

Limited Liability Partnership Registration No. OC355948 (England and Wales)

**CAMBRIDGE CAPITAL MANAGEMENT UK LLP**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2016**



# **CAMBRIDGE CAPITAL MANAGEMENT UK LLP**

## **LIMITED LIABILITY PARTNERSHIP INFORMATION**

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<b>Designated members</b>	Mr Andrew Baxter Mr Ian Brown Cambridge Capital Management Partners Limited
<b>Limited liability partnership number</b>	OC355948
<b>Registered office</b>	Leda House 20 Station Road Cambridge Cambridgeshire United Kingdom CB1 2JD
<b>Auditor</b>	Fisher, Sassoon & Marks 43 - 45 Dorset Street London W1U 7NA

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# **CAMBRIDGE CAPITAL MANAGEMENT UK LLP**

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# **CAMBRIDGE CAPITAL MANAGEMENT UK LLP**

## **MEMBERS' REPORT**

***FOR THE YEAR ENDED 31 MARCH 2016***

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The members present their annual report and financial statements for the year ended 31 March 2016.

### **Principal activities**

The principal activity of the limited liability partnership continued to be that of the provision of investment management services.

### **Fair review of the business**

The results for the year and the financial position at the year end were considered satisfactory by the members who expect continued growth in the foreseeable future.

### **Capital Requirements Directive Pillar 3 Disclosures**

#### **Background**

The Capital Requirements Directive ('the Directive') of the European Union created a revised regulatory capital framework across Europe governing how much capital financial services firms must retain. In the United Kingdom, this is being implemented by our regulator, the Financial Conduct Authority ('FCA') who has created new rules and guidance specifically through the creation of the General Prudential Source book ('GENPRU') and the Prudential Source book for Banks, Building Societies and Investment Firms ('BIPRU').

The new FCA framework consists of three 'Pillars'

- Pillar 1 sets out the minimum capital requirements that we need to retain to meet our credit, market and operational risk;
- Pillar 2 requires us, and the FCA, to take a view on whether we need to hold additional capital against firm-specific risks not covered by Pillar 1;
- and Pillar 3 requires us to develop a set of disclosures which will allow market participants to assess key information about our underlying risks, risk management controls and capital position.

The rules in BIPRU II set out the provision for Pillar 3 disclosure. This must be done in accordance with a formal disclosure document. The disclosure of this document meets our obligation with respect to Pillar 3.

The rules provide that we may omit one or more of the required disclosures if we believe that the information is immaterial. Materiality is based on the criterion that the omission or misstatement of any information would be likely to change or influence the decision of a reader relying on that information. Where we have considered a disclosure to be immaterial, we have stated this in the document.

In addition, we may also omit one or more of the required disclosures where we believe that the information is regarded as proprietary or confidential. In our view, proprietary information is that which, if it were shared, would undermine our competitive position. Information is considered to be confidential where there are obligations binding us to confidentiality with our customers, suppliers and counterparties. Where we have omitted information for either of these two reasons we have stated this in the relevant section and the reasons for this.

# **CAMBRIDGE CAPITAL MANAGEMENT UK LLP**

## **MEMBERS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2016**

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### **Principal risks and uncertainties**

As a service provider the members consider that the key financial risk exposures faced by the entity relate to credit risk and the need to maintain sufficient liquidity to satisfy regulatory capital requirements and working capital needs. The LLP does not take trade positions which expose it to material price risk nor does it have a material exposure to foreign exchange movements.

The LLP's financial risk management objectives are therefore to minimise the key financial risks through having clearly defined terms of business with counter parties and stringent credit control over transactions with them and regular monitoring of cash flow and management accounts to ensure regulatory capital requirements are not breached and the entity maintains adequate working capital.

The LLP's Pillar 2 financial requirement is 50,000 euros.

Fixed overhead requirement is £14,789.

### **Application**

Based on the Firm's profile we have defined ourselves as a Proportionality Tier Three investment firm ("Tier Three Firm") and adopted a proportioned approach to our remuneration policy. We have considered our individual needs on an ongoing basis and where appropriate disapplied certain provisions in accordance with FCA and CEBS/EBA guidance. The Managing Board will review any provisions which have been disapplied on at least an annual basis, to ensure that it continues to be appropriate.

### **Information concerning the decision-making process**

Due to the size of the Firm, we do not consider it appropriate to have a separate remuneration committee. Instead this function is undertaken by the Managing Board. This will be kept under review and should the need arise, the Firm will consider amending this arrangement to provide greater independent review.

The CEO is a Member of the Managing Board and also has a majority voting interest in the Firm.

The Managing Board of Cambridge Capital Management UK LLP is responsible for ensuring that the remuneration policy is developed to align with its risk tolerance. No external consultants assisted in this review. Any person with a question regarding the policy or disclosures made under this policy should refer to the CEO who is a Member of the Managing Board.

### **Information on the link between pay and performance**

A key objective in utilising the LLP structure was to align the interests of the individual partners with the overall goal of achieving the best performance over the long-term for the Firm. To this end the Firm are managed as a single entity and the profits of the Firm are treated as a single pool.

Partners receive a fixed pre-agreed percentage of the profits of Cambridge Capital Management UK LLP reflecting their ownership interest in the Firm. This percentage is reviewed annually. Adjustment can be both down as well as up and is made by the Managing Board which considers the individual's performance and contribution to the Firm.

The Partners' profit share is paid from profits after ensuring FCA capital and liquidity requirements and the working capital needs of the Firm have been considered, thereby ensuring the Firm is financially viable going forward.

### **Aggregate Value of Partners' Profit/(Loss) Share for year to 31 March 2016**

As such, to comply with the FCA disclosure requirement BIRPU 11.5.18 R (6) and (7), we disclose, as per the audited accounts of the Firm, the total Partners' loss allocation, which, for the year to 31 March 2016 was £57,979.

# **CAMBRIDGE CAPITAL MANAGEMENT UK LLP**

## **MEMBERS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2016**

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### **Development and performance**

At the year end the LLP had net assets of £72,002 (2015: £112,121).

### **Key performance indicators**

The LLP has no Key Performance Indicator at present other than to try and minimise its costs in the absence of a revenue stream.

### **Members' drawings, contributions and repayments**

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 the retiring members are repaid their capital at "par".

### **Designated members**

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

Mr Andrew Baxter

Mr Ian Brown

Cambridge Capital Management Partners Limited

### **Auditor**

The auditor, Fisher, Sassoon & Marks, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **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 (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. Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of 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 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;
- 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.

# **CAMBRIDGE CAPITAL MANAGEMENT UK LLP**

## **MEMBERS' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2016***

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### **Statement of disclosure to auditor**

Each of the members in office at the date of approval of this annual report confirms that:

- so far as the members are aware, there is no relevant audit information of which the limited liability partnership's auditor are unaware, and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditor are aware of that information.

On behalf of the members



.....  
Mr Andrew Baxter  
**Designated Member**

# **CAMBRIDGE CAPITAL MANAGEMENT UK LLP**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF CAMBRIDGE CAPITAL MANAGEMENT UK LLP**

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We have audited the financial statements of Cambridge Capital Management UK LLP for the year ended 31 March 2016 set out on pages 7 to 20. 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 FRS 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 auditor**

As explained more fully in the Members' Responsibilities Statement set out on pages 1 - 4, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 March 2016 and of its loss 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.



# **CAMBRIDGE CAPITAL MANAGEMENT UK LLP**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF CAMBRIDGE CAPITAL MANAGEMENT UK 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.

**Jonathan Marks (Senior Statutory Auditor)**  
**for and on behalf of Fisher, Sassoon & Marks**

**Chartered Accountants**  
**Statutory Auditor**

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43 - 45 Dorset Street  
London  
W1U 7NA

# CAMBRIDGE CAPITAL MANAGEMENT UK LLP

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2016

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	Notes	2016 £	2015 £
Turnover	3	1,007	-
Cost of sales		(17,378)	(24,893)
<b>Gross loss</b>		<b>(16,371)</b>	<b>(24,893)</b>
Administrative expenses		(41,777)	(21,463)
<b>Operating loss</b>	4	<b>(58,148)</b>	<b>(46,356)</b>
Interest receivable and similar income	6	169	232
<b>Loss for the financial year before members' remuneration and profit shares</b>		<b>(57,979)</b>	<b>(46,124)</b>
Loss for the financial year before members' remuneration and profit shares		(57,979)	(46,124)
Members' remuneration charged as an expense		-	-
<b>Loss for the financial year available for discretionary division among members</b>		<b>(57,979)</b>	<b>(46,124)</b>

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

# **CAMBRIDGE CAPITAL MANAGEMENT UK LLP**

## **STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 31 MARCH 2016***

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	2016 £	2015 £
Loss for the financial year available for discretionary division among members	(57,979)	(46,124)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(57,979)</u>	<u>(46,124)</u>

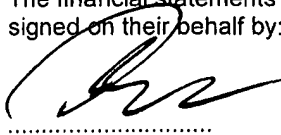
# CAMBRIDGE CAPITAL MANAGEMENT UK LLP

## BALANCE SHEET

AS AT 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	7		1,762		1,703
<b>Current assets</b>					
Debtors	9	13,618		13,655	
Cash at bank and in hand		61,166		111,215	
		<u>74,784</u>		<u>124,870</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(4,544)</u>		<u>(14,452)</u>	
<b>Net current assets</b>			70,240		110,418
<b>Total assets less current liabilities</b>			<u>72,002</u>		<u>112,121</u>
<b>Represented by:</b>					
<b>Loans and other debts due to members within one year</b>					
<b>Members' other interests</b>					
Members' capital classified as equity			129,981		158,245
Other reserves classified as equity			(57,979)		(46,124)
			<u>72,002</u>		<u>112,121</u>
<b>Total members' interests</b>			<u>72,002</u>		<u>112,121</u>
Members' other interests					

The financial statements were approved by the members and authorised for issue on 6 July 2016 and are signed on their behalf by:

  
 .....  
 Mr Andrew Baxter  
 Designated member

Limited Liability Partnership Registration No. OC355948

# **CAMBRIDGE CAPITAL MANAGEMENT UK LLP**

## **RECONCILIATION OF MEMBERS' INTERESTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

*Current financial year*

	EQUITY			DEBT		TOTAL
	Members' other interests					MEMBERS'
	Members' capital (classified as equity)	Other reserves	Total	Other amounts	Total	INTERESTS
	£	£	£	£	£	Total 2016 £
Loss for the financial year available for discretionary division among members	-	(57,979)	(57,979)	-	-	(57,979)
Members' interests after loss for the year	112,121	(57,979)	54,142	-	-	54,142
Introduced by members	20,000	-	20,000	-	-	20,000
Other movements	(2,140)	-	(2,140)	-	-	(2,140)
Members' interests at 31 March 2016	129,981	(57,979)	72,002	-	-	72,002

## CAMBRIDGE CAPITAL MANAGEMENT UK LLP

### RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

<i>Prior financial year</i>	EQUITY			DEBT		TOTAL
	Members' other interests		Total	Other amounts	Total	MEMBERS' INTERESTS
	Members' capital (classified as equity)	Other reserves				Total
	£	£	£	£	£	£
Members' interests at 1 April 2014	42,429	-	42,429	-	-	42,429
Loss for the financial year available for discretionary division among members	-	(46,124)	(46,124)	-	-	(46,124)
Members' interests after loss for the year	42,429	(46,124)	(3,695)	-	-	(3,695)
Repayments of capital	(53,896)	-	(53,896)	-	-	(53,896)
Other movements	169,712	-	169,712	-	-	169,712
Members' interests at 31 March 2015	158,245	(46,124)	112,121	-	-	112,121

# CAMBRIDGE CAPITAL MANAGEMENT UK LLP

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	14		(67,080)		(39,185)
<b>Investing activities</b>					
Purchase of tangible fixed assets		(998)		(1,377)	
Interest received		169		232	
<b>Net cash used in investing activities</b>			(829)		(1,145)
<b>Financing activities</b>					
Capital introduced by members (classified as debt or equity)		20,000		169,712	
Repayment of capital or debt to members		-		(53,896)	
Payments to members that represent a return on amounts subscribed or otherwise contributed		(2,140)		-	
<b>Net cash generated from financing activities</b>			17,860		115,816
<b>Net (decrease)/increase in cash and cash equivalents</b>			(50,049)		75,486
Cash and cash equivalents at beginning of year			111,215		35,729
<b>Cash and cash equivalents at end of year</b>			61,166		111,215

# CAMBRIDGE CAPITAL MANAGEMENT UK LLP

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

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### 1 Accounting policies

#### Limited liability partnership information

Cambridge Capital Management UK LLP is a limited liability partnership incorporated in England and Wales. The registered office is Leda House, 20 Station Road, Cambridge, Cambridgeshire, United Kingdom, CB1 2JD.

The limited liability partnerships's principal activities are disclosed in the Members' Report.

#### 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") and the requirements of the Companies Act 2006.

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 £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2016 are the first financial statements of Cambridge Capital Management 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 April 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### 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 amounts receivable for investment management services. This comprises of management fees and incentive fees.



# CAMBRIDGE CAPITAL MANAGEMENT UK LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

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### 1 Accounting policies

(Continued)

#### 1.4 Members' participating interests

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. Undivided 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 and subsequently measured at cost or valuation, 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:

Computer equipment	Straight line per month over 3 years from the purchase date of the asset.
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The gain 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 period end date, the limited liability partnership reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the limited liability partnership estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# CAMBRIDGE CAPITAL MANAGEMENT UK LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

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### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The limited liability partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the limited liability partnership's statement of financial position when the limited liability partnership becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### *Other financial assets*

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

# CAMBRIDGE CAPITAL MANAGEMENT UK LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

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### 1 Accounting policies

(Continued)

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the limited liability partnership after deducting all of its liabilities.

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### ***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

# CAMBRIDGE CAPITAL MANAGEMENT UK LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 1 Accounting policies

(Continued)

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

#### 1.9 Equity instruments

Equity instruments issued by the limited liability partnership are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the limited liability partnership.

#### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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.

#### 1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

### 2 Judgements and key sources of estimation uncertainty

In the application of the limited liability partnership's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover

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

	2016 £	2015 £
Turnover		
Management fees	1,007	-
	<u>          </u>	<u>          </u>
Other significant revenue		
Interest income	169	232
	<u>          </u>	<u>          </u>

# CAMBRIDGE CAPITAL MANAGEMENT UK LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 3 Turnover (Continued)

Turnover analysed by geographical market

	2016 £	2015 £
UK	1,007	-

### 4 Operating loss

	2016 £	2015 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses/(gains)	384	147
Fees payable to the LLP's auditor for the audit of the LLP's annual accounts	2,525	2,150
Depreciation of owned tangible fixed assets	939	913

### 5 Employees

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

	2016 Number	2015 Number
	3	3

Staff costs for the above persons:

	2016 £	2015 £
Wages and salaries	9,527	11,059
Social security costs	386	-
	9,913	11,059

### 6 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	169	232

Investment income includes the following:

	2016	2015
Interest on financial assets not measured at fair value through profit or loss	169	232

# CAMBRIDGE CAPITAL MANAGEMENT UK LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2016

### 7 Tangible fixed assets

	Computer equipment £
<b>Cost</b>	
At 1 April 2015	5,056
Additions	998
At 31 March 2016	6,054
<b>Depreciation and impairment</b>	
At 1 April 2015	3,353
Depreciation charged in the year	939
At 31 March 2016	4,292
<b>Carrying amount</b>	
At 31 March 2016	1,762
At 31 March 2015	1,703

### 8 Financial instruments

	2016 £	2015 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	11,565	11,561
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	4,253	14,114

### 9 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Other debtors	13,618	13,655

### 10 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	308	(213)
Other taxation and social security	291	338
Other creditors	1,445	817
Accruals and deferred income	2,500	13,510
	4,544	14,452

# CAMBRIDGE CAPITAL MANAGEMENT UK LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2016

### 11 Loans and other debts due to members

	2016	2015
	£	£
Analysis of loans		

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

### 12 Events after the reporting date

There are no matters to report.

### 13 Controlling party

The ultimate controlling party is Cambridge Capital Management Partners Limited by virtue of its shareholding.

### 14 Cash generated from operations

	2016	2015
	£	£
Loss for the year	(57,979)	(46,124)
Adjustments for:		
Investment income recognised in profit or loss	(169)	(232)
Depreciation and impairment of tangible fixed assets	939	913
Movements in working capital:		
(Increase) in debtors	(4)	(2,561)
(Decrease)/increase in creditors	(9,867)	8,819
Cash absorbed by operations	(67,080)	(39,185)