

**Company Registration No. OC355816**

**Allen & Company Advisors LLP**

**Financial Statements**

**31 December 2011**



# **Allen & Company Advisors LLP**

## **Report and financial statements 2011**

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## **Allen & Company Advisors LLP**

### **Report and financial statements 2011**

#### **Registered officers and professional advisers**

##### **Directors**

Allen & Company Advisors UK Limited  
Allen & Company LLC (membership terminated 1 March 2011)  
Andreas Lazar (membership appointed 1 March 2011)  
Wendell Brooks (membership appointed 1 March 2011)

##### **Secretary**

Whale Rock Secretaries Limited

##### **Registered Office**

2<sup>nd</sup> Floor  
103 Mount Street  
London  
W1K 2TJ

##### **Bankers**

Alliance & Leicester Commercial Bank Plc  
Bridle Road  
Bootle  
Merseyside  
GIR 0AA

##### **Auditor**

Deloitte LLP  
Chartered Accountants  
London

## **Allen & Company Advisors LLP**

### **Members' report**

The Board presents its annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2011

#### **Group structure**

Allen & Company Advisors LLP (formerly Allen & Company Advisors UK LLP) (the "LLP", the "Company") was incorporated June 21, 2010 as a Limited Liability Partnership under the Limited Liability Partnerships Act 2000. The LLP is accounted for as a majority owned subsidiary of Allen & Company Advisors UK Limited (the "Parent"), (collectively "the Group"). The ultimate parent undertaking by virtue of its shareholding in the Parent is Allen & Company LLC, a company registered in the United States of America.

On 1 March 2011, the LLP changed its name to Allen & Company Advisors LLP and the Parent changed its name to Allen & Company Advisors UK Limited. In addition, on 1 March 2011, Allen & Company LLC withdrew as a member of the LLP and Wendell Brooks and Andreas Lazar were admitted as members of the LLP. A new partnership agreement was also executed by the members as of 1 March 2011.

On 1 March 2011, the trade, all assets and liabilities and operations of the Parent were transferred at carrying value into the LLP for consideration totalling \$610,355.

These financial statements are the accounts of Allen & Company Advisors LLP and reflect the results for the year ended 31 December 2011. The profit (loss) for the year was \$2,378,141 (2010: \$ (3,474)).

#### **Principal activities**

The principal activity is to act as corporate finance advisors.

#### **Future Outlook**

The regulated activity of Allen & Company Advisors UK Limited was transferred into this entity as of 1 March 2011. There were no significant changes to these activities since the transfer.

#### **Going concern**

The UK is an important strategic market for Allen & Company LLC to expand into Europe. The Group operates in the current market environment, and is subject to the current uncertainty that exists in the world economy as a whole. The Group operates in a strong regulatory environment. The members of the LLP review on a regular basis the regulatory capital management and assess risks to business performance.

The LLP meets its funding requirements through cash injected and loans provided by the ultimate holding company. The members' expectation is that these facilities will be available for the foreseeable future. There are no other banking facilities that the LLP is reliant on. The members are confident that, if required, group support will be available.

The members have a reasonable expectation that the LLP have adequate resources to continue in operational existence for the foreseeable future. Thus, it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

#### **Designated members**

The designated members (as defined in the Limited Liability Partnerships Act 2000) during the year were the Parent and Andreas Lazar and Wendell Brooks, the minority interest holders.

#### **Members' drawings and subscription and repayment of capital**

All members are equity members and share in the profits and subscribe to the entire capital of the Partnership. Each member's capital subscription is governed by the Partnership Agreement. Members' drawings are made subject to the cash requirements of the business. Repayment of capital will only occur upon a member leaving the Partnership or termination and dissolution of the Partnership. Were the Partnership to be liquidated or dissolved for any reason, entitlements will be made to members only after all other liabilities of the Partnership have been paid.

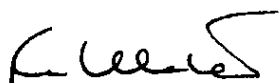
## **Allen & Company Advisors LLP**

### **Members' report**

#### **Auditor**

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting

Approved by the members and signed on their behalf by



K Wieland

Allen & Company Advisors Limited

23 April 2012

## **Allen & Company Advisors LLP**

### **Members' responsibilities statement**

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

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require 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). The financial statements are required by law to 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 year. In preparing these financial statements, the members are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the firm will continue in business.

The members are responsible for keeping adequate accounting records that 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 applicable to limited liability partnerships. 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.

## **Independent auditor's report to the members of Allen & Company Advisors LLP**

We have audited the financial statements of Allen & Company Advisors LLP for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet, the cash flow statement, and the related notes 1 to 4. 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 LLP's members those matters we are required to state to them in an auditors' 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, 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**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the limited liability partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the members, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Group's and the limited liability partnership's affairs as at 31 December 2011 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 applicable to limited liability partnerships.

### **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 applicable 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.

Caroline Britton (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditors  
London, United Kingdom  
23 April 2012

## Allen & Company Advisors LLP

### Profit and loss account Year ended 31 December 2011

	Notes	2011 USD	2010 USD
Turnover	2	7,575,392	-
Administrative expenses		<u>(5,010,407)</u>	<u>(3,515)</u>
Operating profit/(loss)		2,564,985	(3,515)
Interest receivable		<u>2,167</u>	<u>41</u>
Profit/(loss) for the financial year before members' remuneration and profit shares	3	2,567,152	(3,474)
Members' remuneration charged as an expense		<u>(189,011)</u>	<u>-</u>
Profit/(loss) for the financial year available for discretionary division among members		<u>2,378,141</u>	<u>(3,474)</u>

The operating profit for the year arises from the Group's continuing operations

No separate statement of total recognised gains and losses has been presented as all such gains and losses have been dealt with in the profit and loss account

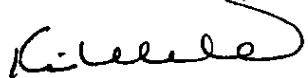


## Allen & Company Advisors LLP

### Cash flow statement Year ended 31 December 2011

	Notes	2011 USD	2010 USD
<b>Fixed assets</b>			
Tangible assets	5	594,361	-
		<u>594,361</u>	<u>-</u>
<b>Current assets</b>			
Debtors	6	779,279	-
Cash at bank and in hand		1,156,565	148,754
		<u>1,935,844</u>	<u>148,754</u>
<b>Creditors' amounts falling due within one year</b>		<u>(560,071)</u>	<u>-</u>
	7	<u>(560,071)</u>	<u>-</u>
<b>Net current assets</b>		1,375,773	-
<b>Creditors: amounts falling due after more than one year</b>	8	<u>(94,725)</u>	<u>-</u>
<b>Net assets attributable to members</b>		<u>1,875,409</u>	<u>148,754</u>
<b>Represented by.</b>			
<b>Members' other interests</b>			
Members' capital classified as equity	9	1,875,409	148,754
		<u>1,875,409</u>	<u>148,754</u>

The financial statements were approved by the members and authorised for issue on 23 April 2012. They were signed on the members' behalf by



K Wieland  
Allen & Company Advisors Limited  
Designated member

## Allen & Company Advisors LLP

### Cash flow statement Year ended 31 December 2011

	Notes	2011 USD	2010 USD
Cash inflow/(outflow) from operating activities	10(a)	2,473,546	(3,515)
Returns on investments and servicing of finance	10(b)	2,167	41
Financing – introduction of members capital		613,619	152,228
Financing – distribution of members capital		(1,265,105)	-
Capital expenditure on financial investment		<u>(816,416)</u>	<u>-</u>
Increase in cash in the year		<u>1,007,811</u>	<u>148,754</u>

### Reconciliation of net cash flow to movement in funds Year ended 31 December 2011

	2011 USD	2010 USD
Increase in cash in the period	<u>1,007,811</u>	<u>148,754</u>
Movement in net funds in period	1,007,811	148,754
Net funds at beginning of period	<u>148,754</u>	<u>-</u>
Net funds at 31 December	<u>1,156,565</u>	<u>148,754</u>

## **Allen & Company Advisors LLP**

### **Notes to the financial statements Year ended 31 December 2011**

#### **1. Statement of accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year.

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards and the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships (issued March 2010).

##### **Going concern**

The LLP's business activities, together with the factors likely to affect its future development, performance and position are set out in the Principal Activities which form part of the members' report.

The Board has a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

##### **Income recognition**

Turnover represents amounts derived, net of Value Added Tax from services provided to customers.

##### **Tangible fixed assets**

Fixed assets are stated at historical cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

IT hardware	- 3 years
Furniture and office equipment	- 4 years
Leasehold improvements	- Life of lease

##### **Foreign currency**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate. All exchange differences are included in the profit and loss account.

##### **Finance costs**

Finance costs of financial liabilities are recognised in the profit and loss account over the term of such instruments at a constant rate on the carrying amount.

##### **Expenses**

Expenses include professional fees, salaries and other related costs which are charged when incurred.

##### **Members' remuneration**

Remuneration paid to members under employment contracts, any other non-discretionary amounts payable to members and any automatic divisions of profit are recognised as an expense in the profit and loss account as incurred, under the heading 'Members' remuneration charged as an expense'.

A division of profits that is discretionary on the part of the LLP is recognised as an appropriation of equity when the division occurs.

#### **2. Turnover**

The Company's turnover was derived from its principal activity and revenue is generated from the United States.

## Allen & Company Advisors LLP

### Notes to the financial statements Year ended 31 December 2011

#### 3. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	2011 USD	2010 USD
Foreign exchange losses	(47,589)	(3,515)
Depreciation – owned assets	222,055	-
Auditors remuneration in respect of the audit of the Company's financial statements	34,186	-
	<u>208,652</u>	<u>(3,515)</u>

In the prior year, auditors' fees of \$1,000 were borne by the LLP's Parent

#### 4. Employees

	2011 No.	2010 No.
The average monthly number of persons (including directors) employed by the Company during the period that the Company had trading activity was	<u>7</u>	<u>0</u>
	2011 USD	2010 USD
Staff costs for the above persons		
Wages and salaries	1,886,077	-
Social security costs	242,094	-
	<u>2,128,171</u>	<u>-</u>

## Allen & Company Advisors LLP

### Notes to the financial statements Year ended 31 December 2011

#### 5. Tangible fixed assets

	IT hardware USD	Furniture and office equipment USD	Leasehold improvements USD	Total USD
<b>Cost</b>				
At 1 January 2011	-	-	-	-
Additions	143,462	266,629	755,680	1,165,771
At 31 December 2011	143,462	266,629	755,680	1,165,771
<b>Accumulated depreciation</b>				
At 1 January 2011	-	-	-	-
Charge for the year	105,689	142,701	323,020	571,410
At 31 December 2011	105,689	142,701	323,020	571,410
<b>Net book value</b>				
At 31 December 2010	-	-	-	-
At 31 December 2011	37,773	123,928	432,660	594,361

#### 6. Debtors

	2011 USD	2010 USD
Due within one year		
Prepayments and accrued income	735,488	-
Amounts receivable from affiliates	-	-
Other debtors	43,791	-
	779,279	-

## Allen & Company Advisors LLP

### Notes to the financial statements Year ended 31 December 2011

#### 7. Creditors, amounts falling due within one year

	2011 USD	2010 USD
Other taxation and social security	-	-
Amounts owing to affiliates	217,112	-
Accruals	342,959	-
	<u>560,071</u>	<u>2,133,284</u>

#### 8. Creditors: amounts falling due after one year

	2011 USD	2010 USD
Subordinated loan	<u>94,725</u>	<u>-</u>

This loan was made by the Parent's holding company, Allen & Company LLC. The loan is interest free.

#### 9. Members interests

	Members' capital (classified as equity) USD
Balance at 31 December 2010	148,754
Members' remuneration charged as an expense	(189,011)
Profit for the financial year available for discretionary division among members	<u>2,567,152</u>
Members' interests after profit for the year	2,526,895
Distributions to members	(1,265,105)
Contributions by members	<u>613,619</u>
Balance at 31 December 2011	<u>1,875,409</u>

## Allen & Company Advisors LLP

### Notes to the financial statements Year ended 31 December 2011

The average number of members during the year was 3. The share of profit (including remuneration) attributable to the member with the largest entitlement of profit, consisting of profits allocated after the balance sheet date and remuneration during the year, was \$943,164.

#### 10. Cash flows

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

	2011 USD	2010 USD
Operating profit (loss)	2,375,974	(3,515)
Increase in debtors	(779,279)	-
Increase in creditors	654,796	-
Depreciation	222,055	-
<b>Net cash inflow/(outflow) from operating activities</b>	<b>2,473,546</b>	<b>(3,515)</b>

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

	2011 USD	2010 USD
Payments to Members	(1,265,105)	-
Contributions by members	613,619	152,228
<b>Net cash (outflow)/inflow from transactions with members</b>	<b>(651,486)</b>	<b>152,228</b>

	2011 USD	2010 USD
<b>Returns on investments and servicing of finance</b>		
Interest received	2,167	41
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>2,167</b>	<b>41</b>

	2011 USD	2010 USD
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(816,416)	-
	(816,416)	-

## Allen & Company Advisors LLP

### Notes to the financial statements Year ended 31 December 2011

#### 11. Related party transactions

All turnover in this and previous period is derived from the Parent's holding company, Allen & Company LLC. The holding company also subordinated a loan to the value of USD 94,725 (2010: USD 94,725) to the LLP.

#### 12. Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Annual commitments under non-cancellable operating leases are as follows:

	2011 USD	2010 USD
Expiry date		
within one year	289,450	289,450
between two and five years	717,677	1,007,127
after five years	-	-
	<u>1,007,127</u>	<u>1,296,577</u>

Leases are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

#### 13. Controlling party and ultimate parent undertaking

The controlling party is Allen & Company Advisors UK Limited. The ultimate parent undertaking and controlling party by virtue of its shareholding is Allen & Company LLC, a company registered in the United States of America. Allen & Company Advisors UK Limited is the smallest group into which the LLP is consolidated. Allen & Company LLC is the largest group into which the LLP is consolidated.

#### 14. Subsequent events

On 1 April 2012, Wendell Brooks retired as a member of the LLP and his initial capital contribution was returned.