

Abbey Capital Limited

Directors' Report and Group Financial Statements

For the year ended 30 June 2013

Abbey Capital Limited

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Abbey Capital Limited

Corporate Information

Directors

A. Gannon
T. Brosnan
C. Gately
M. Swift
D. McCarthy

Secretary

C. Gately

Company number

327102

Registered office and business address

1/2 Cavendish Row
Dublin 1

Auditors

BDO
Registered Auditors
Beaux Lane House
Mercer Street Lower
Dublin 2

Bankers

Bank of Ireland
Ballsbridge
Dublin 4

Ulster Bank
Georges Quay Branch
Dublin 2

RaboDirect
Rabobank International Dublin Branch
Charlemont Place
Dublin 2

Allied Irish Bank
Ashford House
Tara Street
Dublin 2

Solicitors

Dillon Eustace
33 Sir John Rogerson's Quay
Dublin 2

Abbey Capital Limited

Directors' Report

The directors present their report and the consolidated financial statements for the year ended 30 June 2013.

Principal activities and review of the business

The principal activity of the group continues to be the provision of investment management services. Abbey Capital Limited is authorised as an Investment Manager by the Central Bank of Ireland. The results for the year are considered satisfactory and in line with expectations.

The period from July 2012 to June 2013 has seen a more challenging environment for managed futures and Abbey Capital's Funds delivered a small negative return for the period. This was against a trading environment in which markets switched from risk-on to risk-off. Abbey Capital has seen a decrease in its assets under management in this period, while turnover decreased from €29,820,359 (2012) to €26,742,781 (2013). The multi manager fund pays a management and performance fee to Abbey Capital Limited as Investment Manager in consideration of the role the Company plays in designing the funds' portfolios and in allocating to, and managing the traders in the Abbey Capital multi manager funds.

The Company continues to have 1,000,000 A shares par value €0.01 each listed on the Bermuda Stock Exchange. The directors believe that such a listing raises the profile of the Company among prospective investors in the U.S. and Europe.

Significant developments during the financial year

There have been no significant developments during the year.

Future developments

The Group will continue to market the funds (privately and to qualified persons only) with the objective of continued growth in AUM next year. The Group retains a global focus in its business development goals, the US remains the Group's largest market, with significant assets under management from investors in Europe, the Middle East and Asia. The Group believes that it has adequate personnel resources to handle the anticipated growth.

Results for the year and state of affairs

The consolidated profit and loss and the consolidated balance sheet for the year ended 30 June 2013 are set out on pages 9 and 10. The profit before taxation amounted to €14,215,326 (2012 : €12,750,378). After provision for taxation and dividends the profit taken to reserves was €12,102,610 (2012 : €10,959,651).

The directors recommend the payment of a final dividend of €210,567 relating to the year ended 30 June 2013 (2012 : €224,238). This recommendation was made after the year end.

Abbey Capital Limited

Directors' Report

Directors, secretary and their interests

The names of persons who were directors or secretary at any time during the year ended 30 June 2013 are set out on page 1. Except as indicated they served as directors or secretary for the entire year. In accordance with the Articles of Association, the directors are not required to retire by rotation.

The directors and secretary who served on the board during the year and their interests in the called up share capital of the company at the beginning and end of the year are as follows:

	2013	2013	2013	2012	2012	2012
	No.	No.	No.	No.	No.	No.
	A & B	C	D	A & B	C	D
	ordinary shares	shares of	shares of	ordinary shares	shares of	shares of
	of €0.01 each	€0.01 each	€0.01 each	of €0.01 each	€0.01 each	€0.01 each
A. Gannon	845,764	-	-	845,764	-	-
T. Brosnan	720,466	-	-	720,466	-	-
C. Gately	-	-	33,282	-	33,282	-
M. Swift	-	66,565	-	-	66,565	-
D. McCarthy	-	-	-	-	-	-
	<u>1,566,230</u>	<u>66,565</u>	<u>33,282</u>	<u>1,566,230</u>	<u>99,847</u>	<u>-</u>

The Company is 100% owned by Cavendish Capital Limited ("Cavendish"), a holding company established on 4 February 2013, and its shares in the Company were acquired on 19 August 2013, when all of the shareholders at the time (A. Gannon, T. Brosnan, M. Swift and C. Gately), exchanged their shares in the Company for shares in Cavendish.

A valuation was required for the Share for Share Exchange (and the Company was valued at €80.715m), but there were no cash payments, and the existing shareholders received shares in Cavendish Capital Limited in exchange for their shares in the Company.

Research and development

Over the last 12 years, the group has developed sophisticated risk systems to analyse and monitor daily trader and position risk. As the number of traders, positions, funds and investors increases, the group continues to build the research team and develop these systems.

Subsidiary

The company owns the entire issued share capital of Abbey Capital (US) LLC, a company incorporated in the United States.

Abbey Capital Limited

Directors' Report

Principal risks and uncertainties

Financial risk management objectives and policies

The board reviews and agrees policies for the prudent management of risks as follows:

Currency risk

The group's management and incentive fee income is generated in USD, and converted to Euro on the day of payment. As the group's operating expenses are to a large extent in Euro, the generation of USD income results in currency exposure. The group may use financial instruments (derivatives) to manage some or all of its currency exposure. All transactions in derivatives are designed to hedge against risks and not to engage in speculative transactions.

Principal risks and uncertainties - continued

Liquidity and cash flow risk

The group's policy is to maintain sufficient resources from cash balances, cash flows and near cash liquid investments to meet obligations as they fall due. To achieve this, the group ensures that its liquid investments are in highly rated counterparties with near immediate availability.

Counterparty risk

Cash transactions are only commenced with high credit quality financial institutions.

Operational risk

Other risks faced by the group include the potential loss of key personnel, reduced performance fees due to poor fund performance, and client-concentration. The group addresses these issues by (i) having in place attractive incentive packages and working environments and ensuring good coverage of all key positions, (ii) ensuring income received from management fees is sufficient to meet annual expenses, in the event that no performance fee is earned in a particular year, and (iii) building the marketing team and seeking new key relationships to ensure a diverse range of clients.

Remuneration policy

The group has implemented a Remuneration policy in line with its business strategy, objectives, values and long-term interests. It is consistent with, and seeks to promote, sound and effective risk management, without encouraging risk-taking that exceeds the level of tolerated risk of the company. It aims to align the personal objectives of staff with the long term interests of the group, to meet the remuneration provisions of the Capital Requirements Directive III and the related CEBS guidelines (Dec 2010), to ensure the group's ability to strengthen or maintain a suitable capital base (to meet operational requirements), to include measures to avoid conflicts of interest for control staff (risk management or compliance) and to be in line with the company's code of conduct for employees and its compliance culture.

The remuneration policy is reviewed on an annual basis by the board (last updated May 2012). The policy applies to the U.S. subsidiary also. The CCO retains a list of Code Staff which is updated whenever a staff member joins, leaves or changes roles. Staff are notified if they are considered Code Staff. The collective fixed remuneration of Code Staff amounted to €2,096,048 and the collective variable remuneration of Code Staff amounted to €1,925,056 for the financial year ended 30 June 2013 (payments were made between July 2012 and June 2013).

Abbey Capital Limited

Directors' Report

Books of account

The measures taken by the directors to ensure compliance with the requirements of Section 202, Companies Act, 1990, regarding proper books of account are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The books of account of the company are maintained at 1/2 Cavendish Row, Dublin 1.

Post balance sheet events

The sole material event occurring subsequent to June 30, 2013 is that 100% of the share capital of the Company was acquired by Cavendish Capital Limited.

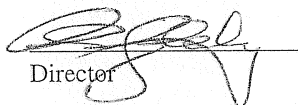
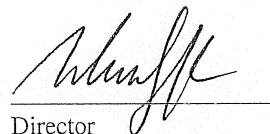
The acquisition of the Company by Cavendish Capital Limited was completed on 19 August 2013 by way of a share for share exchange, whereby the four shareholders of the Company at that date exchanged their shares in the Company for shares in Cavendish Capital Limited. As a result, Cavendish Capital Limited is now the holding company of Abbey Capital Limited, holding 100% of the shares. This acquisition was approved by the Central Bank of Ireland in April 2013. Cavendish Capital Limited is not regulated by the Central Bank of Ireland as its activities do not require a licence. The current shareholders in Cavendish Capital Limited hold the same percentage shareholding in that company, as they previously held in the Company.

A dividend payment from the Company to Cavendish Capital Limited will be completed once approved by the board of directors, this has not taken place to date.

Auditors

In accordance with Section 160 (2) of the Companies Act, 1963, the auditors, BDO, Registered Auditors, have indicated their willingness to continue in office.

On behalf of the board


Director
Director

Date: 26/09/2013

Statement of Directors' Responsibilities

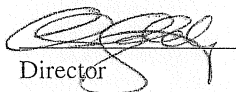
The directors are responsible for preparing the financial statements in accordance with applicable law and Generally Accepted Accounting Practice in Ireland including the accounting standards issued by the Financial Reporting Council and published by the Institute of Chartered Accountants in Ireland.

Irish Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and the group and of the profit or loss of the group for that year. In preparing these financial statements, the directors are required to:

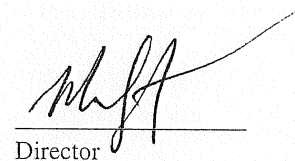
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company and the group will continue in business.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Acts, 1963 to 2012 and the European Communities (Companies: Group Accounts) Regulations, 1992. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board



Director



Director

Date: 26/9/2013

Independent Auditors' Report To the members of Abbey Capital Limited

We have audited the financial statements of Abbey Capital Limited for the year ended 30 June 2013 on pages 9 to 26 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheet, the Group Cash Flow Statement and the related notes. These financial statements have been prepared in accordance with the accounting policies set out on pages 13 to 14.

This report is made solely to the Company's members, as a body, in accordance with Section 193, Companies Act, 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in our independent 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 Company and the Company'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 directors' responsibilities for preparing the financial statements in accordance with applicable law and the Accounting Standards issued by the Financial Reporting Council and published by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland), are set out in the Statement of Directors' Responsibilities set out on page 6. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland and are properly prepared in accordance with the Companies Acts, 1963 to 2012 and the European Communities (Companies: Group Accounts) Regulations, 1992. We also report to you whether in our opinion: proper books of account have been kept by the company; whether, at the balance sheet date, there existed a financial situation requiring the convening of an extraordinary general meeting of the Company; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit and whether the Company's balance sheet is in agreement with the books of account.

We report to the members if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not given and, where practicable, include such information in our report.

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

Other Offices: Four Michael Street Limerick	Katharine Byrne Maurice Carr Michael Costello Kevin Doyle John Gilmor Gavin	Jim Hamilton Sinead Heaney Diarmuid Hendrick Liam Hession Gerard Hottiday	Ken Kilmartin Teresa Morahan Paul Nestor John O'Sullivan Con Quigley	Derry Gray (Managing Partner) Peter Carroll Eddie Doyle Stewart Dunne Ivor Feerick Alan Flynn Brian Gartlan David Giles Dennis Herlihy	David McCormick Brian McEnery Evin McLoughlin Claran Medlar David O'Connor Michelle O'Keefe Peter O'Neill Patrick Sheehan Noel Taylor
	Chartered Accountants				



Independent Auditors' Report

To the members of Abbey Capital Limited (continued)

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (United Kingdom and Ireland). 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 judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group and Company'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.

Opinion

In our opinion, the financial statements give a true and fair view, in accordance with Generally Accepted Accounting Practice in Ireland, of the state of affairs of the company and the group as at 30 June 2013 and of the Group's profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2012 and the European Communities (Companies: Group Accounts) Regulations, 1992.

We have obtained all the information and explanations that we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company. The Company's Balance Sheet is in agreement with the books of account.

In our opinion, the information given in the Directors' Report on pages 2 to 5 is consistent with the financial statements.

The net assets of the Company, as stated in the Company balance sheet on page 11, are more than half of the amount of its called up share capital and, in our opinion, on that basis there did not exist at 30 June 2013, a financial situation which, under Section 40(1), Companies (Amendment) Act 1983 would require the convening of an extraordinary general meeting of the Company.

26 September 2013

Date

Robert Leahy

For and on behalf of BDO

Dublin

Registered Auditors

AI223876

Abbey Capital Limited

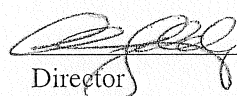
Group profit and loss account for the year ended 30 June 2013

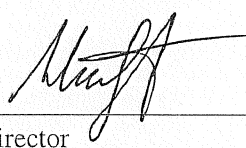
	Notes	2013 €	2012 €
Management and performance fees		26,742,781	29,820,359
Other operating income		116,386	-
Administrative expenses		(13,322,882)	(17,408,539)
Operating profit	2	<u>13,536,285</u>	<u>12,411,820</u>
Interest receivable and similar income	5	<u>679,041</u>	<u>338,558</u>
Profit on ordinary activities before taxation		14,215,326	12,750,378
Tax on profit on ordinary activities	8	(1,888,478)	(1,682,071)
Profit for the financial year	15	<u><u>12,326,848</u></u>	<u><u>11,068,307</u></u>

There are no recognised gains or losses other than the profit for the above two financial years.

The notes on pages 13 - 26 form part of these financial statements.

On behalf of the Board


Director


Director

26/09/2013
Date

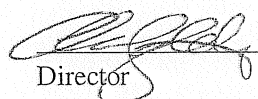
Abbey Capital Limited

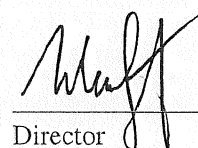
Group Balance Sheet
as at 30 June 2013

	Notes	€	2013 €	€	2012 €
Fixed assets					
Tangible assets	9		576,059		609,099
Financial assets	10		19,276,453		19,200,000
			<u>19,852,512</u>		<u>19,809,099</u>
Current assets					
Debtors	11	2,165,044		2,693,975	
Cash at bank and in hand		41,412,200		29,455,804	
		<u>43,577,244</u>		<u>32,149,779</u>	
Creditors: amounts falling due within one year	12	(875,194)		(1,503,931)	
Net current assets			<u>42,702,050</u>		<u>30,645,848</u>
Net assets			<u>62,554,562</u>		<u>50,454,947</u>
Capital and reserves					
Called up share capital	13		16,661		16,661
Share premium account	15		196,809		196,809
Capital redemption reserve fund	15		4,614		4,614
Profit and loss account	15		62,336,478		50,236,863
Shareholders' funds	15		<u>62,554,562</u>		<u>50,454,947</u>

The notes on pages 13 - 26 form part of these financial statements.

On behalf of the Board


Director


Director

26/09/2013
Date

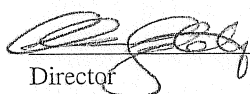
Abbey Capital Limited

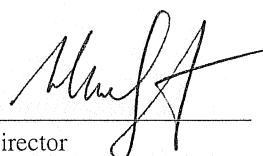
Company Balance Sheet
as at 30 June 2013

	Notes	€	2013 €	€	2012 €
Fixed assets					
Tangible assets	9		575,815		607,751
Financial assets	10		19,429,358		19,358,856
			<u>20,005,173</u>		<u>19,966,607</u>
Current assets					
Debtors	11	2,081,641		2,663,413	
Cash at bank and in hand		41,223,952		29,297,087	
		<u>43,305,593</u>		<u>31,960,500</u>	
Creditors: amounts falling due within one year	12	(879,699)		(1,538,663)	
Net current assets			<u>42,425,894</u>		<u>30,421,837</u>
Net assets			<u><u>62,431,067</u></u>		<u><u>50,388,444</u></u>
Capital and reserves					
Called up share capital	13		16,661		16,661
Share premium account	15		196,809		196,809
Capital redemption reserve fund	15		4,614		4,614
Profit and loss account	15		62,212,983		50,170,360
Shareholders' funds	15		<u><u>62,431,067</u></u>		<u><u>50,388,444</u></u>

The notes on pages 13 - 26 form part of these financial statements.

On behalf of the Board


Director


Director

26/09/2013
Date

Abbey Capital Limited

Consolidated cash flow statement for the year ended 30 June 2013

	Notes	2013 €	2012 €
Net cash inflow from operating activities	16	13,737,853	12,422,323
Return on investments and servicing of finance	17	679,041	338,558
Taxation	17	(2,051,224)	(1,657,312)
Capital expenditure	17	(108,583)	(265,769)
Acquisitions and disposals	17	(76,453)	(9,200,000)
Dividends paid		(224,238)	(108,656)
Increase in cash in the year		11,956,396	1,529,144

Reconciliation of net cash flow to movement in net funds

Increase in cash in the year		11,956,396	1,529,144
Net funds at 1 July		<u>29,455,804</u>	<u>27,926,660</u>
Net funds at 30 June	18	<u>41,412,200</u>	<u>29,455,804</u>

1. Accounting policies

The group has acknowledged the guidance set out in FRS 18 ('Accounting Policies') for its accounting policies. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Group's financial statements.

1.1 Accounting convention

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2012 and the European Communities (Companies: Group Accounts) Regulations, 1992. Accounting standards generally accepted in Ireland in preparing financial statements giving a true and fair view are those promulgated by the Institute of Chartered Accountants in Ireland and issued by the Financial Reporting Council.

1.2 Basis of consolidation

The group financial statements include the financial statements of the company and its subsidiary company for the year ended 30 June 2013. Intra-group transactions and profits are eliminated on consolidation.

1.3 Management and performance fees

Revenue represents the value of management and performance fees from the funds managed by the group during the year.

All turnover is derived from continuing operations undertaken in the Republic of Ireland.

1.4 Tangible assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Leasehold property	-	10% straight line basis
Machines	-	20% straight line basis
Computer equipment	-	33.33% straight line basis
Office equipment	-	20% straight line basis

1.5 Pensions

The Group operates a defined contribution scheme. Pension contributions in respect of the scheme for employees are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. The assets are held separately from those of the Group in an independently administered fund.

Differences between the amounts charged in the profit and loss account and payments made to pension funds are treated as assets or liabilities.

1.6 Financial assets

Financial assets are stated at cost less provision for diminution in value.

1.7 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into Euro (€) at the rates prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions and differences arising are taken to the profit and loss account.

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2013

1.8 Taxation

The charge for taxation is based on the profit for the year. Deferred taxation is provided on timing differences to the extent that it is expected to become payable in the foreseeable future and any amount not provided for is disclosed as a contingent liability.

1.9 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Credits on research and development expenditure from the Revenue Commissioners are accounted for on a cash receipts basis.

2. Operating profit	2013	2012
	€	€
The operating profit has been arrived at after charging:		
Depreciation	141,623	119,992
Loss/(profit) on foreign currencies	30,460	(59,638)
Operating lease - buildings	167,000	167,000
Auditors' remuneration		
- audit services	32,364	27,050
- tax advisory	2,750	3,330
Directors' remuneration	1,248,301	1,795,092
Directors' pension	56,950	52,363
	<u> </u>	<u> </u>

3. Profit attributable to members of the parent company	2013	2012
	€	€
Profit after tax before dividend in the parent company		
for the year amounted to:	12,266,861	11,013,500
	<u> </u>	<u> </u>

A separate profit and loss account for Abbey Capital Limited (the parent company) has not been prepared because the conditions laid down in Section 3(2) of the Companies (Amendment) Act, 1986 have been complied with.

4. Profit carried forward	2013	2012
	€	€
Retained by:		
The company	62,212,983	50,170,360
Subsidiary	123,495	66,503
	<u>62,336,478</u>	<u>50,236,863</u>

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2013

5. Interest receivable and similar income	2013	2012
	€	€
Bank interest	<u>679,041</u>	<u>338,558</u>

6. Employees

Number of employees

The average monthly number of persons (including executive directors) employed by the group during the year was:

	2013	2012
	No.	No.
Management	12	11
Administration	46	47
	<u>58</u>	<u>58</u>

Employment costs	2013	2012
	€	€
Wages and salaries	4,892,223	5,208,377
Social welfare costs	659,285	676,706
Directors' remuneration	1,146,377	1,678,301
Directors' pension cost	56,950	52,363
Other pension costs	155,244	114,051
	<u>6,910,079</u>	<u>7,729,798</u>

7. Dividends	2013	2012
	€	€
Dividends on equity shares paid	<u>224,238</u>	<u>108,656</u>

A dividend of €0.13 per share amounting to €224,238 was paid in respect of the year ended 30 June 2012. The directors recommend payment of a final dividend of €0.13 per share amounting to €210,567 in respect of the year ended 30 June 2013.

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2013

8. Taxation	2013 €	2012 €
Corporation tax on profit for the year	1,848,932	1,655,246
Foreign tax on income for the year	39,546	26,825
	<u>1,888,478</u>	<u>1,682,071</u>

Factors affecting tax charge for year

The tax assessed for the year is higher than the standard rate of corporation tax in Ireland. The differences are explained below:

	2013 €	2012 €
Profit on ordinary activities before tax	<u>14,215,326</u>	<u>12,750,378</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2012 : 12.5%):	1,776,916	1,593,797
<i>Effects of:</i>		
Expenses not deductible for tax purposes	1,561	20,378
Excess depreciation over capital allowances	3,069	2,933
Interest income taxed at 25%	79,381	37,940
Tax on medical insurance premium	14,995	10,402
Higher tax rates on overseas earnings	27,104	16,621
Research and development tax credit not subject to corporation tax	(14,548)	-
	<u>1,888,478</u>	<u>1,682,071</u>

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2013

9. Tangible assets

<i>Group</i>	Machines €	Leasehold property €	Office furniture €	Computer equipment €	Total €
Cost					
At 1 July 2012	123,372	546,685	96,737	406,281	1,173,075
Additions	-	-	1,093	107,490	108,583
At 30 June 2013	<u>123,372</u>	<u>546,685</u>	<u>97,830</u>	<u>513,771</u>	<u>1,281,658</u>
Depreciation					
At 1 July 2012	111,166	75,098	63,793	313,919	563,976
Charge for the year	4,488	54,669	9,900	72,566	141,623
At 30 June 2013	<u>115,654</u>	<u>129,767</u>	<u>73,693</u>	<u>386,485</u>	<u>705,599</u>
Net book values					
At 30 June 2013	<u>7,718</u>	<u>416,918</u>	<u>24,137</u>	<u>127,286</u>	<u>576,059</u>
At 30 June 2012	<u>12,206</u>	<u>471,587</u>	<u>32,944</u>	<u>92,362</u>	<u>609,099</u>

<i>Company</i>	Machines €	Leasehold property €	Office furniture €	Computer equipment €	Total €
Cost					
At 1 July 2012	123,372	546,685	96,737	402,913	1,169,707
Additions	-	-	1,093	107,541	108,634
At 30 June 2013	<u>123,372</u>	<u>546,685</u>	<u>97,830</u>	<u>510,454</u>	<u>1,278,341</u>
Depreciation					
At 1 July 2012	111,166	75,098	63,793	311,899	561,956
Charge for the year	4,488	54,669	9,900	71,513	140,570
At 30 June 2013	<u>115,654</u>	<u>129,767</u>	<u>73,693</u>	<u>383,412</u>	<u>702,526</u>
Net book values					
At 30 June 2013	<u>7,718</u>	<u>416,918</u>	<u>24,137</u>	<u>127,042</u>	<u>575,815</u>
At 30 June 2012	<u>12,206</u>	<u>471,587</u>	<u>32,944</u>	<u>91,014</u>	<u>607,751</u>

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2013

10. Financial assets

		Investment in funds	Total
Group		€	€
At 1 July 2012		19,200,000	19,200,000
Foreign exchange movement		661	661
Additions		75,792	75,792
At 30 June 2013		<u>19,276,453</u>	<u>19,276,453</u>

Company	Subsidiary undertaking	Investment in funds	Total
	€	€	€
At 1 July 2012	158,856	19,200,000	19,358,856
Foreign exchange movement	(5,951)	661	(5,290)
Additions	-	75,792	75,792
At 30 June 2013	<u>152,905</u>	<u>19,276,453</u>	<u>19,429,358</u>

Investment in funds

The market value of the Company's investment in funds as at 30 June 2013 was €29,038,836 (2012: €24,173,787).

On 31 December 2012, the Company invested \$100,000 (€75,792) in the Abbey Capital Daily Futures Fund Limited.

In the opinion of the directors the value of the financial assets are not materially less than shown above.

Subsidiary undertaking

The company owns the entire share capital of Abbey Capital (US) LLC, a company incorporated in the United States. Abbey Capital (US) LLC's principal activity is conducting business as a securities broker dealer and its registered office is 330 Madison Avenue, Suite 602, New York 10017, USA.

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2013

11. Debtors: amounts falling due within one year

	2013	2012
	€	€
<i>Group</i>		
Amounts owed by related parties (Note 19)	2,005,822	2,617,824
Other debtors	52,103	29,270
Prepayments	7,832	1,292
VAT repayable	22,983	45,589
Corporation tax	76,304	-
	<u>2,165,044</u>	<u>2,693,975</u>
	2013	2012
	€	€
<i>Company</i>		
Amounts owed by related parties (Note 19)	2,005,822	2,617,824
Corporation tax	52,836	-
VAT repayable	22,983	45,589
	<u>2,081,641</u>	<u>2,663,413</u>

12. Creditors: amounts falling due within one year

	2013	2012
	€	€
<i>Group</i>		
Trade creditors	70,077	84,947
Accruals	661,000	1,077,493
Corporation tax	-	202,827
PAYE/PRSI	124,121	122,216
Amounts due to director - D. McCarthy	19,996	16,448
	<u>875,194</u>	<u>1,503,931</u>
<i>Company</i>		
Trade creditors	31,498	48,213
Accruals	622,712	1,074,106
Corporation tax	-	200,246
PAYE/PRSI	124,121	122,216
Amounts due to director - D. McCarthy	19,996	16,448
Amounts owed to group company (Note 20)	81,372	77,434
	<u>879,699</u>	<u>1,538,663</u>

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2013

13. Called up share capital	2013	2012
	€	€
Group and company		
Authorised		
5,000,000 A ordinary shares of €0.01 each	50,000	50,000
5,000,000 B ordinary shares of €0.01 each	50,000	50,000
166,718 C shares of €0.01 each	1,667	2,000
33,282 D shares of €0.01 each	333	-
	102,000	102,000
Allotted, called up and fully paid equity		
783,115 A ordinary shares of €0.01 each	7,831	7,831
783,115 B ordinary shares of €0.01 each	7,831	7,831
66,565 C shares of €0.01 each	666	999
33,282 D shares of €0.01 each	333	-
	16,661	16,661

The A and B ordinary shares rank equally in all respects and carry voting rights. The C and D shares rank equally with the A and B ordinary shares except that they do not carry voting rights.

On 6 February 2013, the shareholders of the Company approved the re-designation of certain shares of the Company, which resulted in a new D share class. This was created from the re-designation of some of the authorised C shares, and did not result in any change to the overall number of shares authorised or issued. The D shares were allocated the same rights as the C shares.

14. Financial commitments

At 30 June 2013 the group had annual commitments under non-cancellable operating leases as follows:

	Buildings	
	2013	2012
	€	€
Expiry date:		
In over five years	167,000	167,000

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2013

15. Reconciliation of movements in shareholders' funds

Group	Share capital €	Share premium €	Capital redemption reserve fund €	Profit and loss €	Total €
Opening shareholders' funds	16,661	196,809	4,614	50,236,863	50,454,947
Foreign currency differences	-	-	-	(2,995)	(2,995)
Dividend paid	-	-	-	(224,238)	(224,238)
Profit for the year	-	-	-	12,326,848	12,326,848
Closing shareholders' funds	<u>16,661</u>	<u>196,809</u>	<u>4,614</u>	<u>62,336,478</u>	<u>62,554,562</u>

Company	Share capital €	Share premium account €	Capital redemption reserve fund €	Profit and loss account €	Total €
Opening shareholders' funds	16,661	196,809	4,614	50,170,360	50,388,444
Dividend paid	-	-	-	(224,238)	(224,238)
Profit for the year	-	-	-	12,266,861	12,266,861
Closing shareholders' funds	<u>16,661</u>	<u>196,809</u>	<u>4,614</u>	<u>62,212,983</u>	<u>62,431,067</u>

16. Reconciliation of operating profit to net cash inflow from operating activities

	2013 €	2012 €
Operating profit	13,536,285	12,411,820
Depreciation	141,623	119,992
Decrease/(increase) in debtors	518,230	(456,275)
(Decrease)/increase in creditors	(458,285)	346,786
Net cash inflow from operating activities	<u>13,737,853</u>	<u>12,422,323</u>

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2013

17. Analysis of headings grouped in cash flow statement	2013	2012
	€	€
Returns on investments and servicing of finance		
Interest received	<u>679,041</u>	<u>338,558</u>
Taxation		
Corporation tax paid	<u>(2,051,224)</u>	<u>(1,657,312)</u>
Capital expenditure and financial investment		
Payments to acquire tangible assets	<u>(108,583)</u>	<u>(265,769)</u>
Acquisitions and disposals		
Purchase of investments	<u>(76,453)</u>	<u>(9,200,000)</u>

18. Analysis of changes in net funds during the year

	Opening balance at 1 July 2012 €	Cash flows €	Closing balance at 30 June 2013 €
Cash at bank and in hand	29,455,804	11,956,396	41,412,200
Net funds	<u>29,455,804</u>	<u>11,956,396</u>	<u>41,412,200</u>

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2013

19. Related party transactions

The company has availed of the exemption available in FRS 8 ('Related Party Disclosures') from disclosing details of transactions between companies that are wholly owned within the group.

Abbey Capital Limited is related to the ACL Alternative Fund SAC Limited through a common director. During the year the Company received fees of €26,460,483 (2012: €28,873,570) from the ACL Alternative Fund SAC Limited. The balance outstanding at the year end was €1,981,141 (2012: €2,595,778).

Abbey Capital Limited is related to the ACL Fund SICAV PLC through a common director. The Company received fees of €282,298 (2012: €274,498) for the year from the ACL Fund SICAV PLC. At the year end, €24,681 (2012: €22,406) was due from the ACL Fund SICAV PLC.

During the year, the Company paid rent of €167,000 to the Gannon, Brosnan, Gately and Swift Partnership. The Company is related to the partnership through common directors and partners.

During the year the Company purchased 1,000 shares in the Abbey Capital Daily Futures Fund Limited. Abbey Capital Limited is related to the Abbey Capital Daily Futures Fund through a common director.

20. Disclosure required under Pillar III

The following information is provided pursuant to the Pillar III disclosure rules as laid out in Part 2 of Annex XII of Directive 2006/48/EC.

The Central Bank of Ireland, in accordance with EU Directives, has implemented a framework for investment firms, consisting of three 'pillars':-

- (i) Pillar I sets out the minimum capital requirements for investment firms;
- (ii) Pillar II is an assessment of whether additional capital is needed over and above that determined under Pillar I; and
- (iii) Pillar III requires the investment firm to publish its objectives and policies in relation to risk management, and information on its risk exposures and capital resources.

Investment firms are required to certify to the Central Bank of Ireland each year that they have complied with the Pillar III disclosure requirements as outlined in the directive.

Abbey Capital Limited (the "Company") is authorised to provide investment management services by the Central Bank of Ireland under Regulation 11 of the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) ('MiFID'). The disclosures made in this document are in respect of the Company as at 30 June 2013. The disclosures required under Pillar III will be made annually and published in the financial statements of the Company.

The rules provide that disclosures are only required where the information would be considered material to a user relying on that information to make economic decisions. The non-disclosure of information is also permitted where the required information is deemed to be proprietary or confidential. The disclosures below are based on the premise that (i) Abbey Capital Limited is authorised to act as an Investment Firm, but cannot take proprietary trading positions, (ii) it does not have retail clients, and (iii) it does not hold client money.

As such, the main risks facing the Company relate to its operations and business environment.

The following are Pillar III disclosure requirements, which apply to Abbey Capital Limited (and not to any of the funds it manages).

The Company believes that the risk management framework applied is appropriate in relation to the scale and complexity of the Company's operations, and that the capital held is sufficient to meet the risks assessed. However, while the Company monitors risk on a continual basis, the Company cannot guarantee capital sufficiency in the event an unlikely risk arises with an unusually high impact.

Risk management and compliance

Each unit of the Company has responsibility for identifying general risks within their unit, and incorporating adequate policies and procedures to manage same. These risks are independently monitored and reviewed by the Company's risk management function.

20. Disclosure required under Pillar III (continued)

Risk management and compliance (continued)

The risk management function reports to the Company's Chief Risk Officer, who undertakes responsibility for presenting the annual risk review and ICAAP to the board. A separate Compliance & Legal unit identifies compliance and legal risks which may affect the company and advises the relevant units of their responsibility to manage such risks. The Compliance & Legal unit provides ongoing monitoring and review of the risks identified to ensure that the business units have adequate policies and procedures in place. The Chief Compliance Officer prepares a compliance risk inventory which is submitted to the board, along with the ICAAP prepared by the Chief Risk Officer, on an annual basis. The last risk inventory and ICAAP was submitted to, and approved by the board, at their 30 May 2013 board meeting.

Some of the risks facing the Company are noted below (this is not an exhaustive list of risks):-

Operational risk

This is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal risk. The Company seeks to minimise these risks through qualitative measures, with well documented and up-to-date procedures, checklists for daily and monthly requirements as well as for new events and products. The more significant risks in this category that face the Company include failure of a service provider (administrator or trader), a complete systems failure, and unexpected material fund losses. These risks are continually monitored by the Company.

Business risk

Business risk arises from external sources such as adverse economic changes, and also from internal sources such as poor investment decisions resulting in poor fund performance/reputational damage. The Company spends significant resources (systems, people, investment) to continually improve its risk monitoring process, a vital element of the Company operations.

Various different scenarios are modelled in order to assess the impact of adverse economic conditions on the company's financial position, which enables the Company to monitor its business risk and assist in capital planning.

Credit risk

The Company has a very limited number of credit exposures, and the main risk relates to deposits held with banking institutions.

Market risk

This relates to Foreign Exchange risk in respect of its accounts receivable and cash balances in currencies other than EUR. This risk may be managed through the use of derivatives.

20. Disclosure required under Pillar III (continued)

Capital adequacy

Under Article 20 of Directive EC/2006/49, the Company must have Own Funds equal to the higher of (i) one quarter of our preceding year's fixed overheads, (as determined by the Central Bank on review of the Company's audited accounts each year), and (ii) the sum of the capital requirements contained in points (a) to (c) of Article 75 of 2006/48, which states that own funds must be equal to or greater than the sum of the following (i) for credit risk and dilution risk, 8% of the total of our risk-weighted exposure amounts calculated in accordance with Section 3 of 2006/48 (minimum level of own funds), and (ii) in respect of all business activities and for FX risk, the capital requirements laid down in Article 18 of 2006/49.

The Company takes a prudent approach to the management of its capital base and monitors its expenditure on a regular basis to take account of any material fluctuations which may cause its fixed overheads requirement to be reassessed.

In accordance with Pillar II requirements, the Company has undertaken an assessment of the adequacy of its capital based on all the risks identified by the business (ICAAP process). The review concluded that, having given due consideration to pending Alternative Investment Fund Managers Directive legislation, capital should be allocated to support insurance risk. The directors' assessment of the Firm's capital requirements under Pillar II thus exceeds the Pillar I requirement. As at this date, the Company determines that no additional capital injections are necessary.

21. Approval of financial statements

The financial statements were approved by the Board and authorised for issue on 5 September 2013.