

Abbey Capital Limited

Directors' Report and Group Financial Statements

For the year ended 30 June 2014

Abbey Capital Limited

Contents	Page
Corporate information	1
Directors' report	2 - 6
Statement of directors' responsibilities	7
Independent auditors' report	8 - 9
Group profit and loss account	10
Group balance sheet	11
Company balance sheet	12
Group cash flow statement	13
Notes to the consolidated financial statements	14 - 28

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
Solicitors	Eugene F Collins Temple Chambers 3 Burlington Road Dublin 4 Dillon Eustace 33 Sir John Rogersons Quay Dublin 2

Abbey Capital Limited

Directors' Report

The directors present their report and the consolidated financial statements for the year ended 30 June 2014.

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 ("the Company") is authorised as an Investment Manager by the Central Bank of Ireland. Abbey Capital Limited received authorization from the Central Bank of Ireland as an Alternative Investment Fund Manager ("AIFM") pursuant to the European Union (Alternative Investment Fund Managers) Regulations 2013 (Directive 2011/61/EU) ("AIFMD") on the 22nd July 2014. The results for the year are considered satisfactory and in line with expectations.

The period from July 2013 to June 2014 remained a challenging environment for managed futures in general, with markets continuing to be prone to reversals. Abbey Capital's funds incurred losses over the year, however they did experience improved performance towards the end of the period as trends in certain markets began to emerge. Abbey Capital's 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 845,764 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

The company was restructured as a group during the financial year and the Company is now 100% owned by Cavendish Capital Limited ("Cavendish"), a holding company established on the 4th Feb 2013. Its shares in Abbey Capital were acquired on 19th August 2013, when all of the shareholders at that time (Tony Gannon, Tim Brosnan, Mick Swift and Claire Gately), exchanged their shares in the Company for shares in Cavendish. The restructure was prompted by the growth and success of the Company. The Company considered it necessary, as part of its development cycle, to create a group structure and enable the holding company (leveraging off the experience and expertise of the Company's directors and shareholders) to pursue other business activities in the future. Such activities are financed by dividends received by the Company, (subject to the Company having profits available for distribution and meeting its capital requirements).

The acquisition did not involve any cash consideration: the shareholders of Abbey Capital Limited merely exchanged their shares in the Company for shares in Cavendish. The Company received Capital Gains Tax Clearance and stamp duty exemption from Irish Revenue with respect to the restructure, and it also received approval from the Central Bank for the acquisition by Cavendish of a regulated entity.

Abbey Capital Limited

Directors' Report

Significant developments during the financial year (continued)

Current shareholdings in Abbey Capital Limited (post acquisition):

Share Class	Shares Authorised	Shares Issued	Par Value	Ownership
A	5,000,000	845,764	€0.01 each	Cavendish
B	5,000,000	720,466	€0.01 each	Cavendish
C	166,718	66,565	€0.01 each	Cavendish
D	33,282	33,282	€0.01 each	Cavendish
	<hr/>	<hr/>		
Total	10,200,000	1,666,077		

In November 2013, the company paid a total dividend of €63,000,000 to its parent company Cavendish. This dividend consisted of €52,767,863 pre acquisition profits and €10,232,137 post acquisition profits. On 11 June 2014 the Company purchased 1/2 Cavendish Row from the Gannon Brosnan Gately Swift Partnership.

Future developments

The Company will continue to market the private funds (privately and to qualified eligible persons only) and the recently launched Open End 1940 Act Mutual Fund (the Abbey Capital Futures Strategy Fund a series of the RBB Fund Inc.), incepted on the 1 July 2014 (to both retail and institutional investors) 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 2014 are set out on pages 10 and 11. The profit before taxation amounted to €18,975,436 (2013 : €14,215,326). After provision for taxation and dividends the amount taken against reserves was €48,404,708 (2013 Profit: €12,102,610).

The directors recommended a final dividend of €430,160 relating to the year ended 30 June 2014 (2013 : €210,567). 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 2014 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:

	2014 No. A & B ordinary shares of €0.01 each	2014 No. C shares of €0.01 each	2014 No. D shares of €0.01 each	2013 No. A & B ordinary shares of €0.01 each	2013 No. C shares of €0.01 each	2013 No. D shares of €0.01 each
A. Gannon	-	-	-	845,764	-	-
T. Brosnan	-	-	-	720,466	-	-
C. Gately	-	-	-	-	-	33,282
M. Swift	-	-	-	-	66,565	-
D. McCarthy	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,566,230</u>	<u>66,565</u>	<u>33,282</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>1,566,230</u></u>	<u><u>66,565</u></u>	<u><u>33,282</u></u>

The interests of the shareholders in the called up share capital of the ultimate controlling party Cavendish Capital at the end of the year are as follows:

	2014 No. A & B ordinary shares of €0.01 each	2014 No. C shares of €0.01 each	2014 No. D shares of €0.01 each
A. Gannon	845,864	-	-
T. Brosnan	720,566	-	-
C. Gately	-	-	33,282
M. Swift	-	66,565	-
	<u>1,566,430</u>	<u>66,565</u>	<u>33,282</u>
	<u><u>1,566,430</u></u>	<u><u>66,565</u></u>	<u><u>33,282</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

Abbey Capital Limited

Directors' Report

Over the last 14 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.

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 Requirement Directive III (CRD 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.

Abbey Capital Limited

Directors' Report

The remuneration policy is reviewed on an annual basis by the board (last updated February 2014 as part of the Company's AIFMD submission). 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 €719,224 and the collective variable remuneration of Code Staff amounted to €1,346,055 for the financial year ended 30 June 2014 (payments were made between July 2013 and June 2014).

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 Company obtained its AIFM licence on 22nd July 2014.


The Company's Open End 1940 Act Mutual Fund (the Abbey Capital Futures Strategy Fund a series of the RBB Fund Inc.) was launched on 1st July 2014 and the Company invested USD \$9.5m in the fund on 1st July 2014.

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: 02/12/2014

Abbey Capital Limited

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.

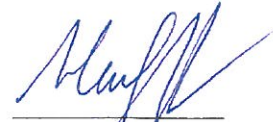
Irish Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and the group and of the profit or loss of the group for that year. In preparing these financial statements, the directors are required 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 2013 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: 02/12/2014

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 2014 on pages 10 to 28 which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the Institute of Chartered Accountants in Ireland (Generally Accepted Accounting Practice in Ireland).

This report is made solely to the parent company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the parent 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 parent company and the parent 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

As explained more fully in the Directors' Responsibilities Statement set out on page 7 the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with Irish 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 group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements 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 in accordance with Generally Accepted Accounting Practice in Ireland of the state of the group's and of the parent company's affairs as at 30 June 2014 and of the group's profit for the year then ended; and
- have been properly prepared in accordance with the requirements of the Companies Acts 1963 to 2013.

Independent Auditors' Report

To the members of Abbey Capital Limited (continued)

Matters on which we are required to report by the Companies Acts 1963 to 2013

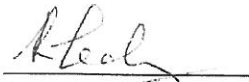
- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion proper books of account have been kept by the parent company.
- The parent company balance sheet is in agreement with the books of account.
- In our opinion the information given in the directors' report is consistent with the financial statements.
- The net assets of the parent company, as stated in the parent company balance sheet 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 2014 a financial situation which under Section 40 (1) of the Companies (Amendment) Act, 1983 would require the convening of an extraordinary general meeting of the parent company.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Acts 1963 to 2013 which require us to report to you if, in our opinion the disclosures of directors' remuneration and transactions specified by law are not made.

3 December 2014

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 2014

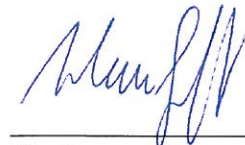
	Notes	2014 €	2013 €
Management and performance fees		17,653,656	26,742,781
Other operating income		81,714	116,386
Administrative expenses		(12,593,486)	(13,322,882)
Operating profit	2	<u>5,141,884</u>	<u>13,536,285</u>
Interest receivable and similar income	5	205,659	679,041
Profit on disposal of investment		13,627,893	-
Profit on ordinary activities before taxation		<u>18,975,436</u>	<u>14,215,326</u>
Tax on profit on ordinary activities	8	(4,169,577)	(1,888,478)
Profit for the financial year	15	<u><u>14,805,859</u></u>	<u><u>12,326,848</u></u>

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

The notes on pages 14 - 28 form part of these financial statements.

On behalf of the Board


Director


Director

02/12/2014
Date

Abbey Capital Limited

Group Balance Sheet
as at 30 June 2014

	Notes	€	2014 €	€	2013 €
Fixed assets					
Tangible assets	9		3,043,295		576,059
Financial assets	10		805,390		19,276,453
			<u>3,848,685</u>		<u>19,852,512</u>
Current assets					
Debtors	11	942,275		2,165,044	
Cash at bank and in hand		10,083,634		41,412,200	
		<u>11,025,909</u>		<u>43,577,244</u>	
Creditors: amounts falling due within one year	12	<u>(730,078)</u>		<u>(875,194)</u>	
Net current assets			<u>10,295,831</u>		<u>42,702,050</u>
Net assets			<u><u>14,144,516</u></u>		<u><u>62,554,562</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		13,926,432		62,336,478
Shareholders' funds	15		<u><u>14,144,516</u></u>		<u><u>62,554,562</u></u>

The notes on pages 14 - 28 form part of these financial statements.

On behalf of the Board


Director


Director

02/12/2014
Date

Abbey Capital Limited

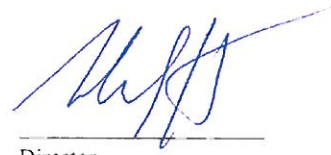
Company Balance Sheet
as at 30 June 2014

	Notes	€	2014 €	€	2013 €
Fixed assets					
Tangible assets	9		3,043,295		575,815
Financial assets	10		951,823		19,429,358
			<u>3,995,118</u>		<u>20,005,173</u>
Current assets					
Debtors	11	913,734		2,081,641	
Cash at bank and in hand		9,882,937		41,223,952	
		<u>10,796,671</u>		<u>43,305,593</u>	
Creditors: amounts falling due within one year	12	(832,522)		(879,699)	
Net current assets			<u>9,964,149</u>		<u>42,425,894</u>
Net assets			<u><u>13,959,267</u></u>		<u><u>62,431,067</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		13,741,183		62,212,983
Shareholders' funds	15		<u><u>13,959,267</u></u>		<u><u>62,431,067</u></u>

The notes on pages 14 - 28 form part of these financial statements.

On behalf of the Board


Director


Director

02/12/2014
Date

Abbey Capital Limited

Consolidated cash flow statement for the year ended 30 June 2014

	Notes	2014 €	2013 €
Net cash inflow from operating activities	16	6,528,098	13,737,853
Return on investments and servicing of finance	17	205,659	679,041
Taxation	17	(574,776)	(2,051,224)
Capital expenditure	17	(2,980,181)	(108,583)
Acquisitions and disposals	17	28,703,201	(76,453)
		<u>25,353,903</u>	<u>1,557,219</u>
Dividends paid		(63,210,567)	(224,238)
(Decrease)/ Increase in cash in the year		<u><u>(31,328,566)</u></u>	<u><u>11,956,396</u></u>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/ Increase in cash in the year		(31,328,566)	11,956,396
Net funds at 1 July		41,412,200	29,455,804
Net funds at 30 June	18	<u><u>10,083,634</u></u>	<u><u>41,412,200</u></u>

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2014

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 2013 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 2014. 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
Freehold 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 2014

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	2014	2013
	€	€
The operating profit has been arrived at after charging:		
Depreciation	146,239	141,623
Impairment of fixed assets	366,806	-
Loss on foreign currencies	25,948	30,460
Operating lease - buildings	157,954	167,000
Auditors' remuneration		
- audit services	29,725	32,364
- tax advisory	-	2,750
Directors' remuneration	1,242,476	1,248,301
Directors' pension	92,593	56,950
	<u> </u>	<u> </u>

3. Profit attributable to members of Abbey Capital Limited	2014	2013
	€	€
Profit after tax before dividend in Abbey Capital Limited (the company) for the year amounted to:	15,105,574	12,266,861
	<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.

4. Profit carried forward	2014	2013
	€	€
Retained by:		
The company	13,741,183	62,212,983
Subsidiary	185,249	123,495
	<u> </u>	<u> </u>
	<u>13,926,432</u>	<u>62,336,478</u>

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2014

5.	Interest receivable and similar income	2014	2013
		€	€
	Bank interest	<u>205,659</u>	<u>679,041</u>

6. Employees

Number of employees

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

	2014	2013
	No.	No.
Management	11	12
Administration	44	46
	<u>55</u>	<u>58</u>

Employment costs	2014	2013
	€	€
Wages and salaries	5,549,733	4,892,223
Social welfare costs	667,411	659,285
Directors' remuneration	1,242,476	1,146,377
Directors' pension cost	92,593	56,950
Other pension costs	181,162	155,244
	<u>7,733,375</u>	<u>6,910,079</u>

7.	Dividends	2014	2013
		€	€
	Dividends on equity shares paid	<u>63,210,567</u>	<u>224,238</u>

A dividend of €0.13 per share amounting to €210,567 was paid to Cavendish Capital Limited during the period. Subsequent to the acquisition of the company by Cavendish Capital Limited, a further dividend of €37.81 per share amounting to €63,000,000 was paid. This dividend payment to Cavendish Capital Limited was made up of €52,767.863 of pre acquisition reserves and €10,232,137 post acquisition reserves.

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2014

8. Taxation	2014 €	2013 €
Corporation tax on profit for the year	4,130,537	1,848,932
Foreign tax on income for the year	39,040	39,546
	<u>4,169,577</u>	<u>1,888,478</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:

	2014 €	2013 €
Profit on ordinary activities before tax	<u>18,975,436</u>	<u>14,215,326</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in Ireland of 12.5% (2013 : 12.5%):	2,371,930	1,776,916
<i>Effects of:</i>		
Expenses not deductible for tax purposes	4,703	1,561
Excess depreciation over capital allowances	52,855	3,069
Interest income taxed at 25%	1,710,006	79,381
Tax on medical insurance premium	14,541	14,995
Higher tax rates on overseas earnings	25,756	27,104
Research and development tax credit not subject to corporation tax	(10,214)	(14,548)
	<u>4,169,577</u>	<u>1,888,478</u>

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2014

9. Tangible assets

<i>Group</i>	Machines €	Leasehold property €	Freehold property	Office furniture €	Computer equipment €	Total €
Cost						
At 1 July 2013	123,372	546,685	-	97,830	513,771	1,281,658
Transfer	-	(546,685)	546,685	-	-	-
Additions	-	-	2,958,900	-	21,381	2,980,281
At 30 June 2014	<u>123,372</u>	<u>-</u>	<u>3,505,585</u>	<u>97,830</u>	<u>535,152</u>	<u>4,261,939</u>
Depreciation						
At 1 July 2013	115,654	129,767	-	73,693	386,485	705,599
Transfer	-	(184,436)	184,436	-	-	-
Charge for the year	3,190	54,669	4,931	8,381	75,068	146,239
Impairment	-	-	366,806	-	-	366,806
At 30 June 2014	<u>118,844</u>	<u>-</u>	<u>556,173</u>	<u>82,074</u>	<u>461,553</u>	<u>1,218,644</u>
Net book values						
At 30 June 2014	<u>4,528</u>	<u>-</u>	<u>2,949,412</u>	<u>15,756</u>	<u>73,599</u>	<u>3,043,295</u>
At 30 June 2013	<u>7,718</u>	<u>416,918</u>	<u>-</u>	<u>24,137</u>	<u>127,286</u>	<u>576,059</u>

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2014

9. Tangible assets (continued)

<i>Company</i>	Machines	Leaschold property	Freehold property	Office furniture	Computer equipment	Total
	€	€	€	€	€	€
Cost						
At 1 July 2013	123,372	546,685	-	97,830	510,454	1,278,341
Transfer	-	(546,685)	546,685	-	-	-
Additions	-	-	2,958,900	-	21,281	2,980,181
At 30 June 2014	<u>123,372</u>	<u>-</u>	<u>3,505,585</u>	<u>97,830</u>	<u>531,735</u>	<u>4,258,522</u>
Depreciation						
At 1 July 2013	115,654	129,767	-	73,693	383,412	702,526
Transfer	-	(129,767)	129,767	-	-	-
Charge for the year	3,190	-	59,600	8,381	74,724	145,895
Impairment	-	-	366,806	-	-	366,806
At 30 June 2014	<u>118,844</u>	<u>-</u>	<u>556,173</u>	<u>82,074</u>	<u>458,136</u>	<u>1,215,227</u>
Net book values						
At 30 June 2014	<u>4,528</u>	<u>-</u>	<u>2,949,412</u>	<u>15,756</u>	<u>73,599</u>	<u>3,043,295</u>
At 30 June 2013	<u>7,718</u>	<u>416,918</u>	<u>-</u>	<u>24,137</u>	<u>127,042</u>	<u>575,815</u>

10. Financial assets

Group	Investments
	€
At 1 July 2013	19,276,453
Foreign exchange movement	(3,235)
Additions	732,172
Disposals	(19,200,000)
At 30 June 2014	<u>805,390</u>

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2014

10. Financial assets (continued)

Company	Subsidiary undertaking	Investments	Total
	€	€	€
At 1 July 2013	152,905	19,276,453	19,429,358
Foreign exchange movement	(6,472)	(3,235)	(9,707)
Additions	-	732,172	732,172
Disposals	-	(19,200,000)	(19,200,000)
At 30 June 2014	146,433	805,390	951,823

Investment in funds

The market value of the Company's investment in funds as at 30 June 2014 was €831,558 (2013: €29,038,836).

On 27 March 2014, the Company invested €732,172 (\$1,000,000) in Abbey Global LP.

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 2014

11. Debtors: amounts falling due within one year

	2014	2013
	€	€
<i>Group</i>		
Amounts owed by related parties (Note 19)	900,914	2,005,822
Other debtors	-	52,103
Prepayments	-	7,832
VAT repayable	12,820	22,983
Corporation tax	28,541	76,304
	<u>942,275</u>	<u>2,165,044</u>
	2014	2013
	€	€
<i>Company</i>		
Amounts owed by related parties (Note 19)	900,914	2,005,822
Corporation tax	-	52,836
VAT repayable	12,820	22,983
	<u>913,734</u>	<u>2,081,641</u>

12. Creditors: amounts falling due within one year

	2014	2013
	€	€
<i>Group</i>		
Trade creditors	60,144	70,077
Accruals	395,261	661,000
Corporation tax	144,782	-
PAYE/PRSI	113,094	124,121
Amounts due to directors	16,797	19,996
	<u>730,078</u>	<u>875,194</u>
<i>Company</i>		
Trade creditors	45,369	31,498
Accruals	371,447	622,712
Corporation tax	144,779	-
PAYE/PRSI	113,094	124,121
Amounts due to directors	16,797	19,996
Amounts owed to group company (Note 19)	141,036	81,372
	<u>832,522</u>	<u>879,699</u>

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2014

13. Called up share capital	2014	2013
	€	€
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	1,667
33,282 D shares of €0.01 each	333	333
	<u>102,000</u>	<u>102,000</u>
Allotted, called up and fully paid equity		
845,764 A ordinary shares of €0.01 each	8,457	8,457
720,466 B ordinary shares of €0.01 each	7,205	7,205
66,565 C shares of €0.01 each	666	666
33,282 D shares of €0.01 each	333	333
	<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 and D shares rank equally with the A and B ordinary shares except that they do not carry voting rights.

14. Financial commitments

At 30 June 2014 the group had annual commitments under non-cancellable operating leases as follows:

	Buildings	
	2014	2013
	€	€
Expiry date:		
In over five years	<u>-</u>	<u>167,000</u>

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2014

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	62,336,478	62,554,562
Foreign currency differences	-	-	-	(5,338)	(5,338)
Dividend paid	-	-	-	(63,210,567)	(63,210,567)
Profit for the year	-	-	-	14,805,859	14,805,859
Closing shareholders' funds	<u>16,661</u>	<u>196,809</u>	<u>4,614</u>	<u>13,926,432</u>	<u>14,144,516</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	62,212,983	62,431,067
Dividend paid	-	-	-	(63,210,567)	(63,210,567)
Profit for the year	-	-	-	14,738,767	14,738,767
Closing shareholders' funds	<u>16,661</u>	<u>196,809</u>	<u>4,614</u>	<u>13,741,183</u>	<u>13,959,267</u>

16. Reconciliation of operating profit to net cash inflow from operating activities	2014 €	2013 €
Operating profit	5,141,884	13,536,285
Depreciation	146,239	141,623
Impairment of fixed assets	366,806	-
Decrease in debtors	1,140,356	518,230
Decrease in creditors	(267,187)	(458,285)
Net cash inflow from operating activities	<u>6,528,098</u>	<u>13,737,853</u>

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2014

17.	Analysis of headings grouped in cash flow statement	2014	2013	
		€	€	
	Returns on investments and servicing of finance			
	Interest received	205,659	679,041	
		<u> </u>	<u> </u>	
	Taxation			
	Corporation tax paid	(574,776)	(2,051,224)	
		<u> </u>	<u> </u>	
	Capital expenditure and financial investment			
	Payments to acquire tangible assets	(2,980,181)	(108,583)	
		<u> </u>	<u> </u>	
	Acquisitions and disposals			
	Sale / (purchase) of investments	28,703,201	(76,453)	
		<u> </u>	<u> </u>	
18.	Analysis of changes in net funds during the year			
		Opening	Cash	Closing
		balance	flows	balance
		at 1 July		at 30 June
		2013		2014
		€	€	€
	Cash at bank and in hand	41,412,200	(31,328,566)	10,083,634
		<u> </u>	<u> </u>	<u> </u>
	Net funds	41,412,200	(31,328,566)	10,083,634
		<u> </u>	<u> </u>	<u> </u>

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2014

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 €17,365,235 (2013: €26,460,483) from the ACL Alternative Fund SAC Limited. The balance outstanding at the year end was €865,926 (2013: €1,981,141).

Abbey Capital Limited is related to the ACL Fund SICAV PLC through a common director. The Company received fees of €288,421 (2013: €282,298) for the year from the ACL Fund SICAV PLC. At the year end, €22,488 (2013: €24,681) was due from the ACL Fund SICAV PLC.

During the year, the Company paid rent of €157,954 (2013: €167,000) to the Gannon, Brosnan, Gately and Swift Partnership. In June 2014 the company purchased 1/2 Cavendish Row from the Partnership. The purchase price (inclusive of stamp duty) was €2,958,900 which was based on a valuation of the property by an independent firm of valuers. Leasehold improvements to the property of €366,806 which had previously been capitalised have been written off to profit and loss. The Company is related to the partnership through common directors and partners.

During the year the Company made a \$1,000,000 (€732,172) investment in Abbey Global LP. Abbey Capital Limited is related to Abbey Global LP through Abbey Capital Limited acting as General Partner.

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2014

20. Disclosure required under Pillar III

Abbey Capital Limited (the "Company") received authorisation from the Central Bank of Ireland as an Alternative Investment Fund Manager ("AIFM") pursuant to the European Union (Alternative Investment Fund Managers) Regulations 2013 (Directive 2011/61/EU)("AIFMD") on 22nd July 2014. Prior to its authorisation under AIFMD the company was 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 2014.

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 2014. 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.

Abbey Capital Limited

Notes to the group financial statements for the year ended 30 June 2014

20. Disclosures required under Pillar III (continued)

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.

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 general risk inventory and ICAAP was submitted to, and approved by the board, at their 29 May 2014 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 2 December 2014.