

Registered Number: OC319988

CS CAPITAL PARTNERS III (FP) LLP

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2018



CS Capital Partners III (FP) LLP

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CS Capital Partners III (FP) LLP

Members

John Van Deventer	Designated
James Clark	Designated
Chris Sales	
Keith Maddin	
Edward McNeill	
Lawrence Small	Designated
Jay Derrett	
Richard McDougall	Designated
Sophie Orgueil	
Tarun Sharma	Designated
Frederick Athill	
Rob MacMillan	

Kenneth Van Deventer, as Trustee of the John Van Deventer Revocable Trust
 Paul Sperry, as Trustee of the James R Clark Revocable Trust
 John and Melody Van Deventer Family LP

Registered Office

One Connaught Place
 London
 W2 2ET

Manager

Cabot Square Capital LLP
 One Connaught Place
 London
 W2 2ET

Independent Auditors

BDO LLP
 150 Aldersgate Street
 London
 EC1A 4AB

Legal Advisers

Herbert Smith Freehills LLP
 Exchange House
 Primrose Street
 London
 EC2A 2HS

Bankers

Barclays Bank PLC
 1 Churchill Place
 London
 E14 5HP

CS Capital Partners III (FP) LLP

Report of the Members

The members present their report and the audited financial statements for the year ended 31 December 2018.

Principal Activities

The principal activity of the limited liability partnership is to carry on the business of acting as the founder partner and an investor in the limited partnership CS Capital Partners III, LP (the 'Fund Partnership'), with a view to providing profits for distribution in accordance with the terms of the Limited Liability Partnership Agreement dated 31 May 2006.

The Fund Partnership life terminated on 7 August 2016, at the end of its 10 year period. In accordance with the Limited Liability Partnership Agreement, the Manager has extended the Fund Partnership life to August 2019. The Manager anticipates the Fund Partnership will continue in existence until realisation of the remaining investments.

Results and Business Review

The policies of CS Capital Partners III (FP) LLP regarding the allocation of profits to members, interim drawings and on account and exit distributions and the subscription and repayment of members' capital are disclosed in the accounting policies.

Members

The following were members of the limited liability partnership during the year and, unless otherwise stated, continued to be members after that date:

John Van Deventer	Designated
James Clark	Designated
Chris Sales	
Keith Maddin	
Edward McNeill	
Irene Zia	(Resigned 6 April 2018)
Lawrence Small	Designated (Appointed 6 April 2018)
Jay Derrett	
Richard McDougall	Designated
Sophie Orgueil	
Tarun Sharma	Designated
Frederick Athill	
Rob MacMillan	
Kenneth Van Deventer, as Trustee of the John Van Deventer Revocable Trust	
Paul Sperry, as Trustee of the James R Clark Revocable Trust	
John and Melody Van Deventer Family LP	

CS Capital Partners III (FP) LLP**Report of the Members (Continued)****Registration Number**

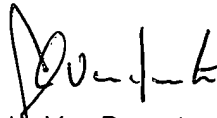
CS Capital Partners III (FP) LLP is registered in England and Wales with the registration number OC319988.

Auditors

On 1 February 2019, Moore Stephens LLP merged its practice with BDO LLP and so resigned as auditors with effect from that date. BDO LLP were appointed as auditors in accordance with s485 of the Companies Act 2006.

The report has been prepared in accordance with the provisions of the Limited Liability Partnerships Regulations 2001 made under the Limited Liability Partnerships Act 2000.

On Behalf of the Members on **8 April** 2019



John Van Deventer

Designated Member

CS Capital Partners III (FP) LLP

Statement of Members' Responsibilities

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

Company law, as applicable to LLPs, requires 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law) including FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland. Under company law, as applicable to LLPs, 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 LLP and of the profit or loss of the LLP for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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 statement; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

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

Independent Auditor's Report to the Members of CS Capital Partners III (FP) LLP

Opinion

We have audited the financial statements of CS Capital Partners FP LP (the 'partnership') for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash 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 FRS 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 partnership's affairs as at 31 December 2018 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, as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of 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 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 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 audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in 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 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 annual 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.

Opinions on other matters

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Members' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the members' report.

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
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the members' responsibilities Statement set out on page 4, 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 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 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: 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 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. Our audit work has been undertaken so that we might state to the 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 partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Fowles, *Senior Statutory Auditor*

For and on behalf of BDO LLP, Statutory Auditor
150 Aldersgate Street
London
EC1A 4AB

Date: 8 April 2019

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

CS Capital Partners III (FP) LLP

**Statement of Comprehensive Income
For the year ended 31 December 2018**

	<u>Note</u>	<u>2018</u> £	<u>2017</u> £
Revenue	1(e)	29,808	1,732,168
Administrative expenses		-	(13)
Interest receivable		<u>391</u>	<u>22,875</u>
Profit for the year available for discretionary division among members		30,199	1,755,030
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to the members		<u>30,199</u>	<u>1,755,030</u>

The notes on pages 12 to 14 form a part of these financial statements.

CS Capital Partners III (FP) LLP
Registered Number: OC319988

Statement of Financial Position at 31 December 2018

	<u>Note</u>	<u>2018</u> £	<u>2017</u> £
Fixed Assets			
Investment in the Fund Partnership	5	850	850
Non-current Assets			
Debtors	6	169,966	169,966
Current Assets			
Debtors	6	1,368,532	1,672,967
Cash and cash equivalents		391	-
Net current assets		<u>1,368,923</u>	<u>1,672,967</u>
Net Assets attributable to Members		<u>1,539,739</u>	<u>1,843,783</u>
 Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability		1,368,532	1,672,967
Members' other interests			
Members' capital		850	850
Other Reserves		<u>170,357</u>	<u>169,966</u>
Total Members' Interests		<u>1,539,739</u>	<u>1,843,783</u>

The notes on pages 12 to 14 form a part of these financial statements.

These financial statements were approved by the Board of Members on
8 April 2019 and signed on its behalf by


 John Van Deventer
 Designated Member

CS Capital Partners III (FP) LLP

**Statement of Changes in Equity
for the year ended 31 December 2018**

	Members' Capital £	Other Reserves £	Total £	Loans and Other Debts to/ (from) Members £	Total £
At 1 January 2018 b/fwd	850	169,966	170,816	1,672,967	1,843,783
Investment sale proceeds available for division among Members	-	29,808	29,808	-	29,808
Profit available for Members' profit share distribution	-	391	391	-	391
Members' interests	850	200,165	201,015	1,672,967	1,873,982
Allocated sale proceeds	-	(29,808)	(29,808)	29,808	-
Amounts drawn by Members	-	-	-	(23,284)	(23,284)
Tax paid on behalf of Members	-	-	-	(310,959)	(310,959)
Amounts due from Members	-	-	-	-	-
Amounts due to Members	-	-	-	1,368,532	-
At 31 December 2018	850	170,357	171,207	1,368,532	1,539,739

Members' other interests rank after unsecured creditors, with loans and other debts due to members ranking pari passu with unsecured creditors in the event of a winding up.

The notes on pages 12 to 14 form a part of these financial statements.

CS Capital Partners III (FP) LLP

**Statement of Changes in Equity
for the year ended 31 December 2017**

	Members' Capital £	Other Reserves £	Total £	Loans and Other Debts to/ (from) Members £	Total £
At 1 January 2017 b/fwd	850	147,104	147,954	9,514,601	9,662,555
Investment sale proceeds available for division among Members	-	1,732,168	1,732,168	-	1,732,168
Profit available for Members' profit share distribution	-	22,862	22,862	-	22,862
Members' interests	850	1,902,134	1,902,984	9,514,601	11,417,585
Allocated sale proceeds	-	(1,732,168)	(1,732,168)	1,732,168	-
Amounts drawn by Members	-	-	-	(1,319,975)	(1,319,975)
Escrow release from Members	-	-	-	(8,047,730)	(8,047,730)
Tax paid on behalf of Members	-	-	-	(206,097)	(206,097)
Amounts due from Members		-	-	-	-
Amounts due to Members		-	-	1,672,967	-
At 31 December 2017	850	169,966	170,816	1,672,967	1,843,783

The notes on pages 12 to 14 form a part of these financial statements.

CS Capital Partners III (FP) LLP

Statement of Cash Flows for year ended 31 December 2018

	<u>Note</u>	<u>2018</u> £	<u>2017</u> £
Cash inflow from operating activities			
Cash generated from operations	7	334,634	9,573,789
Net cash generated from operating activities		<u>334,634</u>	<u>9,573,789</u>
Cash flows from financing activities			
Payment to and on behalf of members		(334,243)	(9,573,802)
Net cash used in financing activities		<u>(334,243)</u>	<u>(9,573,802)</u>
Decrease in cash and cash equivalents in the year		391	(13)
Cash and cash equivalents at beginning of year		-	13
Cash and cash equivalents at end of year		<u>391</u>	<u>-</u>

The notes on pages 12 to 14 form a part of these financial statements.

CS Capital Partners III (FP) LLP

Financial Statements for the year ended 31 December 2018

Notes

1. Significant Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

(a) General information, statement of compliance and basis of accounting

CS Capital Partners III (FP) LLP (the 'Partnership') is a limited liability partnership incorporated in the United Kingdom on 25 May 2006 under the Limited Liability Partnership Act 2000. The address of the registered office is given on page 1. The nature of the Partnership's operations and its principal activities are set out in the members' report on page 2.

The life of CS Capital Partners III, LP (the 'Fund Partnership'), of whom the Partnership is a founder partner and an investor, terminated on 7 August 2016 at the end of its 10 year period. In accordance with the Limited Partnership Agreement, the Fund Manager has extended the Fund Partnership life until 7 August 2019, subject to any further extensions in accordance with clause 14.2 of the LPA. Accordingly, the Partnership will continue for the duration of the Fund Partnership's existence. As such, these financial statements have been prepared on a going concern basis.

The Partnership financial statements are prepared in compliance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council, the Statement of Recommended Practice: Accounting by Limited Liability Partnerships (effective 1 January 2016), and the terms of the LLP's Membership Agreement, unless otherwise disclosed in the financial statements.

The financial statements have been prepared on the historical cost basis and presented in pound sterling which is the functional currency of the Partnership.

(b) Foreign Currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange on the day on which the transaction took place. Assets and liabilities expressed in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. All foreign exchange differences are taken to the profit and loss account in the period in which they arise.

(c) Investments

Investment in the Fund Partnership is stated at cost, as modified for fair value revaluation of investments in the Fund Partnership, together with any allocations of gains/(losses) from the Fund Partnership in accordance with the rules for allocations under Clause 7.5 of the LP Agreement which require any amount debited or credited to the limited liability partnership's account in the Fund Partnership's books to be also made in the limited liability partnership's books.

Fund Partnership investments were valued in the Balance Sheet at the Manager's valuation. In recognition of industry best practice, management have ensured that the fair values of unquoted investments have been determined in accordance with the International Private Equity and Venture Capital Valuation Guidelines, last revised in December 2018.

CS Capital Partners III (FP) LLP

Financial Statements for the year ended 31 December 2018

Notes (Continued)

1. Significant Accounting Policies (continued)

(d) Allocation of Profits and Drawings

All capital receipts and income receipts shall be distributed amongst members in accordance with Clauses 7.6, 7.7 and Clause 8 of the LLP Agreement which require that all cash or other proceeds received from the Fund should first be used to pay the members' expenses and liabilities and the balance to the founding members in proportion to their respective participations.

Members' subscriptions paid to the limited liability partnership by the members are only repayable at the sole discretion of the limited liability partnership.

(e) Revenue recognition

Revenue is accounted for on an accruals basis. The Partnership's share of income and capital gains/(losses) in respect of investments is accounted for on an accruals basis in accordance with the rules for allocations and distributions under Clauses 10 and 11 of the LPA.

(f) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and short term deposits with original maturities of three months or less and that are subject to an insignificant risk of changes in value.

(g) Taxation

The financial statements do not incorporate any charge or liability for taxation on the results of the limited liability partnership as the relevant income tax is the responsibility of the individual members.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Partnership's accounting policies, which are described in note 1, the members are required to make judgements, estimates and assumptions which affect the amounts reported for assets and liabilities as at the year-end date and the amounts reported for revenues and expenses during the year. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, the nature of the estimation means that actual outcomes could differ from these estimates.

Due to the simplicity of the Partnership's transaction streams and year-end financial position, the members consider there to be no critical judgements, estimates and assumptions used in the preparation of these financial statements.

3. Employee Information

Apart from the members, the limited liability partnership has no employees. All of its operations are administered by the Fund Partnership manager, Cabot Square Capital LLP.

4. Operating Results

In accordance with administrative arrangements between the General Partner, Cabot Square Capital GP III Ltd and the Fund Partnership manager, Cabot Square Capital LLP, the latter will bear all general administrative expenses, including auditors' remuneration incurred by the limited liability partnership.

CS Capital Partners III (FP) LLP

Financial Statements for the year ended 31 December 2018

Notes (Continued)

5. Investment in the Fund Partnership

	As Limited Partner £	As Founder Partner £	Total £
Capital contributions at 1 January and 31 December	<u>63</u>	<u>787</u>	<u>850</u>

6. Debtors

Amounts falling due after more than one year

	<u>2018</u>	<u>2017</u>
	£	£
Other debtors	<u>169,966</u>	<u>169,966</u>

Amounts falling due within one year

	<u>2018</u>	<u>2017</u>
	£	£
Other debtors	<u>1,368,532</u>	<u>1,672,967</u>

7. Cash Flow from Operating Activities

Reconciliation of operating profit to net cash inflow from operating activities

	<u>2018</u>	<u>2017</u>
	£	£
Operating profit	30,199	1,755,030
Decrease in debtors	304,435	7,818,759
	<u>334,634</u>	<u>9,573,789</u>
Net cash / inflow from operating activities	<u>334,634</u>	<u>9,573,789</u>

8. Related Party Transactions

John Van Deventer, James R Clark, Tarun Sharma, Lawrence Small and Richard McDougall are investors in the Fund Partnership either directly or through trusts. They are also designated members of the manager, Cabot Square Capital LLP.

9. Ultimate Controlling Party

The members regard Cabot Square Partners Holding Limited, a company incorporated in Guernsey, as the parent company. The ultimate controlling party is considered to be Mr. John Van Deventer.