporate designated member	-	-	-	(2,078,648)	(2,078,648)
Members' interests at 31 December 2015	5,897,490	-	5,897,490	(2,701,587)	3,195,903
Amounts due to members				5,711,388	
Amounts due from members, included in debtors				(8,412,975)	
				(2,701,587)	

CAPSTONE INVESTMENT ADVISORS (UK), LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

12 Loans and other debts due to members

	2015 £	2014 £
Analysis of loans		
Amounts falling due within one year in respect of profits	5,711,388	1,355,676

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors

Any reduction in members' other interests are subject to approval by the limited liability partnership's managing committee

13 Financial commitments, guarantees and contingent liabilities

On 23 July 2015 the limited liability partnership assigned a rental lease expiring 3 February 2019 to a third party tenant. The third party tenant is liable for rental payments of £150,195 per year. Should the third party tenant default on any rental payments, the limited liability partnership would be liable for this debt.

14 Operating lease commitments

Lessee

At the reporting end date the limited liability partnership had outstanding commitments for future minimum lease payments under non-cancellable rental operating leases, which fall due as follows

	2015 £	2014 £
Within one year	682,640	401,120
Between two and five years	1,934,147	3,079,888
	<u>2,616,787</u>	<u>3,481,008</u>

15 Capital commitments

	2015 £	2014 £
At 31 December 2015 the limited liability partnership had capital commitments as follows		
Contracted for but not provided in the financial statements		
Acquisition of property, plant and equipment	-	693,572

CAPSTONE INVESTMENT ADVISORS (UK), LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

16 Related party transactions

At the balance sheet date £761,490 (2014 £610,145) is included in debtors and £243,216 (2014 £226,555) included in creditors in relation to balances owing from companies in which the ultimate controlling party has an interest. These amounts are interest free, unsecured and repayable on demand.

During the year the limited liability partnership was reimbursed for employee costs in relation to the provision of IT services from a company in which the ultimate controlling party has an interest.

17 Members' transactions

During the year the limited liability partnership provided management services to Capstone Investment Advisors, LLC totaling £12,485,802 (2014 £9,986,299).

During the year £845,334 (2014 £3,902,314) was charged from Capstone Investment Advisors, LLC in relation to services provided on mutually managed funds.

Capstone Investment Advisors, LLC acquired £134,496 of fixed assets from the limited liability partnership during the year.

18 Controlling party

The ultimate controlling party is P Britton (2014 P Britton) by virtue of his interest in the designated member, Capstone Investment Advisors, LLC, a company incorporated in the United States of America (2014 Capstone Investment Advisors, LLC).

19 Cash generated from operations	2015 £	2014 £
Profit for the year	8,100,969	4,238,185
Adjustments for		
Loss on disposal of tangible fixed assets	36,669	-
Depreciation and impairment of tangible fixed assets	103,230	44,880
Movements in working capital		
(Increase)/decrease in debtors	(231,003)	3,897,398
Increase in creditors	318,265	249,404
Cash generated from operations	8,328,130	8,429,867