Registered number
03105821

Belgrave Capital Management Limited

Annual Report and Financial Statements

30 September 2012

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Belgrave Capital Management Limited

Annual Report and Financial Statements for the year ended 30 September 2012

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Belgrave Capital Management Limited
Registered number: 03105821
Directors' Report

The Directors present their Annual Report and Financial Statements for the year ended 30 September 2012

Principal activities
The Company manages collective investment schemes It also continues to offer investment advisory and research services to institutional clients

Review of the business
The business environment for investment management was very difficult throughout the year Heightened risk aversion among European investors brought about a continuous reduction of their equity exposure, which affected Vitruvius SICAV, despite posting solid positive performance across all portfolios As a result, the profitability of the Company declined substantially leading to a limited overall loss for the year During the last quarter, concerns over European markets subsided and outflows appeared to have stabilised Business development activity was maintained in Europe and has now been extended to Asia and very recently to Latin America, with the view of diversifying the investor base of Vitruvius SICAV

Despite poor financial results registered this year, the Directors remain confident with the business undertaken by the Company and support the efforts of expanding the target client base by allocating further resources to business development The Company's substantial capital and liquidity position provides an ample cushion to continue these efforts for the years to come

Segmental Reporting
The Company's activities consist solely of asset management and advisory services

Financial Risk
The Company's operations expose it to certain financial risks The Company considers financial risks regularly and seeks to limit the adverse effects on the financial performance of the Company Additional information is provided in the Company's Pillar 3 disclosure document that should be read in conjunction with these financial statements and is available on the Company's website (www belgrave com)

Key Performance Indicators ("KPI's")
Given the straightforward nature of the business, the Directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business

Dividends
No interim dividend was proposed (2011 - £6 66 per share) and no final dividend for the year ended 30 September 2012 has been proposed by the Directors (2011 - £Nil)

Directors
The Directors of the Company who were in office during the year and up to the date of signing the financial statements were

M P Nocera
J R Purvis (Chairman)
A J Albert
C M Solaro del Borgo
F Foglia
A Foglia

Charitable donations
During the year the Company made charitable contributions of £10,000 (2011 - £15,000) The Company has made limited donations through the years to charities which have child support and education as their primary objectives or smaller charities who may not have easy access to funding, which are supported by the Directors of the Company

Directors' responsibilities
The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations

Company law requires the Directors to prepare financial statements for each financial year Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period In preparing these financial statements, the Directors are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

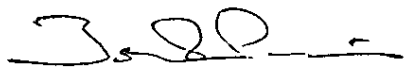
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

Disclosure of information to auditors
Each person who was a Director at the time this report was approved confirms that

- So far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- He has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Third party indemnity provisions
The Company is covered by a policy for Directors' and Officers' liability insurance, which is reviewed annually to ensure that cover is maintained at an appropriate level

This report was approved by the Board of Directors on 26 November 2012 and signed on its behalf by



J R Purvis
Chairman

Secretary and Registered Office
Goodwille Limited
St James House
13 Kensington Square
London W8 5HD

Belgrave Capital Management Limited

Independent auditors' report
to the shareholder of Belgrave Capital Management Limited

We have audited the financial statements of Belgrave Capital Management Limited for the year ended 30 September 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Respective responsibilities of directors and auditors

As explained more fully in the Directors' responsibilities statement set out on page 2, the Directors 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

This report, including the opinions, has been prepared for and only for the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing

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 Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on the financial statements

In our opinion the financial statements

- Give a true and fair view of the state of the Company's affairs as at 30 September 2012 and of its loss and cash flows for the year then ended,
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- Have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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 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
- Certain disclosures of directors' remuneration specified by law are not made, or
- We have not received all the information and explanations we require for our audit

Graham Phillips
(Senior Statutory Auditor)

27 November 2012

for and on behalf of
PricewaterhouseCoopersLLP
Chartered Accountants and Statutory Auditors
London

Belgrave Capital Management Limited

Profit and Loss Account
for the year ended 30 September 2012

	Notes	2012 £	2011 £
Turnover	2	12,858,183	15,667,524
Administrative expenses		(13,124,766)	(15,666,181)
Operating (Loss)/profit	3	(266,583)	1,343
Interest receivable and similar income		41,428	52,364
(Loss)/profit on ordinary activities before taxation		(225,155)	53,707
Tax on (loss)/profit on ordinary activities	6	14,097	(19,640)
(Loss)/profit for the financial year		(211,058)	34,067

All of the above amounts relate to continuing activities

There is no material difference between the (loss)/profit on ordinary activities before taxation and the (loss)/profit for the financial year stated above and their historical cost equivalents

Belgrave Capital Management Limited **Registered number: 03105821**

Balance Sheet
as at 30 September 2012

	Notes		2012 £		2011 £
Fixed assets					
Tangible fixed assets	7		121,223		148,161
Current assets					
Debtors	8	1,445,190		1,629,650	
Investments held as current assets	9	3,605,754		3,607,933	
Cash at bank and in hand		3,865,189		4,671,674	
		8,916,133		9,909,257	
Creditors amounts falling due within one year	10	(2,387,330)		(3,143,714)	
Net current assets			6,528,803		6,765,543
Total assets less current liabilities			6,650,026		6,913,704
Creditors. amounts falling due after more than one year	11		(56,997)		(109,617)
Net assets			6,593,029		6,804,087
Capital and reserves					
Called up share capital	13		225,000		225,000
Share premium	14		514,645		514,645
Profit and loss account	15		5,853,384		6,064,442
Total shareholder's funds	17		6,593,029		6,804,087

The financial statements on pages 4 to 14 were approved by the Board of Directors on 26 November 2012 and signed on its behalf by

M P Nocera
Director
The accompanying notes on pages 7 to 14 form an integral part of these financial statements

Belgrave Capital Management Limited

Cash Flow Statement
for the year ended 30 September 2012

	Notes	2012 £	2011 £
Reconciliation of operating (loss)/profit to net cash (outflow)/inflow from operating activities			
Operating (Loss)/profit		(266,583)	1,343
Depreciation and amortisation		40,203	34,138
Decrease in debtors		167,922	6,506
Increase/(decrease) in creditors		(809,004)	108,549
Net cash (outflow)/inflow from operating activities		(867,462)	150,536
CASH FLOW STATEMENT			
Net cash (outflow)/inflow from operating activities		(867,462)	150,536
Returns on investments and servicing of finance	18	41,543	52,858
Taxation		30,608	(3,018)
Capital expenditure	18	(13,265)	(15,514)
		(808,576)	184,862
Equity dividends paid		-	(1,500,000)
		(808,576)	(1,315,138)
Management of liquid resources	18	2,091	(1,110,073)
Decrease in cash		(806,485)	(2,425,211)
Reconciliation of net cash flow to movement in net funds			
Decrease in cash in the period		(806,485)	(2,425,211)
(Decrease)/increase in liquid resources		(2,091)	1,110,073
Other non cash changes		(88)	302
Change in net funds	19	(808,664)	(1,314,836)
Net funds at 1 October		8,279,607	9,594,443
Net funds at 30 September		7,470,943	8,279,607

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below

Turnover

Turnover represents fees receivable from external customers at invoiced amounts excluding value added tax

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows

Leasehold improvements	over the lease term
Fixtures and fittings	12 5% per annum on a straight line basis
Office equipment	20% per annum on a straight line basis

Investments

Current asset investments are carried at the lower of cost and estimated net realisable value

Deferred taxation

Deferred tax is recognised in respect of timing differences that have originated but not reversed at the balance sheet date where transactions or events, that result in an obligation to pay more tax in the future, or the right to pay less tax in the future have occurred at the balance sheet date An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain Timing differences are differences between the Company's taxable profits and its results in the financial statements

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date Deferred tax is measured on a non-discounted basis

Foreign currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date All differences are taken to the profit and loss account

Operating leases

Rentals paid under operating leases are charged to income on a straight line basis over the lease term

Pensions

The Company operates a defined contribution pension scheme Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

2 **Analysis of turnover**	2012 £	2011 £
By activity		
Investment management and advisory services	12,858,183	15,667,524
By geographical market		
Europe	12,858,183	15,667,524

3 **Operating (Loss)/profit**	2012 £	2011 £
This is stated after charging		
Depreciation of owned fixed assets	40,203	34,138
Operating lease rentals (see Note 21)	203,064	206,586
Auditors' remuneration for audit services	36,400	35,000
Auditors' remuneration for other services - tax compliance	5,000	5,000
Exchange differences	22,063	(10,143)

4 **Directors' emoluments**	2012 £	2011 £
Emoluments	804,208	696,317
Highest paid director		
Emoluments (excluding pension contribution)	376,208	366,317

5 **Staff costs (including directors)**	2012 £	2011 £
Wages and salaries	1,942,796	1,916,327
Social security costs	235,415	228,172
Other pension costs	109,640	104,175
Secondment costs	893,733	1,139,210
	3,181,584	3,387,884

Average number of employees during the year	Number	Number
Administration	7	6
Fund management and research	14	16
	21	22

6 Taxation

	2012	2011
	£	£
Analysis of charge in period		
Current tax		
UK corporation tax (credit)/charge	(15,392)	15,392
Deferred tax		
Origination and reversal of timing differences	1,295	4,248
Tax on (loss)/profit on ordinary activities	(14,097)	19,640

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows

	2012	2011
	£	£
(Loss)/profit on ordinary activities before tax	(225,155)	53,707
Standard rate of corporation tax in the UK	25%	27%
	£	£
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax	(56,289)	14,501
Effects of		
Expenses not deductible for tax purposes	9,119	5,139
Capital allowances in excess of depreciation	(960)	(4,248)
Trading losses carried forward	31,645	-
Change in effective tax rate	16,485	-
Adjustments to tax charge in respect of previous periods	(15,392)	-
Current tax (credit)/charge for period	(15,392)	15,392

Factors that may affect future tax charges

The Company has trading losses of £126,580 (2011 £Nil) and capital losses of £60,000 (2011 £60,000) No deferred tax asset has been recognised in respect of these losses

7 Tangible fixed assets

	Leasehold improvements £	Office equipment £	Fixtures and fittings £	Total £
Cost				
At 1 October 2011	45,880	98,863	161,073	305,816
Additions	2,357	10,800	108	13,265
At 30 September 2012	48,237	109,663	161,181	319,081
Depreciation				
At 1 October 2011	14,205	74,655	68,795	157,655
Charge for the year	10,524	10,950	18,729	40,203
At 30 September 2012	24,729	85,605	87,524	197,858
Net book value				
At 30 September 2012	23,508	24,058	73,657	121,223
At 30 September 2011	31,675	24,208	92,278	148,161

8 Debtors

	2012 £	2011 £
Due within one year		
Trade debtors	867,560	1,074,312
Amounts owed by group undertakings	298,739	215,385
Taxation	15,392	30,608
Other debtors	97,710	147,374
Prepayments and accrued income	162,229	157,116
	1,441,630	1,624,795
Due after one year		
Deferred tax asset (see Note 12)	3,560	4,855
	1,445,190	1,629,650

Amounts owed by group undertakings are unsecured, interest free and receivable under a contract for services

9 Investments held as current assets

	2012 £	2011 £
Investments	3,605,754	3,607,933
Investments		
Cost plus amortised discount on zero coupon treasury bills	3,607,292	3,608,430

The market value of the investments at 30th September 2012 was £3,605,754 (2011 £3,607,933)

10 Creditors· amounts falling due within one year	2012 £	2011 £
Trade creditors	969,615	1,426,778
Amounts due to group undertakings	408,409	468,393
Other taxes and social security costs	74,790	184,113
Accruals and deferred income	934,516	1,064,430
	2,387,330	3,143,714

Amounts due to group undertakings are unsecured, interest free and payable under a contract for services

11 Creditors. amounts falling due after one year	2012 £	2011 £
Between two and five years		
Accruals and deferred income	56,997	109,617

12 Deferred taxation	2012 £	2011 £
Accelerated capital allowances	(3,560)	(4,855)
Undiscounted for deferred tax asset	(3,560)	(4,855)

	2012 £	2011 £
At 1 October	(4,855)	(9,103)
Deferred tax charge in profit and loss account	1,295	4,248
At 30 September	(3,560)	(4,855)

13 Called up share capital	Nominal value	2012 Number	2012 £	2011 £
Allotted, called up and fully paid				
Ordinary shares	£1 each	225,000	225,000	225,000

14 Share premium	2012 £
At 1 October 2011	514,645
At 30 September 2012	514,645

15 Profit and loss account	2012 £
At 1 October 2011	6,064,442
Loss for the financial year	(211,058)
At 30 September 2012	5,853,384

16 Dividends	2012 £	2011 £
Dividends for which the Company became liable during the year		
Dividends paid	-	1,500,000

17 Reconciliation of movement in shareholder's funds	2012 £	2011 £
At 1 October	6,804,087	8,270,020
(Loss)/profit for the financial year	(211,058)	34,067
Dividends	-	(1,500,000)
At 30 September	6,593,029	6,804,087

18 Gross cash flows	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	41,543	52,858
Capital expenditure		
Payments to acquire tangible fixed assets	(13,265)	(15,514)
Management of liquid resources		
Sale/(purchase) of current asset investments	2,091	(1,110,073)

19 Analysis of changes in net funds

	At 1 Oct 2011	Cash flows	Non-cash changes	At 30 Sep 2012
	£	£	£	£
Cash at bank and in hand	4,671,674	(806,485)	-	3,865,189
Current asset investments	3,607,933	(2,091)	(88)	3,605,754
Total	8,279,607	(808,576)	(88)	7,470,943

Other non cash changes represent the amortised discount on zero coupon treasury bills

Included in cash at bank and in hand is an amount of £9,637 (2011 £4,383) held with Banca del Ceresio SA, our ultimate parent Company

20 Pension commitments

The Company operates one defined contribution scheme for its employees The assets of the scheme are held separately from those of the Company in independently administered funds The pension charges represents contributions payable by the Company to such pension scheme and amounted to £109,640 (2011 £104,175) At the end of the year, there were outstanding contributions payable of £Nil (2011 £Nil)

21 Other financial commitments

At the year end the Company had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 2012	Land and buildings 2011
	£	£
Operating leases which expire within two to five years	216,456	216,456

22 Related party transactions

The Company is exempt under the requirements of the Financial Reporting Standard No 8 from disclosing the related party transactions with entities that are part of the Banca del Ceresio SA group

	2012 £	2011 £
Vitruvius SICAV		
Luxembourg SICAV for which the Company acts as investment manager		
Fees earned in the normal course of business	11,626,848	14,797,794
Amounts due at the year end (included in trade debtors)	867,560	1,074,312

Mr C M Solaro del Borgo

A Director of the Company who is also a director of Vitruvius SICAV and a director of Ceresio SIM S p A , a subsidiary of Banca del Ceresio SA

Mr Alberto Foglia

A senior manager of Banca del Ceresio SA who is also a director of Vitruvius SICAV

Mr T Brianza

A senior manager of Banca del Ceresio SA who is also a director of Vitruvius SICAV

Mr F Foglia

A Director of the Company who is a shareholder and senior manager of Banca del Ceresio SA (the ultimate parent Company of Belgrave Capital Management Ltd) and a director of Ceresio SIM S p A , a subsidiary of Banca del Ceresio SA

Mr Antonio Foglia

A Director of the Company who is a director of Banca del Ceresio SA (the ultimate parent Company of Belgrave Capital Management Ltd) and a director of Ceresio SIM S p A , a subsidiary of Banca del Ceresio SA Mr Antonio Foglia is also a shareholder of Banca del Ceresio SA via a Luxembourg holding Company

23 Ultimate controlling party

The largest and smallest group in which the results of the Company are consolidated is that headed by Banca del Ceresio SA, a Company incorporated in Switzerland The financial statements of Banca del Ceresio SA are available to the public from their offices at the following address Via Pretorio 13, Lugano, CH6901 - Switzerland

The Company's immediate parent Company is Belgrave Capital Luxembourg S A , a Company incorporated in Luxembourg