

BROCKTON CAPITAL LLP

Report and Financial Statements

31 December 2011

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BROCKTON CAPITAL LLP

REPORT AND FINANCIAL STATEMENTS 2011

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BROCKTON CAPITAL LLP

REPORT AND FINANCIAL STATEMENTS 2011

OFFICERS AND PROFESSIONAL ADVISERS

DESIGNATED MEMBERS

Jason Blank
David Marks

REGISTERED OFFICE

Level 1
89 Wardour Street
London
W1F 0UB

BANKERS

Barclays Private Bank
59 Grosvenor Street
London, W1K 3JD

INDEPENDENT AUDITOR

Deloitte LLP
London
Chartered Accountants and
Statutory Auditor
United Kingdom

BROCKTON CAPITAL LLP

MEMBERS' REPORT (continued)

The members are pleased to present their report and the audited financial statements for the year ended 31 December 2011

PRINCIPAL ACTIVITY

The principal activity of Brockton Capital LLP (the "LLP") is to carry on investment advisory activities and provide asset management services and to structure, market, raise and manage funds from external third parties for investment in any form of real estate and other real estate related investments. The LLP also has the capability to provide asset management services for external third parties.

RESULTS

The results for the year are set out on page 6. The members regard the results and prospects to be satisfactory.

REVIEW OF BUSINESS

Brockton Capital Fund I LP was launched on 19 March 2006 and the LLP has received a management fee from this point onwards.

Brockton Capital Fund II LP was launched on 9 April 2009 and the LLP has received a management fee from 28 August 2009.

Our continuing growing reputation has positioned us well in terms of new business opportunities. The LLP has made a profit for the financial year of £945,512 (2010: £1,306,503).

Overheads remain tightly controlled and the LLP believes it has a strong base with the right personnel from which to grow.

DESIGNATED MEMBERS

The designated members who served throughout the year were as follows:

Jason Blank

David Marks

The designated members also make up the management committee.

MEMBERS' DRAWINGS AND CAPITAL POLICY

Members subscribe capital to the firm in proportion to their equity interest in the firm. Partners' capital may only be withdrawn when a Partner retires from the LLP. Because Partners may retire from the LLP with less than one year's notice, Partner capital has been classified as a current liability.

The members' policy on drawings is dependent upon the working capital requirements of the LLP. A level of monthly drawings is provided within the LLP agreement for members and further distributions are made once the results for the year and allocation of profit have been finalised.

Capital is repaid to members on resignation or retirement from the firm, or at such other time as is determined by the Management Committee.

CREDITOR PAYMENT POLICY

Brockton Capital LLP's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction. Trade creditors at 31 December 2011 were equivalent to 58 days (2010: 40 days).

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the LLP continues and that appropriate training is arranged. It is the policy of the LLP that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Limited Liability Partnership Registration No. OC313315

BROCKTON CAPITAL LLP

MEMBERS' REPORT (continued)

EMPLOYEE CONSULTATION

The LLP places considerable value on the involvement of its members and employees and has continued to keep them informed on matters affecting them as members and employees and on the various factors affecting the performance of the LLP. This is achieved through formal and informal meetings.

AUDITOR

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to re-appoint Deloitte LLP as the LLP's auditor will be proposed at the next Members' Meeting.

Approved by the Management Committee and signed on behalf of the Committee



Jason Blank
13 March 2012



David Marks
13 March 2012

BROCKTON CAPITAL LLP

STATEMENT OF MEMBERS' RESPONSIBILITIES

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

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with IFRSs as adopted by the European Union. The financial statements are also required by law to be prepared in accordance with the Companies Act 2006, as applicable to limited liability partnerships.

International Accounting Standard 1 requires that financial statements present fairly for each financial year the firm's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the preparation and presentation of financial statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, members are also required to

- properly select and apply accounting policies,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information, and
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the firm and enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the firm and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR REPORT TO THE MEMBERS OF BROCKTON CAPITAL LLP

We have audited the financial statements of Brockton Capital LLP for the year ended 31 December 2011 which comprise the income statement, the balance sheet, the cash flow statement, the statement of changes in members' interests and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the members and auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- we have not received all the information and explanations we require for our audit.



Richard Muschamp (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

13 March 2012

BROCKTON CAPITAL LLP

INCOME STATEMENT **Year ended 31 December 2011**

	Notes	2011 £	2010 £
REVENUE	1,2	5,623,544	6,033,619
Operating expenses			
- Employee benefits		(252,754)	(681,831)
- Depreciation and amortisation		(208,691)	(164,365)
- Other operating expenses		(1,668,463)	(1,345,648)
PROFIT FROM OPERATIONS	3	3,493,636	3,841,775
Finance income	5	2,027	43,648
Finance costs	6	(17,581)	(19,844)
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		3,478,082	3,865,579
Members' remuneration charged as an expense		(2,505,441)	(2,559,076)
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS	7	972,641	1,306,503

All results relate to continuing activities

There have been no recognised income or expenses other than the profit (2010 profit) for the year, accordingly no Statement of Comprehensive Income is presented

BROCKTON CAPITAL LLP**BALANCE SHEET****31 December 2011**

	Notes	2011 £	2010 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	879,135	301,728
		<u>879,135</u>	<u>301,728</u>
CURRENT ASSETS			
Client and other receivables	9	1,401,282	1,270,888
Cash and cash equivalents		1,276,459	435,824
Amounts due from members		78,000	82,353
		<u>2,755,741</u>	<u>1,789,065</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	(965,351)	(809,068)
Members' capital classified as liability		(1,154,367)	(1,154,367)
Other amounts due to members		(864,006)	(448,847)
		<u>(2,983,724)</u>	<u>(2,412,282)</u>
NET CURRENT LIABILITIES		<u>(227,983)</u>	<u>(623,217)</u>
NET ASSETS/(LIABILITIES)			
ATTRIBUTABLE TO MEMBERS		<u>651,152</u>	<u>(321,489)</u>
REPRESENTED BY:			
Loans and other debts due from members		(165,433)	(165,433)
Equity			
Members' other interests		816,585	(156,056)
		<u>651,152</u>	<u>(321,489)</u>
TOTAL MEMBERS' INTERESTS			
Members' capital		1,154,367	1,154,367
Loans and other debts due from members		(165,433)	(165,433)
Members' other interests		816,585	(156,056)
Net amounts due to members		786,006	366,494
		<u>2,591,525</u>	<u>1,199,372</u>

These financial statements were approved by the Management Committee on 13 March 2012

Signed on behalf of the Management Committee

Designated Member

Jason Blank

Designated Member

David Marks

Limited Liability Partnership Registration No. OC313315

BROCKTON CAPITAL LLP

CASH FLOW STATEMENT **Year ended 31 December 2011**

	Notes	2011 £	2010 £
Net cash inflow from operating activities	12	4,147,728	3,585,681
Investing activities	13	(801,652)	(184,933)
Financing activities	13	(2,505,441)	(3,316,964)
Net increase in cash		840,635	83,784
Cash and cash equivalents at beginning of year	14	435,824	352,040
Cash and cash equivalents at end of year	15	1,276,459	435,824

STATEMENT OF CHANGES IN MEMBERS' INTERESTS

Year ended 31 December 2011

	Members' regulatory capital £	Members' other capital £	Members' other reserves £	Amounts due to/ (from) members £	Loans and other debts due from members £	Total members' interests £
At 1 January 2010	1,964,500	-	(1,065,957)	(29,103)	(165,433)	704,007
Capital transferred	(414,500)	414,500	-	-	-	-
Capital repaid	(800,000)	(10,133)	-	-	-	(810,133)
Increase in amounts due from members	-	-	-	(53,250)	-	(53,250)
Increase in amounts due to members	-	-	-	448,847	-	448,847
Profit for the financial year available for discretionary division among members	-	-	1,306,503	-	-	1,306,503
Profits distributed during the year	-	-	(396,602)	-	-	(396,602)
Members' interests after loss at 31 December 2010	750,000	404,367	(156,056)	366,494	(165,433)	1,199,372
Decrease in amounts due from members	-	-	-	4,353	-	4,353
Increase in amounts due to members	-	-	-	415,159	-	415,159
Profit for the financial year available for discretionary division among members	-	-	972,641	-	-	972,641
Members' interests after profit for the year at 31 December 2011	750,000	404,367	816,585	786,006	(165,433)	2,591,525

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

1. ACCOUNTING POLICIES

General information

These financial statements are presented in pounds sterling, the currency of the primary economic environment in which the LLP operates and was incorporated, in Great Britain

The LLP falls outside of those entities required to comply with IFRS 8, Segmental Reporting. The LLP has not made any voluntary disclosures within the financial statements in respect of IFRS 8

Basis of accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs). The financial statements have also been prepared in accordance with IFRSs adopted by the European Union

At the date of authorisation of these financial statements, the following standards, amendments to standards, and interpretations, which have not been applied in these financial statements, were in issue but not yet effective for the Group

Improvements to IFRSs 2010

IFRS 1 Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters

IFRS 7 Disclosures - Transfers of Financial Assets

IFRS7 Offsetting Financial Assets and Financial Liabilities

IFRS 9 Financial Instruments

IFRS 10 Consolidated Statements

IFRS 11 Joint Arrangements

IFRS 12 Disclosure of interests in other entities

IFRS 13 Fair Value Measurement

IAS 1 (June 2011) Presentation of items of other comprehensive income

IAS 12 Deferred tax - Recovery of Underlying Assets

IAS 19 Employee Benefits

IAS 24 Related Party Disclosures (revised)

IAS 28 (revised May 2011) Investments in associates and joint ventures

IAS 27 (revised May 2011) Separate financial statements

IAS 32 Offsetting Financial Assets and Financial Liabilities

IFRIC 14 Prepayments of a Minimum Funding Requirement

The directors anticipate that the adoption of these standards and interpretations in future periods will have no material impact on the LLP's financial statements when the relevant standards come into effect

Accounting convention

The financial statements have been prepared in accordance with the historical cost convention. The principal accounting policies adopted are set out below

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

Revenue recognition

Revenue represents amounts chargeable to clients for investment and other advisory services provided during the year. Revenue is only recognised where the LLP has a contractual right to receive consideration for the work undertaken.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment loss.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in income.

Depreciation is provided to write off the cost less the estimated residual value of property, plant and equipment by equal instalments over the estimated useful economic lives as follows:

Leasehold improvements	5 years
Fixtures and fittings	5 years
Computer equipment	3 years

1. ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and on demand deposits.

Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest rate method. Interest cost is recognised by applying the effective interest rate, except for short-term payables when the recognition of interest would be immaterial. The entity determines the classification of its financial liabilities at initial recognition. Financial liabilities include trade payables and member capital.

Bank borrowings

Interest-bearing bank loans and overdrafts are recorded at fair value on initial recognition. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Trade payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Taxation

As a limited liability partnership, taxable income and chargeable gains and losses are passed through to the individual Partners. Accordingly no provision for income tax or corporation tax has been included in these Financial Statements.

Obligations under hire purchase contracts

Assets held under hire purchase contracts are capitalised as tangible fixed assets and are depreciated over their useful lives. The capital elements of future hire purchase obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the contracts to provide a constant rate of charge on the capital balance outstanding.

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis.

Allocation of profits

A Member's share in the profit or loss for the year is accounted for as an allocation of profits.

BROCKTON CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

2. REVENUE

Revenue represents fee income earned from the provision of investment advisory services in the United Kingdom, and is stated net of value added tax

	2011 £	2010 £
Investment Advisory Fees	<u>5,623,554</u>	<u>6,033,619</u>

3. PROFIT FROM OPERATIONS

	2011 £	2010 £
Profit/(loss) from operations is stated after charging:		
Depreciation of owned assets	208,691	164,365
Charitable donations	11,367	38,233
Rentals under operating leases	122,076	111,845
Auditor remuneration		
Audit fees	14,000	14,000
Regulatory Assurance	4,000	4,000
Other services pursuant to legislation	-	9,250
Tax compliance	<u>36,925</u>	<u>21,645</u>

4. STAFF COSTS

	2011 No.	2010 No.
Average number of persons employed during the period		
Practice	-	6
Support staff	<u>6</u>	<u>4</u>
	<u>6</u>	<u>10</u>
Employee costs during the period amounted to	£	£
Wages and salaries	191,418	579,921
Social security costs	<u>21,387</u>	<u>79,070</u>
	<u>212,805</u>	<u>658,991</u>

Remuneration of key management personnel

The key management personnel of Brockton Capital LLP, as defined in accordance with International Accounting Standard 24, received compensation in the form of drawings during the year totalling, in aggregate, £993,991 (2010 £934,376)

The key management personnel of Brockton Capital LLP are resident in the United Kingdom, all of whom are considered to be persons having authority and responsibility for planning, directing, and controlling the activities of the LLP, directly or indirectly. The respective compensation provided for the key management personnel above includes all forms of consideration provided by the LLP in exchange for services rendered to the LLP

BROCKTON CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

5. FINANCE INCOME

	2011	2010
	£	£
Bank interest receivable	2,027	292
Loan interest receivable	-	43,356
	<u>2,027</u>	<u>43,648</u>

6. FINANCE COSTS

	2011	2010
	£	£
Bank interest payable	16,941	17,881
Loss on foreign exchange	640	1,963
	<u>17,581</u>	<u>19,844</u>

7. MEMBERS' SHARE OF PROFITS

Profits are shared among the members in accordance with agreed profit sharing arrangements. Members are required to make their own provision for pensions from their profit shares.

	2011	2010
Average number of members entitled to a share of profits during the period	<u>20</u>	<u>8</u>

Amounts drawn by and profit attributable to the member with the largest entitlement to profit were £509,044.45 (2010: £544,769)

BROCKTON CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

8. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improve- ments £	Assets in the course of construction £	Computer Equipment £	Fixtures and Fittings £	Total £
Cost					
At 1 January 2010	589,872	-	159,073	83,639	832,584
Additions	-	140,749	66,211	1,777	208,737
At 1 January 2011	589,872	140,749	225,284	85,416	1,041,321
Transfer	140,749	(140,749)	-	-	-
Additions	620,746	-	42,624	122,728	786,098
At 31 December 2011	1,351,367	-	267,908	208,144	1,827,419
Accumulated depreciation					
At 1 January 2010	405,971	-	108,494	60,763	575,228
Charge for the year	114,815	-	36,382	13,168	164,365
At 1 January 2011	520,786	-	144,876	73,931	739,593
Charge for the year	139,878	-	48,858	19,955	208,691
At 31 December 2011	660,664	-	193,734	93,886	948,284
Net book value					
At 31 December 2011	690,703	-	74,174	114,258	879,135
At 31 December 2010	69,086	140,749	80,408	11,485	301,728

9. CLIENT AND OTHER RECEIVABLES

	2011 £	2010 £
Due within one year:		
VAT recoverable	158,447	172,558
Other debtors	1,081,363	930,916
Prepayments	161,472	167,414
	1,401,282	1,270,888

As at the year end there are £1,374,153 (2010 £1,013,269) of financial assets which are neither past due nor impaired. Management believe that these debts are of a high credit rating and no issues with recoverability exist.

Included within other debtors are loans totalling £674,106 (2010 £572,753) relating to loans advanced to members in respect of the formal Co-Investment programme into Brockton Capital Fund I L P and Brockton Capital Fund II L P.

NOTES TO THE FINANCIAL STATEMENTS**Year ended 31 December 2011****10. TRADE AND OTHER PAYABLES**

	2011	2010
	£	£
Trade payables	267,903	52,237
Taxation and social security	4,636	17,047
Accruals	248,277	293,210
Borrowings	435,019	435,019
Sundry creditors	9,516	11,555
	<u>965,351</u>	<u>809,068</u>

As at 31 December 2011, the LLP has a £750,000 (2010 £750,000 facility consisting of a £500,000 loan facility and £250,000 overdraft) loan facility in place

As at 31 December 2011, the LLP has drawn four tranches totalling £435,019(2010 £435,019) against the loan facility

The loan facility expires on 15 March 2013. As at 31 December 2011 the LLP had available £315,000 (2010 £315,000) of undrawn committed borrowing against the facility with a debenture over the LLP's assets. There are no covenants on the loan. Interest is charged at 4% above Libor on the loan facility. The loan is not repayable on demand.

Financial risk Management**Interest rate risk**

The Group is exposed to interest rate risk as the LLP has borrowed funds at floating interest rates. The Management Committee has reviewed this risk of interest rate increase causing financial distress and has concluded this is remote given the quantum of net borrowings. The interest rate sensitivity is disclosed below.

Liquidity risk

Liquidity risk is the risk that the LLP could experience difficulties in meeting its commitments to creditors as financial liabilities fall due for payment. The LLP manages its liquidity risk by using reasonable and retrospectively-assessed assumptions to forecast the future cash-generative capabilities and working capital requirements of the businesses it operates and by maintaining sufficient reserves, facilities and other credit lines as appropriate. Ultimate responsibility for liquidity risk management rests with the Management Committee, which has agreed an appropriate liquidity risk management framework for the management of the LLP's short, medium and long-term funding and liquidity management requirements.

Interest rate sensitivity

The sensitivity analysis below has been determined based on the exposure to interest rates for floating rate non-derivative instruments at the balance sheet date. The Group holds no derivative financial instruments.

For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the balance sheet date was outstanding for the whole year. A 50 basis points increase is used as this represents management's assessment of the possible change in interest rates.

At the reporting date, if interest rates had been 50 basis points higher and all other variables were held constant, the Group's net profit and profit and loss reserve would decrease by £2,175 (2010 £2,175).

BROCKTON CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

11. OBLIGATIONS UNDER OPERATING LEASES

Total commitments under non-cancellable operating leases are as follows

	Land and buildings	
	2011	2010
	£	£
Leases which expire		
Within one year	18,000	18,000
Between two and five years	-	-
Over 5 years	<u>1,278,693</u>	<u>1,278,693</u>

12. NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES

	2011	2010
	£	£
Operating profit	3,493,636	3,841,775
Depreciation	208,691	164,365
Increase in receivables	(126,041)	(457,943)
Increase in payables	<u>571,442</u>	<u>37,484</u>
Net cash outflow from operating activities	<u>4,147,728</u>	<u>3,585,681</u>

13. ANALYSIS OF CASH FLOWS

	2011	2010
	£	£
Investing activities		
Interest received	2,027	43,648
Interest payable	(17,581)	(19,844)
Purchases of property, plant and equipment	<u>(786,098)</u>	<u>(208,737)</u>
	<u>(801,652)</u>	<u>(184,933)</u>
Financing activities		
Payments to and on behalf of members	(2,505,441)	(2,221,229)
Capital introduced	-	-
Capital repaid	-	(810,133)
Profits distributed during the year	-	(396,602)
Drawdown of loan facility	<u>-</u>	<u>111,000</u>
	<u>(2,505,441)</u>	<u>(3,316,964)</u>

BROCKTON CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2011

14 ANALYSIS OF CHANGES IN NET FUNDS

	1 January 2011 £	Cash flow £	31 December 2011 £
Cash at bank and in hand	435,824	840,635	1,276,459
Total	<u>435,824</u>	<u>840,635</u>	<u>1,276,459</u>

15. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2011 £	2010 £
Increase in cash in the year	840,635	83,784
Change in net funds resulting from cash flows	840,635	83,784
Net funds at beginning of year	435,824	352,040
Net funds at end of year	<u>1,276,459</u>	<u>435,824</u>

16. TRANSACTIONS WITH RELATED PARTIES

During the year the LLP received a management fee totalling £1,348,647 (2010 £1,575,542) from Brockton Capital Fund I GP (Guernsey) Limited. Amounts outstanding at the year end were £nil (2010 £nil).

During the year the LLP received a management fee totalling £4,274,907 (2010 £4,458,077) from Brockton Capital Fund II GP (Guernsey) Limited. Amounts outstanding at the year end were £nil (2010 £nil).

17. CONTROLLING PARTY

In the opinion of the members there is no controlling party as defined by IAS 24 Related Party Disclosures.

The LLP is required by its regulator, the Financial Services Authority, to make its risk disclosure policy available in accordance with Pillar 3 of the Capital Requirements Directive. This disclosure is available on request from the LLP's registered office.