

Abaci Investment Management LLP

Registered Number' OC341481

Members' Report and Financial Statements

For the year ended 30 November 2011

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Abacı Investment Management LLP

Registered Number OC341481

Contents	Page
Administrative information	1
Members' report	2
Independent auditors' report	5
Profit and loss account	7
Balance sheet	8
Cash flow statement	9
Notes to the financial statements	10

Abaci Investment Management LLP

Registered Number OC341481

Administrative information

Members

Abaci Investment Management (UK) Limited
Z Khan
B Lynch
J Laredo
C Huber

Auditors

Crowe Clark Whitehill LLP
10 Palace Avenue
Maidstone
Kent
ME15 6NF

Registered office

C/O Throgmorton UK Ltd
4th Floor
Reading Bridge House
George Street
Reading
RG1 8LS

Bankers

HSBC
West End Commercial Centre
16 King Street
London
WC2E 8JF

Abaci Investment Management LLP

Registered Number OC341481

Members' report

For the year ended 30 November 2011

The members present their report and the audited financial statements for the year ended 30 November 2011

Incorporation and commencement

Abaci Investment Management LLP (the 'LLP') was incorporated on 18th November 2008. The LLP was authorised by the Financial Services Authority to conduct investment business on 19th February 2009.

Principal activity

The principal activity of the LLP in the year under review was providing investment advisory services to funds and managed accounts.

Results and allocation to members

The results for the year are shown in the profit and loss account on page 7. All losses will be allocated amongst the members as the managing member may determine.

Financial Position

The LLP's balance sheet as detailed on page 8 shows a satisfactory position. Members' other interests amount to £240,292 (2010: £169,972).

Review of the business

The results for the year and the financial position at the year end were considered satisfactory by the members. The members do not anticipate any change in the nature of these activities going forward.

Policy for members' drawings, subscriptions and repayments of members' capital

Policies for members' drawings, subscriptions and repayment of members' capital are governed by the Partnership Agreement dated 19th January 2009. In summary, the capital contributions made by each existing member are set out in the Partnership Agreement and the managing member determines the capital contribution to be paid by all future further members. These capital contributions are only repaid at the discretion of the managing member when a member's membership of the LLP ceases.

Members

The members of the LLP during the year and up to the date of this report were as follows:

Abaci Investment Management (UK) Limited *

Zaman Khan *

Brendan Lynch

Stephen West (Resigned 30 March 2011)

J Laredo (Appointed 9 December 2010)

Claus Huber (Appointed 24 February 2011)

Zaman Khan is the managing member.

* Designated member

Regulatory disclosures

Details of the company's regulatory disclosures, including Pillar 3 and Remuneration Code disclosures (as required under Chapter 11 of the Financial Services Authority's Prudential Sourcebook for Bank, Building Societies and Investment Firms) and its Stewardship Code disclosure (as required under Chapter 2 of the Financial Services Authority's Conduct of Business Sourcebook) can be obtained from the company's website www.abaciim.com or by writing to us at 30 St George Street, London, W1S 2FH.

Members' report (continued)

For the year ended 30 November 2011

Going Concern

The members have indicated their willingness to continue to provide the LLP with the necessary financial support for the foreseeable future. As a result, there is a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future and the members continue to adopt the going concern basis in preparing these financial statements.

Statement of members' responsibilities in respect of the financial statements

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

The members are required to prepare financial statements for each financial period that 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 those financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business in which case there should be supporting assumptions or qualifications as necessary, and
- State whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements.

The members confirm that they have complied with the above requirements in preparing the financial statements.

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the LLP and to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships. The members 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.

Abaci Investment Management LLP

Registered Number OC341481

Members' report (continued)

For the year ended 30 November 2011

Auditors

Crowe Clark Whitehill LLP were appointed as independent auditors and have indicated their willingness to continue in office. A resolution concerning their appointment will be proposed at the members' meeting to approve these financial statements.

On behalf of the members



Z Khan

6 March 2012

Abaci Investment Management LLP

Registered Number OC341481

Independent auditors' report

to the members of Abaci Investment Management LLP

We have audited the financial statements of Abaci Investment Management LLP (the LLP) for the year ended 30 November 2011 which are set out pages 7 to 14. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the LLP's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006 as applied to LLPs. 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 as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Members' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Members' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 2006 as applied to LLPs. We report to you if, in our opinion, the LLP has not kept proper accounting records, if we have not received all the information and explanations we require for our audit.

We read the Members' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the LLP's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Abaci Investment Management LLP

Registered Number OC341481

Opinion

In our opinion, the financial statements

- give a true and fair view of the state of the LLP's affairs as at 30 November 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the Companies Act 2006 as applied to LLPs



Ian Weekes
Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor

10 Palace Avenue
Maidstone
Kent
ME15 6NF

6 March 2012

Abaci Investment Management LLP

Registered Number OC341481

Profit and loss account

For the year ended 30 November 2011

	Note	Year to 30 November 2011 £	Year to 30 November 2010 £
Turnover	1	71,058	192,805
Administrative expenses		(260,738)	(196,658)
Operating loss	2	<u>(189,680)</u>	<u>(3,853)</u>
Interest receivable and similar income		-	-
Loss for the financial period available for discretionary division among members	7	<u>(189,680)</u>	<u>(3,853)</u>

All activities derive from continuing operations

There is no difference between the loss for the financial year available for discretionary division among members and its historical cost equivalent

The LLP has no recognised gains and losses other than the loss shown above and therefore no separate statement of total recognised gains and losses has been presented

Notes 1-10 form an integral part of these financial statements

Abaci Investment Management LLP

Registered Number OC341481

Balance Sheet

As at 30 November 2011

	Note	As at 30 November 2011 £	As at 30 November 2010 £
Fixed assets			
Investments	4	<u>14,621</u>	<u>24,249</u>
		14,621	24,249
Current assets			
Debtors	5	132,301	17,178
Cash at bank and in hand		<u>120,254</u>	<u>142,490</u>
		252,555	159,668
Creditors' amounts falling due within one year	6	(26,884)	(13,945)
Net current assets		<u>225,671</u>	<u>145,723</u>
Net Assets attributable to members		<u>240,292</u>	<u>169,972</u>
Represented by			
Members' other interests			
Members' capital classified as equity under FRS 25	7	469,004	209,004
Other reserves	7	<u>(228,712)</u>	<u>(39,032)</u>
		<u>240,292</u>	<u>169,972</u>
Memorandum of members' total interests			
Loans to and other amounts due from members	7	(90,150)	-
Members' other interests	7	<u>240,292</u>	<u>169,972</u>
Members' total interests	7	<u>150,142</u>	<u>169,972</u>

The financial statements were approved by the members and were signed on their behalf on
6 March 2012 by



Z Khan
Designated member

Notes 1-10 form an integral part of these financial statements

Abaci Investment Management LLP

Registered Number OC341481

Cash flow statement

For the year ended 30 November 2011

		Year to 30 November 2011 £	Year to 30 November 2010 £
	Note		
Net cash inflow from operating activities	8 (a)	(189,992)	(6,355)
Capital expenditure and financial investment	8 (b)	8,065	(24,249)
Transactions with members	8 (b)	159,690	100,501
(Decrease)/increase in net cash during the period		<u>(22,237)</u>	<u>69,897</u>

Notes 1-10 form an integral part of these financial statements

Notes to the financial statements

for the year ended 30 November 2011

1. Accounting policies

Basis of accounting

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with applicable accounting standards and the requirements of the Statement of Recommended Practice 'Accounting for Limited Liability Partnerships' issued March 2006

Turnover and revenue recognition

Turnover, which is stated net of any value added tax, represents investment advisory fees arising from continuing activities in the United Kingdom. Investment advisory fees are accounted for on an accruals basis.

Expenses

Expenses incurred have been recognised on an accruals basis.

Foreign currencies

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 at the date of the transaction. All differences are taken to the profit and loss account.

Taxation

No provision has been made for taxation in the financial statements. Each member is exclusively liable for any tax liabilities arising out of his/her interest in the LLP. Tax will be assessed on the individual members and not on the LLP.

Going Concern

The members have indicated their willingness to continue to provide the LLP with the necessary financial support for the foreseeable future. As a result, there is a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future and the members continue to adopt the going concern basis in preparing these financial statements.

Fixed asset investments

Investments are held at cost less provision for any impairment in value.

2 Operating loss

Operating loss is stated after charging

	Year to 30 November 2011 £	Year to 30 November 2010 £
Auditors remuneration		
Fee payable to auditor for audit of financial statements	2,625	2,625
Foreign exchange (gain)/loss	(295)	181

Abaci Investment Management LLP

Registered Number OC341481

Notes to the financial statements (continued)

for the year ended 30 November 2011

3. Members' remuneration

The profits of the LLP in respect of each financial period of the LLP shall be allocated amongst the members in such proportions as the Managing member may determine. If the LLP incurs any losses in respect of any financial year, such losses shall be allocated amongst the members as the Managing member may determine in proportion to their original capital contribution.

The profits or losses allocated to the members shall be credited or debited to the distribution accounts of the members.

	Year to 30 November 2011 £	Year to 30 November 2010 £
Loss for the financial period before members' remuneration and profit share and available for division among members	<u>(189,680)</u>	<u>(3,853)</u>
Loss for the financial period available for discretionary division among members	<u>(189,680)</u>	<u>(3,853)</u>
Loss in respect of the highest paid member during the period	<u>(189,680)</u>	<u>(3,853)</u>

The average monthly number of members in the year was 5 (2010: 3)

4. Fixed Asset Investments

	£
Cost	
At 1 December 2010	24,249
Disposal	(8,065)
Impairment	<u>(1,563)</u>
At 30 November 2011	<u>14,621</u>

The investment represents shares held in Capital Structure Globus Fund

Abaci Investment Management LLP

Registered Number OC341481

Notes to the financial statements (continued)
for the year ended 30 November 2011

5 Debtors

	2011	2010
	£	£
Prepayments and accrued income	13,651	330
VAT receivable	-	788
Amounts due from members	90,150	-
Other debtors	28,500	16,060
	<u>132,301</u>	<u>17,178</u>

6. Creditors

	2011	2010
	£	£
Accruals	12,131	13,945
Trade creditors	12,319	-
VAT payable	2,434	-
	<u>26,884</u>	<u>13,945</u>

Abaci Investment Management LLP

Registered Number OC341481

Notes to the financial statements (continued)
for the year ended 30 November 2011

7 Reconciliation of movements in members' other and members' total interests

	Members' Capital (classified as equity)	Other reserves	Total members' other interests	Loans from and other amounts due to/(from) members	Members' total interests 2011	Members' total interests 2010
	£	£	£	£	£	£
Members' interests at 30 November 2010	209,004	(39,032)	169,972	-	169,972	73,324
Loss for the year available for discretionary division among members	-	(189,680)	(189,680)	-	(189,680)	(3,853)
Capital introduced	260,000	-	260,000	-	260,000	100,501
Drawings	-	-	-	(90,150)	(90,150)	-
Members' interests at 30 November 2011	469,004	(228,712)	240,292	(90,150)	150,142	169,972

Abaci Investment Management LLP

Registered Number OC341481

Notes to the financial statements (continued)

for the year ending 30 November 2011

8. Notes to the cash flow statement

(a) Reconciliation of operating profit to net cash flows from operating activities

	Year to 30 November 2011 £	Year to 30 November 2010 £
Operating loss	(189,680)	(3,853)
Impairment of fixed asset investment	1,563	-
Increase in debtors	(14,814)	(6,697)
Increase in creditors	12,939	4,195
	<u>(189,992)</u>	<u>(6,355)</u>

(b) Analysis of cash flows for headings netted in the statement of cash flows

	Year to 30 November 2011 £	Year to 30 November 2010 £
Transactions with members		
Capital introduced	249,840	100,501
Payments to members	(90,150)	-
	<u>159,690</u>	<u>100,501</u>
Capital expenditure and financial investment		
Payment to acquire fixed asset investments	-	24,249
Sale of fixed asset investment	8,065	-
	<u>8,065</u>	<u>(24,249)</u>

9. Parent undertaking and ultimate controlling party

Zaman Khan is the controlling member of the partnership

Abaci Investment Management LLP

Registered Number OC341481

Notes to the financial statements (continued)

for the year ending 30 November 2011

10. Related party transactions

Abaci Investment Management (UK) Limited has contributed £1 to the capital of the LLP

The LLP was charged fees of £193,969 (2010 £161,992) from Abaci Investment Management (UK) Limited during the year in respect of services provided to the LLP. As at 30 November 2011 the balance owed to the LLP by Abaci Investment Management (UK) Limited was £18,341 (2010 £16,060) and is included within other debtors.

Mr C Huber is a member of Abaci Investment Management LLP and a partner of Rodex Risk Advisors. During the year the LLP paid consultancy fees of £16,667 (2010 £nil) to Rodex Risk Advisors. As at 30 November 2011 the balance owed to Rodex Risk Advisors was £nil (2010 £nil).

As at 30 November 2011 £10,160 (2010 £nil) was owed to Abaci Investment Management LLP by the members.