

Abbey Capital Limited

Directors' Report and Group Financial Statements

For the year ended 30 June 2012

Abbey Capital Limited

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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
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 2012.

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 2011 to June 2012 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 growth in its assets under management in this period, while turnover decreased from €32,478,115 (2011) to €29,820,359 (2012). 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 Group closed the Abbey Capital Macro Fund in March 2012; this Fund represented 3% of funds under management.

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 growth also seen in Europe, the Middle East and Asia during this period. 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 2012 are set out on pages 9 and 10. The profit before taxation amounted to €12,750,378 (2011 : €21,215,219). After provision for taxation the profit taken to reserves was €11,068,307 (2011: €18,473,308).

The directors recommend the payment of a final dividend of €224,238 relating to the year ended 30 June 2012 (2011 : €108,656). 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 2012 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:

	2012 No. A & B ordinary shares of €0.01 each	2012 No. C shares of €0.01 each	2011 No. A & B ordinary shares of €0.01 each	2011 No. C shares of of €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
	<u>1,566,230</u>	<u>99,847</u>	<u>1,566,230</u>	<u>99,847</u>

There were no changes in shareholdings between 30 June 2012 and the date of approval of the financial statements.

Research and development

Over the last 11 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.

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.

Abbey Capital Limited

Directors' Report

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 €1,385,064 and the collective variable remuneration of Code Staff amounted to €2,823,967 for the financial year ended 30 June 2012 (payments were made between July 2011 and June 2012).

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

No important events affecting the group have taken place since the end of the financial year.

Abbey Capital Limited

Directors' Report

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: 12/09/2012

Statement of Directors' Responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and Generally Accepted Accounting Practices in Ireland including the accounting standards issued by the Accounting Standards Board and promulgated 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: 12/09/2012

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 2012 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 page 13.

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 Accounting Standards Board and promulgated 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.

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 2012 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.

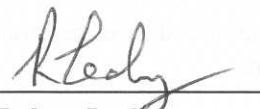
We have obtained all the information and explanations that we consider necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company. The Company's Balance Sheet is in agreement with the books of account.

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's 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 2012, a financial situation which, under Section 40(1), Companies (Amendment) Act 1983 would require the convening of an extraordinary general meeting of the Company.

12 September 2012

Date



Robert Leahy
For and on behalf of BDO
Dublin
Registered auditors
AI223876

Abbey Capital Limited

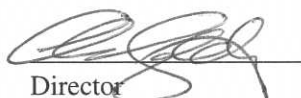
Group profit and loss account
for the year ended 30 June 2012

	Notes	2012 €	2011 €
Management and performance fees	2	29,820,359	32,478,115
Administrative expenses		(17,408,539)	(11,619,892)
Operating profit	3	12,411,820	20,858,223
Interest receivable and similar income	6	338,558	356,996
Profit on ordinary activities before taxation		12,750,378	21,215,219
Tax on profit on ordinary activities	9	(1,682,071)	(2,741,911)
Profit for the financial year	16	11,068,307	18,473,308

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

12/09/2012
Date

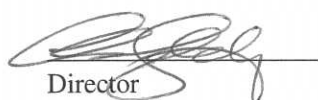
Abbey Capital Limited


Group Balance sheet
as at 30 June 2012

	Notes	€	2012 €	€	2011 €
Fixed assets					
Tangible assets	10		609,099		463,322
Financial assets	11		19,200,000		10,000,000
			<u>19,809,099</u>		<u>10,463,322</u>
Current assets					
Debtors	12	2,693,975		2,237,700	
Cash at bank and in hand		29,455,804		27,926,660	
		<u>32,149,779</u>		<u>30,164,360</u>	
Creditors: amounts falling due within one year	13	<u>(1,503,931)</u>		<u>(1,136,951)</u>	
Net current assets			<u>30,645,848</u>		<u>29,027,409</u>
Net assets			<u>50,454,947</u>		<u>39,490,731</u>
Capital and reserves					
Called up share capital	14		16,661		16,661
Share premium account	16		196,809		196,809
Capital redemption reserve fund	16		4,614		4,614
Profit and loss account	16		50,236,863		39,272,647
Shareholders' funds	16		<u>50,454,947</u>		<u>39,490,731</u>

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

On behalf of the Board


Director


Director

12/09/2012
Date


Abbey Capital Limited

**Company Balance Sheet
as at 30 June 2012**

	Notes	€	2012 €	€	2011 €
Fixed assets					
Tangible assets	10		607,751		461,176
Financial assets	11		19,358,856		10,138,380
			<u>19,966,607</u>		<u>10,599,556</u>
Current assets					
Debtors	12	2,663,413		2,209,542	
Cash at bank and in hand		29,297,087		27,806,897	
		<u>31,960,500</u>		<u>30,016,439</u>	
Creditors: amounts falling due within one year	13	<u>(1,538,663)</u>		<u>(1,132,395)</u>	
Net current assets			<u>30,421,837</u>		<u>28,884,044</u>
Net assets			<u><u>50,388,444</u></u>		<u><u>39,483,600</u></u>
Capital and reserves					
Called up share capital	14		16,661		16,661
Share premium account	16		196,809		196,809
Capital redemption reserve fund	16		4,614		4,614
Profit and loss account	16		50,170,360		39,265,516
Shareholders' funds	16		<u><u>50,388,444</u></u>		<u><u>39,483,600</u></u>

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

On behalf of the Board


Director


Director

12/09/2012
Date

Abbey Capital Limited

Consolidated cash flow statement for the year ended 30 June 2012

	Notes	2012 €	2011 €
Net cash inflow from operating activities	17	12,422,323	20,521,672
Return on investments and servicing of finance	18	338,558	426,943
Taxation	18	(1,657,312)	(2,223,635)
Capital expenditure	18	(265,769)	(475,677)
Acquisitions and disposals	18	(9,200,000)	-
Dividends paid		(108,656)	(190,241)
Increase in cash in the year		1,529,144	18,059,062
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the year		1,529,144	18,059,062
Net funds at 1 July		27,926,660	9,867,598
Net funds at 30 June	19	29,455,804	27,926,660

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 Accounting Standards Board.

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 2012. Intra-group sales and profits are eliminated on consolidation.

1.3. 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

1.4. 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.

1.5. Financial assets

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

1.6. 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.

1.7. 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.

2 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.

3. Operating profit	2012	2011
	€	€
The operating profit has been arrived at after charging;		
Depreciation	119,992	81,715
(Profit)/loss on foreign currencies	(59,638)	65,703
Operating lease - buildings	167,000	167,000
Auditors' remuneration		
- audit services	27,050	27,215
- non audit services	3,330	3,330
Directors' remuneration	1,795,092	1,925,704
Directors' pension	52,363	865,979
	<u><u> </u></u>	<u><u> </u></u>

4. Profit for the financial year attributable to group shareholders	2012	2011
	€	€
Profit after tax before dividend in the parent company for the year amounted to:	11,013,500	18,434,956
	<u><u> </u></u>	<u><u> </u></u>

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

5. Profit carried forward	2012	2011
	€	€
Retained by:		
The company	50,170,360	39,265,516
Subsidiary	66,503	7,131
	<u><u>50,236,863</u></u>	<u><u>39,272,647</u></u>

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2012

6. Interest receivable and similar income	2012	2011
	€	€
Bank interest	<u>338,558</u>	<u>356,996</u>

7. Employees

Number of employees

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

	2012	2011
	No.	No.
Management	11	12
Administration	47	34
	<u>58</u>	<u>46</u>

Employment costs

	2012	2011
	€	€
Wages and salaries	5,208,377	3,802,551
Social welfare costs	676,706	565,651
Directors remuneration	1,678,301	1,758,758
Directors' pension cost	52,363	865,979
Other pension costs	114,051	64,135
	<u>7,729,798</u>	<u>7,057,074</u>

8. Dividends

	2012	2011
	€	€
Dividends on equity shares paid;		
A & B ordinary shares	<u>108,656</u>	<u>190,241</u>

A dividend of €0.07 per share amounting to €108,656 was paid in respect of the year ended 30 June 2011. The directors recommend payment of a final dividend of €0.13 per share amounting to €224,238 in respect of the year ended 30 June 2012.

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2012

9. Taxation	2012	2011
	€	€
Corporation tax on profit for the year	1,655,246	2,706,066
Foreign tax on income for the period	26,825	35,845
	<u>1,682,071</u>	<u>2,741,911</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:

	2012	2011
	€	€
Profit on ordinary activities before tax	<u>12,750,378</u>	<u>21,215,219</u>
Profit on ordinary activities multiplied by standard rates of corporation tax in Ireland of 12.5% (2011 : 12.5%):	1,593,797	2,651,902
<i>Effects of:</i>		
Expenses not deductible for tax purposes	20,378	14,826
Excess depreciation over capital allowances	2,933	(33)
Interest income taxed at 25%	37,940	40,403
Tax on medical insurance premium	10,402	8,242
Higher tax rates on overseas earnings	16,621	26,571
	<u>1,682,071</u>	<u>2,741,911</u>

10. Tangible assets

<i>Group</i>	Machines	Leasehold property	Office furniture	Computer equipment	Total
	€	€	€	€	€
Cost					
At 1 July 2011	123,372	362,168	78,628	343,138	907,306
Additions	-	184,517	18,109	62,826	265,452
Exchange adjustment	-	-	-	317	317
At 30 June 2012	<u>123,372</u>	<u>546,685</u>	<u>96,737</u>	<u>406,281</u>	<u>1,173,075</u>
Depreciation					
At 1 July 2011	104,774	28,383	52,972	257,855	443,984
Charge for the year	6,392	46,715	10,821	56,064	119,992
At 30 June 2012	<u>111,166</u>	<u>75,098</u>	<u>63,793</u>	<u>313,919</u>	<u>563,976</u>
Net book values					
At 30 June 2012	<u>12,206</u>	<u>471,587</u>	<u>32,944</u>	<u>92,362</u>	<u>609,099</u>
At 30 June 2011	<u>18,598</u>	<u>333,785</u>	<u>25,656</u>	<u>85,283</u>	<u>463,322</u>

<i>Company</i>	Machines	Leasehold property	Office furniture	Computer equipment	Total
	€	€	€	€	€
Cost					
At 1 July 2011	123,372	362,168	78,628	340,087	904,255
Additions	-	184,517	18,109	62,826	265,452
At 30 June 2012	<u>123,372</u>	<u>546,685</u>	<u>96,737</u>	<u>402,913</u>	<u>1,169,707</u>
Depreciation					
At 1 July 2011	104,774	28,383	52,972	256,950	443,079
Charge for the year	6,392	46,715	10,821	54,949	118,877
At 30 June 2012	<u>111,166</u>	<u>75,098</u>	<u>63,793</u>	<u>311,899</u>	<u>561,956</u>
Net book values					
At 30 June 2012	<u>12,206</u>	<u>471,587</u>	<u>32,944</u>	<u>91,014</u>	<u>607,751</u>
At 30 June 2011	<u>18,598</u>	<u>333,785</u>	<u>25,656</u>	<u>83,137</u>	<u>461,176</u>

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2012

11. Financial assets	Investment in funds €
Group	
At 1 July 2011	10,000,000
Additions	9,200,000
At 30 June 2012	<u>19,200,000</u>

Company	Subsidiary undertaking €	Investment in funds €	Total €
At 1 July 2011	138,380	10,000,000	10,138,380
Foreign exchange movement	20,476	-	-
Additions	-	9,200,000	9,200,000
At 30 June 2012	<u>158,856</u>	<u>19,200,000</u>	<u>19,358,856</u>

Investment in funds

The market value of the Company's investment in funds as at 30 June 2012 was €24,173,787 (2011: €14,354,750).

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.

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

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2012

12. Debtors: amounts falling due within one year

	2012	2011
	€	€
<i>Group</i>		
Amounts owed by related parties (Note 20)	2,617,824	2,151,471
Other debtors	29,270	49,979
Prepayments	1,292	9,037
VAT repayable	45,589	27,213
	<u>2,693,975</u>	<u>2,237,700</u>

	2012	2011
	€	€
<i>Company</i>		
Amounts owed by related parties (Note 20)	2,617,824	2,151,471
Other debtors	-	30,858
VAT repayable	45,589	27,213
	<u>2,663,413</u>	<u>2,209,542</u>

13. Creditors: amounts falling due within one year

	2012	2011
	€	€
<i>Group</i>		
Trade creditors	84,947	145,993
Accruals	1,077,493	710,539
Corporation tax	202,827	178,068
PAYE/PRSI	122,216	102,351
Amounts due to director	16,448	-
	<u>1,503,931</u>	<u>1,136,951</u>

<i>Company</i>		
Trade creditors	48,213	90,044
Accruals	1,074,106	707,409
Corporation tax	200,246	178,068
PAYE/PRSI	122,216	102,351
Amounts due to director	16,448	-
Amounts owed to group company	77,434	54,523
	<u>1,538,663</u>	<u>1,132,395</u>

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2012

14. Called up share capital	2012	2011
	€	€
Group and company		
Authorised equity		
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
200,000 C shares of €0.01 each	2,000	2,000
	<u>102,000</u>	<u>102,000</u>
Allotted, called up and fully paid equity 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
99,847 C shares of €0.01 each	999	999
	<u>16,661</u>	<u>16,661</u>

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

15. Financial commitments

At 30 June 2012 the group had annual commitments under non-cancellable operating leases as follows:

	Buildings	
	2012	2011
	€	€
Expiry date:		
In over five years	<u>167,000</u>	<u>167,000</u>

16. 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	39,272,647	39,490,731
Foreign currency differences	-	-	-	4,565	4,565
Dividend paid	-	-	-	(108,656)	(108,656)
Profit for the year	-	-	-	11,068,307	11,068,307
Closing shareholders' funds	<u>16,661</u>	<u>196,809</u>	<u>4,614</u>	<u>50,236,863</u>	<u>50,454,947</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	39,265,516	39,483,600
Dividend paid	-	-	-	(108,656)	(108,656)
Profit for the year	-	-	-	11,013,500	11,013,500
Closing shareholders' funds	<u>16,661</u>	<u>196,809</u>	<u>4,614</u>	<u>50,170,360</u>	<u>50,388,444</u>

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

	2012	2011
	€	€
Operating profit	12,411,820	20,820,514
Depreciation	119,992	81,684
Increase in debtors	(456,275)	(1,040,861)
Increase in creditors	346,786	660,335
Net cash inflow from operating activities	<u>12,422,323</u>	<u>20,521,672</u>

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2012

18. Analysis of headings grouped in cash flow statement	2012	2011
	€	€
Returns on investments and servicing of finance		
Interest received	<u>338,558</u>	<u>381,602</u>
Taxation		
Corporation tax paid	<u>(1,657,312)</u>	<u>(2,223,635)</u>
Capital expenditure		
Payments to acquire tangible assets	<u>(265,769)</u>	<u>(475,677)</u>
Acquisitions and disposals		
Purchase of investments	<u>(9,200,000)</u>	<u>-</u>

19. Analysis of changes in net funds during the year

	Opening balance at 1 July 2011 €	Cash flows €	Closing balance at 30 June 2012 €
Cash at bank and in hand	27,926,660	1,529,144	29,455,804
Net funds	<u>27,926,660</u>	<u>1,529,144</u>	<u>29,455,804</u>

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2012

20. 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 €28,873,570 (2011: €30,565,588) from the ACL Alternative Fund SAC Limited. The balance outstanding at the year end was €2,595,778 (2011: €2,019,961).

Abbey Capital Limited is related to the ACL Fund SICAV PLC through a common director. The Company received fees of €274,498 (2011: €292,803) for the year from the ACL Fund SICAV PLC. At the year end, €22,046 (2011: €24,586) was due from the ACL Fund SICAV PLC.

Abbey Capital Limited is related to the Abbey Capital Fund LP through a common director. The Company received fees of €672,291 (2011: €1,619,724) for the year from the Abbey Capital Fund LP. At the year end, €Nil (2011: €106,924) was due from the Abbey Capital Fund LP.

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 donated €3,000,000 (2011: €250,000) to Small Foundation. The company is related to the charity through common directors and partners.

21. 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 MiFID. The disclosures made in this document are in respect of the Company as at 30 June 2012. 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. Accordingly where the Company has considered information to be immaterial, proprietary or confidential it has not been disclosed. 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 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

The Company's risk management function and its compliance function continually monitor the risks faced by the Company. These risks are identified, documented, revised and monitored by these business units. Each unit of Abbey Capital Limited is advised of the risks relating to their business unit and senior management are assigned responsibility for the management of risks within their unit.

21. Disclosure required under Pillar III (continued)

Risk Management (continued)

The Company's Chief Operating Officer, Chief Financial Officer, Chief Compliance Officer and Risk Officer have responsibility for identifying to the directors any material risk to the Company, and for putting appropriate mitigating controls in place. Risks and their mitigating controls are periodically reassessed, taking into account the Company's risk appetite, and at least annually, a risk review is submitted by the compliance function for review by the board. The last Compliance Risk Inventory and ICAAP was submitted to, and approved by the board, at their 30 May 2012 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.

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2012

21. Disclosure required under Pillar III (continued)

Capital adequacy

Under Article 20 of Directive EC/2006/49, Abbey Capital Limited 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.

During the financial year, 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 the capital allocated to support Pillar I requirements is currently sufficient for Pillar II requirements, given the qualitative controls established to mitigate against the identified risks. As at this date, the Company determines that no additional capital injections are necessary.

22. Approval of financial statements

The financial statements were approved by the Board and authorised for issue on 7 September 2012.