

SISU Capital Partners LLP
Year ended 31 March 2019

Registered Number: OC308188

SISU CAPITAL PARTNERS LLP
MEMBERS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

TUESDAY



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SISU Capital Partners LLP
Year ended 31 March 2019

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Administrative Information

Management Board

SISU Capital Limited

Member

Joy Seppala

Member (casting vote in tied voting)

Dermot Coleman

Member

Justin Fitzsimmons

Member

David Mills

Member

Registered office

96 Kensington High Street

London

W8 4SG

Registered number

OC308188

Auditor

BDO LLP

55 Baker Street

London

W1U 7EU

Members' Report
For the year ended 31 March 2019

The Members present their report and the audited financial statements for the year ended 31 March 2019.

Principal activities

SISU Capital Partners LLP ("the LLP") is a UK Limited Liability Partnership. The principal activity of the LLP is to act as the General Partner of various limited partnerships, which together comprise The SISU Private Equity Fund (the 'Fund'). The Fund was established for the purpose of making private equity investments. Further information is given in note 1 to the financial statements. It is the intention of the Management Board that the LLP will continue with its current activities for the foreseeable future.

Results and distributions

The results for the year are shown in the statement of comprehensive income on page 7. The Members' allocation in the year ended 31 March 2019 amounted to £1,968,226 (2018: allocation of £1,973,751).

Members and Members' capital

The Members of the LLP as at 31 March 2019 are set out below. Under the terms of the Amended and Restated Limited Liability Partnership Agreement dated 17 September 2007, Members' capital does not attract interest and is repayable at the discretion of the LLP on leaving the LLP. Members have subscribed capital totalling £500 as follows:

	£
SISU Capital Limited	425
Joy Seppala	18.75
Dermot Coleman	18.75
Justin Fitzsimmons	18.75
David Mills	18.75
	<hr/>
	500

All Members are Designated Members.

Management Board

The Management Board comprises the individuals as set out on page 1, all of whom served throughout the year.

Members' profits and losses

The profits of the LLP for each accounting year (or other period) shall be allocated to such Members and in such proportions as the Members shall agree no later than 90 days following the end of such accounting year (or other period as applicable).

The losses of the LLP for each accounting year (or other period) shall be allocated first, to the Members in proportion to the aggregate amount of profits allocated to them in respect of all prior accounting years (or other periods), and thereafter, to the Members in proportion to their respective capital contributions.

Statement as to disclosures of information to auditors

Each of the persons who are members at the time when the report is approved confirms that:

- So far as each member is aware, there is no relevant audit information of which the Limited Liability Partnership's auditors are unaware; and
- They have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant information and to establish that the Limited Liability Partnership's auditors are aware of that information.

Auditor

BDO LLP has expressed its willingness to continue in the office as the auditors and will be reappointed in accordance with section 485 of the Companies Act 2006

Members' Report (continued)

Statement of members' responsibilities in respect of the Members' Report and the financial statements

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

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under these regulations the members 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 Limited Liability Partnership and of the profit or loss of the Limited Liability Partnership for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Limited Liability Partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Liability Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership and enable them to ensure that its financial statements comply with the Limited Liability Partnership (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Joy Seppala
Member

Date: 29 July 2019

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF SISU CAPITAL PARTNERS LLP

Opinion

We have audited the financial statements of SISU Capital Partners LLP ("the Limited Liability Partnership") for the year ended 31 March 2019, which comprise of the Statement of comprehensive income, Statement of financial position, Reconciliation of members' interest, Statement of cash flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 March 2019 and of its profit 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 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Limited Liability Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Limited Liability Partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Members are responsible for the other information. The other information comprises the information included in the members report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial

statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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; or

Responsibilities of Members

As explained more fully in the Statement of members' responsibilities in respect of the Members' Report and the financial statements, the Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Members are responsible for assessing the Limited Liability Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Members either intend to liquidate the Limited Liability Partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 by Limited Liability Partnerships (Accounts and Audit) (Application of the 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 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.

BDO LLP

Vanessa-Jayne Bradley (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
55 Baker Street
Marylebone
London
W1U 7EU

26 July 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Statement of Comprehensive Income
For the year ended 31 March 2019

	Notes	31 March 2019 £	31 March 2018 £
Turnover	2	2,971,254	3,834,396
Administrative expenses		(689,696)	(1,860,646)
Profit for the financial year before members' remuneration and profit shares		2,281,558	1,973,751
Members' remuneration charged as an expense		-	-
Profit for the financial year available for discretionary division among members		2,281,558	1,973,751
Other comprehensive income:			
Other comprehensive income		16,806	-
Total comprehensive income for the year		2,298,364	1,973,751

All the results shown in the above statement of comprehensive income are from continuing operations.

The notes on pages 11-13 form part of the financial statements.

SISU Capital Partners LLP
Year ended 31 March 2019

Statement of Financial Position
At 31 March 2019

	Notes	31 March 2019 £	31 March 2018 £
Fixed assets			
Investments	5	100,000	100,000
		<u>100,000</u>	<u>100,000</u>
Current assets			
Debtors	6	-	125,815
Cash at bank and in hand		883,555	542,224
			<u>668,039</u>
Creditors: amounts due within one year	7	(29,694)	(144,317)
Net current liabilities		<u>853,861</u>	<u>523,722</u>
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>953,861</u>	<u>623,722</u>
REPRESENTED BY:			
Loans and amounts due to members within one year			
Other amounts		952,066	-
Members' other interests			
Members' capital classified as equity		1,795	623,722
		<u>953,861</u>	<u>623,722</u>
Total Members' Interests			
Amounts due from members		-	-
Loans and other debts due to members		952,066	-
Members' other interests		1,795	623,722
		<u>953,861</u>	<u>623,722</u>

The financial statements were approved by the Members on 29 July 2019 and were signed on their behalf by:

Joy Seppala

Designated Member

The notes on pages 11-13 form part of the financial statements

Reconciliation of Members' interests 31 March 2019

	Members' Other interests			Loans and other debts due to members less any amounts due from members in debtors		Total 2019
	Members' Capital Classified as equity	Other Reserves	Total	Members' capital classified as a liability	Other amounts	
	£	£	£	£	£	£
Amounts due to members						
Amounts due from members				-	-	
Balance at 1 April 2018	500	623,222	623,722	-	-	623,722
Profit for the financial year available for discretionary division among members	-	2,298,364	2,298,364	-	-	2,298,364
Members' interest after profit/(loss) for the year	500	2,921,586	2,922,086	-	-	2,922,086
Capital introduced by members	-	-	-	-	-	-
Repayment of capital	-	-	-	-	-	-
Other divisions of profit	-	(2,920,291)	(2,920,291)	-	2,920,291	-
Drawings	-	-	-	-	(1,968,225)	(1,968,225)
Amounts due to Members	-	-	-	-	952,066	952,066
Amounts due from Members	-	-	-	-	-	-
Balance at 31 March 2019	500	1,295	1,795	-	952,066	953,861

The average number of Members during the period was 5.

In the event of a winding up of the Partnership, monies due to creditors will be paid before any distributions of loans and other debts due to Members.

Statement of cash flows
For the year end 31 March 2019

	31 March 2019	31 March 2018
	£	£
Cash flows from operating activities		
Profit for the financial year before members' remuneration and profit shares	2,298,364	1,973,751
Adjustments for:		
(Increase)/decrease in debtors	125,815	-
(Decrease)/increase in creditors	(114,623)	(102,329)
Investment value in related party written down	-	362
	<hr/>	<hr/>
Cash flows from operations	2,309,556	1,871,784
Members drawings	(1,968,225)	(1,351,824)
Net cash (used in)/generated from operating activities	<hr/> 341,331	<hr/> 519,960
Cash flows from investing activities		
Investment in non-current asset	-	(100,000)
Net cash from investing activities	<hr/> -	<hr/> (100,000)
Cash flows from financing activities		
Capital introduced by members	-	-
Capital repaid to members	-	-
Net cash (used in) /generated from financing activities	<hr/> -	<hr/> -
Net (decrease)/increase in cash and cash equivalents	<hr/> 341,331	<hr/> 419,960
Cash and cash equivalents at the beginning of the year	542,224	122,264
Cash and cash equivalents at the end of the year	<hr/> <hr/> 883,555	<hr/> <hr/> 542,224

The notes on pages 11-13 form part of the financial statements.

Notes to the Financial Statements
For the year ended 31 March 2019

1. Principal accounting policies

i. Accounting convention

The financial statements have been prepared under the historical cost convention in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006. The financial statements have also been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnership" (LLP SORP).

The LLP is exempt from the obligations to prepare group financial statements on the basis that the LLP's results have been consolidated in the group financial statements of SISU Capital Limited, the ultimate parent company. Consequently, the financial statements present information about the LLP as an individual undertaking and not about its group.

ii. Going concern

The financial statements have been prepared on a going concern basis which contemplates the realisation of assets and the satisfaction of liabilities in the normal course of business. The parent company, SISU Capital Limited, has expressed its willingness to provide such support as is necessary to permit the LLP to continue to trade for the foreseeable future.

iii. Investments

Investments in unlisted shares, which have been classified as fixed asset investments as the business intends to hold them on a continuing basis, are remeasured to fair value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

iv. Turnover

Turnover comprises Priority Profit Share (PPS) from the funds and is recognised upon realisation within the funds or when payment of deferred PPS is made.

v. Expenses

Expenses are accounted for on an accruals basis.

vi. Taxation

The LLP itself does not pay tax on profits earned, rather the liability to any tax on profits earned in the partnership is with the Members.

vii. Foreign currencies

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.

viii. Presentational Currency

The financial statements are presented in Sterling, and the results are consolidated into the financial statements of SISU Capital Limited, the ultimate parent company whose financial statements are also presented in Sterling. Functional currency is determined with reference to the primary economic environment in which the entity operates. As the general partner to the SISU Capital Private Equity Funds (whose functional and presentational currency is Euros) the primary economic environment in which SISU Capital Partners LLP operates and therefore its functional currency is Euros.

Notes to the Financial Statements
For the year ended 31 March 2018 (continued)

- ix **Drawings**
Drawings represent payments on account of profits which may be allocated to members. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the partnership and maybe reclaimed from members until profits have been allocated to them. Any unallocated profits are included within members' other interests, classified as equity, advanced drawings in excess of allocated profits are included within 'Amounts due from members' in debtors, and allocated profits in excess of drawings are included within 'Amounts due to members' as a liability.
- x **Financial Instruments**
Debtors
Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.
- Cash and cash equivalents**
Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.
- Creditors**
Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.
- Financial assets**
Financial assets including cash at bank and trade and other debtors are measured initially at transaction price (including transaction costs) and subsequently held at cost, less any impairment.
- Financial liabilities and equity**
Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.
- xi **Members' participation rights**
Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for examples, in respect of amounts subscribed or otherwise contributed, remuneration and profits).
- Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with sections 11 and 12 of FRS 102, basic and other financial instruments. A members' participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.
- Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity. In the event of the death or retirement of a member or the dissolution of the LLP, such amounts are classified as liabilities.
- The profits of the LLP for each accounting year are allocated to members in such proportions as the members shall agree no later than 90 days following the financial year end and are treated as profits for discretionary division amongst members in the accounts.
- All amounts due to members that are classified as liabilities are presented in the statement of financial position within 'Loans and other debts due to members' and are charged to the statement of comprehensive income within 'Members' remuneration charged as an expense'.

SISU Capital Partners LLP
Year ended 31 March 2019

Amounts due to members that are classified as equity are shown in the statement of financial position within 'Members' other interests'.

2. Turnover

	2019 £	2018 £
Priority profit share	2,971,254	3,843,396
Other comprehensive income (interest paid on loan to ARVO Master Fund Ltd)	16,806	-
	<u>2,988,060</u>	<u>3,843,396</u>

3. Operating profit

This is stated after charging:

	2019 £	2018 £
Auditor's remuneration: audit of these financial statements	<u>2,950</u>	<u>2,850</u>

4. Employee information

There were no employees (excluding Members) during the period.

5. Investments: Other investments are shares in unlisted entities which have been measured at fair value.

	2019 £	2018 £
Opening balance recorded at cost	100,000	362
Additions	-	100,000
Impairment	-	(362)
Closing balance	<u>100,000</u>	<u>100,000</u>

6. Debtors

	2019 £	2018 £
Outstanding loan to ARVO Master Fund Ltd	-	125,815
	<u>-</u>	<u>125,815</u>

Notes to the Financial Statements
For the year ended 31 March 2019 (continued)

7. Creditors: amounts due within one year

	2019	2018
	£	£
Other creditors	12,916	6,919
Amounts due to corporate member	16,778	137,398
	<u>29,694</u>	<u>144,317</u>

8. Related party transactions

During the year SISU Capital Limited's management fee and office support charges amounted to £680,278 (2018: £1,818,866).

9. Ultimate Parent Undertaking

The ultimate parent is SISU Capital Limited a company incorporated in England and Wales. SISU Capital Limited is the only parent company which prepares group financial statements, copies of which can be obtained from SISU Capital Limited, 96 Kensington High Street, London, W8 4SG.