

Registered number: OC334333

Langholm Capital 2008 LLP
Report and consolidated financial statements
For the year ended 30 June 2020



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DESIGNATED MEMBERS AND ADVISERS

Designated Members

A.E.B. Wiegman
A.F. Bird

Members

N.J. Evans

Registered office

2nd Floor
17 Waterloo Place
London
SW1Y 4AR

Banker

Coutts & Co.
440 Strand
London
WC2R 0QS

Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Solicitor

Macfarlanes
20 Cursitor Street
London
EC4A 1LT

Registered number

OC334333

MEMBERS' REPORT

The members present their report and the audited financial statements for the year ended 30 June 2020 for Langholm Capital 2008 LLP ("the LLP").

Activities

The principal activity of the LLP during the year was the management of Langholm Capital II LP, a private equity fund ("the Fund"). The principal activities of the LLP's subsidiaries were respectively to act as General Partner to the Fund and its associated partnership.

Business Review

During the year, the LLP continued to assist in the development of existing investments. The Fund was 85.18% invested at the year end.

Principal subsidiaries

The LLP's principal subsidiaries are shown in Note 8 to the accounts.

Adoption of FRS 102

In the preparation of these financial statements the members have adopted Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Results for the year and allocation to members

The LLP's consolidated loss for the year was £35,938 (2019 profit: £72,117) and details of the results for the year are set out on page 9.

Going Concern

As outlined in the LPA, the Fund was scheduled to terminate on 19 July 2020. In August 2019, the Investors gave their consent to extend the term of the Fund for one additional year to 19 July 2021 in accordance with the clause 9.2 of the LPA. As a further extension has not been obtained as at the date of the approval of these financial statements, the partners have not prepared the financial statements on a going concern basis. The effect of this is explained in note 1.

Policy with respect to Members' drawings and subscription and repayment of amounts subscribed or otherwise contributed by Members

Members are permitted to make drawings ("guaranteed drawings") in anticipation of future profits that will be allocated to them. The Limited Liability Partnership Agreement (the "LLPA") determines the amount of such drawings.

Profits (up to the aggregate of members' guaranteed drawings) are allocated and paid to the Members entitled to guaranteed drawings pro rata to those drawings.

There follows a discretionary allocation of profit to the Members.

The nature of any remaining profits determines whether they are allocated between Members pro rata to their Income Profit or Capital Profit Sharing Percentages.

Losses for any financial year are allocated between the members at the discretion of the Management Committee, but with the presumption that they will be allocated between members pro rata to their Income Profit or Capital Profit Sharing Percentages, as appropriate.

In preparing the annual accounts, the LLP shall reserve out of profits before distribution, such amounts as the Management Committee shall determine in order to provide further working capital for the business. These amounts may subsequently be distributed as the LLP's working capital needs change.

Disclosure of information to auditor

The members who held office at the date of approval of this members' report confirm that, so far as they are each aware, there is no relevant audit information of which the LLP's auditor is unaware; and each member has taken all the steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

Auditor

KPMG LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the members and signed on their behalf



A.E.B Wiegman
Designated Member

12 October 2020

**STATEMENT OF MEMBERS' RESPONSIBILITIES IN RESPECT OF THE
MEMBERS' REPORT AND THE FINANCIAL STATEMENTS**

The members are responsible for preparing the Members' Report and the group and LLP 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 group and LLP financial statements for each financial year. Under that law the members have elected to prepare both the group and LLP financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 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 group and the LLP and of the profit or loss of the group for that period. In preparing each of the group and LLP financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the group and the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- used the going concern basis of accounting unless they either intend to liquidate the partnership or to cease operations, or have no realistic alternative but to do so (as explained in note 1, the Manager does not believe that it is appropriate to prepare these financial statements on a going concern basis).

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, 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 its financial statements comply with those regulations. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



A.E.B Wiegman
Designated Member

12 October 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LANGHOLM CAPITAL 2008 LLP

Opinion

We have audited the group and LLP financial statements of Langhom Capital 2008 LLP ("the LLP") for the year ended 30 June 2020 which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Reconciliation of Consolidated Members' Interests, the LLP Statement of Financial Position, the LLP reconciliation of Members' Interests, the Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the group and of the LLP as at 30 June 2020 and of the loss of the group for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Emphasis of matter – non-going concern basis of preparation

We draw attention to the disclosure made in Note 1 to the financial statements which explains that the financial statements are now not prepared on the going concern basis for the reason set out in that note. Our opinion is not modified in respect of this matter.

Other information

The members are responsible for the other information, which comprises the members' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Matters on which we are required to report by exception

Under the Companies Act 2006 as applied to limited liability partnerships we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the LLP's individual 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

We have nothing to report in these respects.

Members' responsibilities

As explained more fully in their statement set out on page 6, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and the LLP'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 they either intend to liquidate the group or the LLP or to cease operations, or have no realistic alternative but to do so (as explained in note 1, the Members do not believe that it is appropriate to prepare these financial statements on a going concern basis).

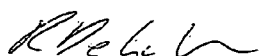
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the members of the LLP, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of 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 LLP'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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Richard De La Rue (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square
London
E14 5GL

14 October 2020

CONSOLIDATED INCOME STATEMENT

	Notes	Year ended 30 June 2020 £	Year ended 30 June 2019 £
Turnover	3	1,573,930	1,570,211
Other operating income		34,000	44,133
		<u>1,607,930</u>	<u>1,614,344</u>
Staff costs		(304,659)	(307,343)
Depreciation		(35,839)	(36,411)
Other operating expenses		(684,410)	(561,213)
Operating profit		<u>583,022</u>	<u>709,377</u>
Interest receivable and similar income		1,040	588
Profit before taxation	4	<u>584,062</u>	<u>709,965</u>
Taxation relief	5	-	-
Profit for the financial year before members' remuneration and profit shares		<u>584,062</u>	<u>709,965</u>
Members' remuneration charged as an expense		(620,000)	(637,848)
Profit / (loss) for the financial year available for discretionary division among members		<u>(35,938)</u>	<u>72,117</u>
Profit / (loss) for the financial year		<u><u>(35,938)</u></u>	<u><u>72,117</u></u>

All of the above results derive from continuing operations.

The notes on pages 17 to 25 are an integral part of these accounts.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 30 June 2020 £	Year ended 30 June 2019 £
Profit / (loss) for the financial year available for discretionary division among members	(35,938)	72,117
Currency exchange differences on foreign operations and other differences	83,954	(11,235)
Total comprehensive income for the year	48,016	60,882

The notes on pages 17 to 25 are an integral part of these accounts.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2020 £	At 30 June 2019 £
Fixed assets			
Tangible fixed assets	7	39,746	75,585
Investments	8	<u>45</u>	<u>44</u>
		39,791	75,629
Current assets			
Debtors: amounts falling due in less than one year	9	152,786	137,623
Cash at bank and in hand		<u>926,190</u>	<u>746,903</u>
		1,078,976	884,526
Current liabilities			
Creditors: amounts falling due in less than one year	10	<u>(873,924)</u>	<u>(613,229)</u>
Net current assets		205,052	271,297
Total assets less current liabilities		244,843	346,926
Provisions for liabilities and charges	11	<u>-</u>	<u>(94,221)</u>
Net assets attributable to members		244,843	252,705
Represented by:			
Members' other interests			
Members' capital - classified as equity	12	150,000	150,000
Other amounts - classified as debts		<u>94,843</u>	<u>102,705</u>
		244,843	252,705
Total Members' interests			
Amounts due from members		-	-
Members' other interests		<u>244,843</u>	<u>252,705</u>
		244,843	252,705

The notes on pages 17 to 25 are an integral part of these accounts. The accounts were approved by the members of the LLP on 12 October 2020 and were signed on its behalf by:



A.E.B Wiegman
Designated Member

Registered number: OC334333

RECONCILIATION OF CONSOLIDATED MEMBERS' INTERESTS

	Equity		Debt		Total £
	Members' capital (classified as Equity)	Other reserves	Members' capital (classified as debt)	Other amounts	
	£	£	£	£	
Amounts due to members	150,000	-	-	54,370	204,370
Amounts due from members	-	-	-	-	-
Balance at 30 June 2018	150,000	-	-	54,370	204,370
Member capital contributions	-	-	-	-	-
Member capital returns	-	-	-	-	-
Reclassification	-	-	-	-	-
Members' remuneration charged as an expense	-	-	-	637,848	637,848
Profit for the financial year available for discretionary division among members	-	72,117	-	-	72,117
Allocated during the year	-	(60,882)	-	60,882	-
Drawings	-	-	-	(650,395)	(650,395)
Other movements	-	(11,235)	-	-	(11,235)
Amounts due to members	150,000	-	-	102,705	252,705
Amounts due from members	-	-	-	-	-
Balance at 30 June 2019	150,000	-	-	102,705	252,705
Member capital contributions	-	-	-	-	-
Member capital returns	-	-	-	-	-
Reclassification	-	-	-	-	-
Members' remuneration charged as an expense	-	-	-	620,000	620,000
Profit for the financial year available for discretionary division among members	-	(35,938)	-	-	(35,938)
Allocated during the year	-	(48,016)	-	48,016	-
Drawings	-	-	-	(675,878)	(675,878)
Other movements	-	83,954	-	-	83,954
Amounts due to members	150,000	-	-	94,843	244,843
Amounts due from members	-	-	-	-	-
Balance at 30 June 2020	150,000	-	-	94,843	244,843

The notes on pages 17 to 25 are an integral part of these accounts.

LLP STATEMENT OF FINANCIAL POSITION

	Notes	At 30 June 2020 £	At 30 June 2019 £
Fixed assets			
Tangible fixed assets	7	39,746	75,585
Investments		5	5
		<u>39,751</u>	<u>75,590</u>
Current assets			
Debtors: amounts falling due in less than one year	9	152,786	137,642
Cash at bank and in hand		874,036	700,081
		<u>1,026,822</u>	<u>837,723</u>
Current liabilities			
Creditors: amounts falling due in less than one year	10	(873,888)	(613,214)
Net current assets		<u>152,934</u>	<u>224,509</u>
Total assets less current liabilities		<u>192,685</u>	<u>300,099</u>
Provisions for liabilities and charges	11	-	(94,221)
Net assets attributable to members		<u>192,685</u>	<u>205,878</u>
Represented by:			
Members' other interests			
Members' capital - classified as equity	12	150,000	150,000
Other amounts - classified as debts		42,685	55,878
		<u>192,685</u>	<u>205,878</u>
Total Members' interests			
Amounts due from members		-	-
Members' other interests		192,685	205,878
		<u>192,685</u>	<u>205,878</u>

The notes on pages 17 to 25 are an integral part of these accounts. The accounts were approved by the members of the LLP on 12 October 2020 and were signed on its behalf by:



A.E.B Wiegman
Designated Member
Registered number: OC334333

LLP RECONCILIATION OF MEMBERS' INTERESTS

	Equity		Debt	
	Members' capital (classified as Equity)	Other reserves	Other amounts	Total
	£	£	£	£
Amounts due to members	150,000	-	12,547	162,547
Amounts due from members	-	-	-	-
Balance at 30 June 2018	150,000	-	12,547	162,547
Member capital contributions	-	-	-	-
Member capital returns	-	-	-	-
Members' remuneration charged as an expense	-	-	637,848	637,848
Profit for the financial year available for discretionary division among members	-	55,878	-	55,878
Drawings	-	-	(650,395)	(650,395)
Allocated during the year	-	(12,547)	55,878	-
Amounts due to members	150,000	-	55,878	205,878
Amounts due from members	-	-	-	-
Balance at 30 June 2019	150,000	-	55,878	205,878
Member capital contributions	-	-	-	-
Member capital returns	-	-	-	-
Members' remuneration charged as an expense	-	-	620,000	620,000
Profit for the financial year available for discretionary division among members	-	42,685	-	42,685
Drawings	-	-	(675,878)	(675,878)
Allocated during the year	-	(42,685)	42,685	-
Amounts due to members	150,000	-	42,685	192,685
Amounts due from members	-	-	-	-
Balance at 30 June 2020	150,000	-	42,685	192,685

The notes on pages 17 to 25 are an integral part of these accounts.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended 30 June 2020 £	Year ended 30 June 2019 £
Net cash inflow from operating activities	<i>a</i>	877,161	908,372
Returns on investments and servicing of finance			
Interest received		1,040	588
Net cash inflow from returns on investments and servicing of finance		1,040	588
Capital expenditure and financial investment			
Payments to acquire tangible fixed assets		-	(14,901)
Movement in investments		-	-
Net cash outflow from capital expenditure and financial investment		-	(14,901)
Transactions with members			
Capital contributions by members		-	-
Capital contributions returned to members		-	-
Payments to members		(675,878)	(650,395)
Loans and other debts due from members		-	-
Net cash outflow from transactions with members		(675,878)	(650,395)
Cash inflow before management of financing		202,323	243,664
Amounts received from / (paid to) Langholm Capital Fund II		(23,036)	2,834
Net cashflow from financing		(23,036)	2,834
Increase in cash in the year	<i>b/c</i>	179,287	246,498

The notes on pages 17 to 25 are an integral part of these accounts.

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 30 June 2020 £	Year ended 30 June 2019 £
a. Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	583,022	709,377
Depreciation	35,839	36,411
Increase / (decrease) in debtors	7,872	(9,811)
Decrease in creditors	166,474	183,630
Other differences on consolidation	83,954	(11,235)
Net cash inflow from operating activities	877,161	908,372
	<u> </u>	<u> </u>
b. Reconciliation of net cash flow to movement in net funds		
Increase in cash in the year	179,287	246,498
Change in net funds resulting from cash flows	179,287	246,498
Opening net funds	746,903	500,405
Movement in net funds in the year	179,287	246,498
Closing net funds	926,190	746,903
	<u> </u>	<u> </u>
c. Analysis of net funds	As at 30 June 2019 £	Cash Flow Cash Flow 30 June 2020 £
Cash in hand, at bank	746,903	179,287
	<u> </u>	<u> </u>

The notes on pages 17 to 25 are an integral part of these accounts.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2020

1. Accounting policies

These Group and parent entity financial statements were prepared in accordance with Financial Reporting Standard 102, *the Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") as issued in August 2014 and the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships. The presentation currency of these financial statements is sterling.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the LLP and its subsidiary undertakings made up to 30 June 2020. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the consolidated income statement from the date that control commences until the date that control ceases. Control is established when the parent has the power to govern the operating and financial policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that are currently exercisable. In the parent financial statements, investments in subsidiaries are carried at cost less impairment.

Under the terms of the Companies Act 2006, Limited Liability Partnerships Act these LLPs, together with certain of their portfolio company investments are subsidiary undertakings of the LLP by virtue of the control exercised through the general partners and should be consolidated in full. However, the members consider this accounting treatment would not give a true and fair view if the assets and income as a whole were to be consolidated since the Group's interest in these assets is, except to the extent that they are proportionally consolidated, merely that of investment manager.

The approximate effect of this departure is to increase profit before tax and the non-controlling interest in the profit for the year by £15.2m (2019: decrease by £36.5m); to reduce investments by £58.6m (2019: reduce by £70m); to increase other net assets by £0.3m (2019: increase by £0.5m), and to reduce the non-controlling interest in the balance sheet by £58.2m (2019: reduce by £70.5m).

Measurement convention

The financial statements are prepared on the historical cost basis, with the exception of derivative financial instruments which are recorded at fair value through the profit or loss.

Going concern

In previous years, the financial statements have been prepared on a going concern basis. As outlined in the LPA, the Fund was scheduled to terminate on 19 July 2020. However, in accordance with the clause 9.2 of the LPA, the General Partner is able to obtain a number of extensions to the life of the Fund for a maximum of two consecutive one year periods in order to provide for the orderly realisation of the assets of the Fund. Each extension requires 'Investors Special Consent'. In August 2019, the Investors gave their consent to extend the term of the Fund for one additional year to 19 July 2021.

1. Accounting policies (continued)

Going concern

A further extension of the Fund has not been obtained as at the date of the approval of these financial statements. Accordingly, the members have not prepared the financial statements on a going concern basis. The change in accounting basis has not resulted in any material adjustments to the Income Statement or Balance Sheet during the period under review.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

Fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write-off the cost, less estimated residual value, of assets on a straight line basis over their expected useful lives at the following annual rates:

Leasehold improvements – over the life of the lease – 33.3%
Software and computer and communications equipment – 33.3%
Furniture and office equipment - 20%

Fixed Asset Investments

These are separate financial statements of the LLP. Investments in subsidiaries are included at cost less provision for any impairment.

Turnover

Turnover is derived from ordinary activities, and is stated net of VAT, and net of any rebates repayable to investors in Langholm Capital II L.P. Management fees and monitoring fees are accounted for on an accruals basis. Transaction fees may be earned and are then invoiced when a deal is completed.

Expenses

Expenses are accounted for on an accruals basis.

Pension costs

Contributions to defined contribution schemes on behalf of employees are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Members' remuneration

The LLP agreement provides that fixed amounts be paid to members, irrespective of the profits of the LLP. These amounts are included within 'Members' remuneration charged as an expense.

A member's share in the profit or loss for the year is accounted for as an allocation of profits. Unallocated profits and losses are included within 'other reserves'.

1. Accounting policies (continued)

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss.

Taxation

Income tax, being the individual liability of each member, is not provided for in the accounts of the LLP.

Corporation tax payable by companies within the group is accounted for on an accruals basis.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in the income statement over the term of the lease as an integral part of the total lease expense.

2. Employee information

	Year ended 30 June 2020	Year ended 30 June 2019
Investment professionals	2	2
Administration	2	2
	<u>4</u>	<u>4</u>
	<u> </u>	<u> </u>
	Year Ended 30 June 2020	Year Ended 30 June 2019
Staff costs for the above persons were:	£	£
Wages and salaries	252,010	259,019
Social security costs	31,569	31,837
Pension costs	21,080	16,487
	<u>304,659</u>	<u>307,343</u>
	<u> </u>	<u> </u>

'Wages and salaries' include the costs to employ Langholm Capital employees.

The LLP operates a defined contribution pension scheme on behalf of certain of its employees (at 30 June 2020: 3 employees; at 30 June 2019: 4 employees). No contributions were outstanding as at 30 June 2020 (2019: £Nil).

3. Turnover

The Group's consolidated turnover includes the following amounts:

	Year ended 30 June 2020	Year ended 30 June 2019
	£	£
Management fee due from group companies	1,573,930	1,570,211
Transaction fees	-	-
	<u>1,573,930</u>	<u>1,570,211</u>

4. Profit before taxation

	Year ended 30 June 2020 £	Year ended 30 June 2019 £
Stated after charging:		
Depreciation	35,839	36,411
Auditor's remuneration	73,000	58,217
Hire of office equipment - operating leases	12,192	10,624
Other - operating leases	161,820	156,367

'Other – operating leases' includes £161,820 paid by the LLP for the rent of its offices (2019: £156,367).

An additional amount of £36,600 (2019: £18,477), translated at year end rates, was provided in the accounts of Langholm Capital II LP in respect of the Auditor's remuneration.

5. Tax on profit

Taxation for the partnership, being the individual liability of each member, is not provided for in the accounts. Total tax relief due to the Group for the year is nil (2019: nil).

Factors affecting the tax relief / (charge) for the current year:

	Year ended 30 June 2020 £	Year ended 30 June 2019 £
Deferred tax		
Origination and reversal of temporary differences in current year	-	-
Tax relief / (expense) on profit	-	-

6. Profit of the LLP

As permitted by s.408 Companies Act 2006 (as modified for application to LLPs), the LLP is exempt from presenting its own profit and loss account. The profit of the LLP for the financial year before members' remuneration amounted to £662,685 (2019: £693,726).

7. Tangible fixed assets – Group and LLP

	Leasehold Improvements	Software and Computer and Communications Equipment	Furniture and Office Equipment	Total
	£	£	£	£
Cost or valuation				
At 1 July 2019	546,131	388,869	126,602	1,061,601
Additions	-	-	-	-
At 30 June 2020	546,131	388,869	126,602	1,061,601
Depreciation				
At 1 July 2019	490,656	374,231	121,129	986,016
Charge for the year	26,275	7,235	2,329	35,839
At 30 June 2020	516,931	381,466	123,458	1,021,855
Net book value				
At 30 June 2020	29,199	7,402	3,144	39,746
At 30 June 2019	55,475	14,638	5,473	75,585

8. Investments – LLP

	Investment in subsidiary undertakings £
At 1 July 2019	5
Investment in subsidiaries	-
At 30 June 2020	<u>5</u>

The Group holds investments of £45 in Langholm Capital Carry II GP Limited. The company's investment represents 5% of the capital contributed to Langholm Capital Carry II LP.

The LLP owns direct and indirect investments in the following subsidiaries:

Subsidiary undertakings	Country of incorporation	Date of incorporation	Proportion of Ordinary shares	Activity
Langholm Capital Nominees Limited	England	27 Dec 2001	100%	Nominee Company
Langholm Capital CIP Nominees Limited	England	10 Sep 2002	100%	Nominee Company
Langholm Capital II (GP) Limited	Scotland	23 Jun 2008	100%	General Partner
Langholm Capital Carry II (GP) Limited	Scotland	23 Jun 2008	100%	General Partner

Controlled undertakings	Country of incorporation	Date of Registration	Activity
Langholm Capital Partners II (GP) LP	Scotland	23 Oct 2008	General Partner
Langholm Capital Carry II LP	Scotland	23 Jun 2008	General Partner
Langholm Capital II LP	England	03 Dec 2008	Fund

All entities incorporated in England are registered at 2nd Floor, 17 Waterloo Place, London, SW1Y 4AR.

All Scottish incorporated entities are registered at 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.

9. Debtors

	Group	LLP	Group	LLP
	At 30 June	At 30 June	At 30 June	At 30 June
	2020	2020	2019	2019
	£	£	£	£
Amounts owed by subsidiary undertaking	-	-	-	-
Other debtors	58,208	58,208	30,935	30,954
Prepayments	94,578	94,578	106,688	106,688
	<u>152,786</u>	<u>152,786</u>	<u>137,623</u>	<u>137,642</u>

Other debtors include various expenses borne by the LLP on behalf of the Fund and on behalf of its investee companies, and subsequently recharged.

10. Creditors: amounts falling due in less than one year

	Group	LLP	Group	LLP
	At 30 June	At 30 June	At 30 June	At 30 June
	2020	2020	2019	2019
	£	£	£	£
Trade creditors	10,380	10,380	11,451	11,451
Other creditors, including taxation; social security	133,216	133,180	72,748	72,733
Accruals and deferred income	730,328	730,328	529,030	529,030
	<u>873,924</u>	<u>873,888</u>	<u>613,229</u>	<u>613,214</u>

Deferred income comprises PPS received in advance from the Fund. Other creditors include future dilapidation charges (£37,584) upon expiry of the existing leased premises, and recognition of the rent-free period (£24,273), released over the period of the lease.

11. Provisions for liabilities and charges: amounts falling due after more than one year

Group and LLP

	Dilapidation	Lease	Total
	Provision	Creditor	
	£	£	£
At 1 July 2019	37,584	56,637	94,221
Released during the year	-	(32,364)	(32,364)
Transferred to current creditors	(37,584)	(24,273)	(61,857)
At 30 June 2020	<u>-</u>	<u>-</u>	<u>-</u>

12. Members' interests

Capital and loans contributed to the Partnership by members bear no interest. Loans and other debts due to members rank equally with debts due to ordinary creditors in a winding up.

13. Operating lease commitments

At 30 June 2020, the LLP had annual commitments under operating leases as follows:

	At 30 June 2020	At 30 June 2019
	£	£
Obligations under operating leases		
Other assets		
Expiring in 1 year	12,192	10,624
	<u>12,192</u>	<u>10,624</u>

14. Related party disclosures

All the members are related as a result of their membership of the LLP, with the designated members, A.E.B Wiegman and A.F. Bird, considered to be the controlling parties of the LLP. Members' remuneration is disclosed in the Reconciliation of consolidated members' interests on page 12. Neville Evans, a member of Langholm Capital 2008 LLP, is also the Chief Financial Officer of an underlying Portfolio Company.

Certain members of the LLP are directors of companies invested in by the Fund, and managed by the LLP. These companies paid the LLP £69,546 (2019: £76,208) during the financial period for services rendered by the LLP and recharges for expenses met on their behalf. At year end, these companies owed the LLP £14,815 (2019: £27,710).

Under the terms of the Fund partnership agreement (the "Agreement"), the members of the LLP have an obligation to co-invest in each of the Fund's investee companies an amount up to 1 per cent of the aggregate investment in that company. There were no Co-investments made through these arrangements during the year (2019: £53,984).

The Partnership has taken advantage of the exemption in FRS 102 relating to transactions between wholly owned subsidiaries of the group.

15. Subsequent events

The members have considered the financial and operational impact of the COVID-19 crisis on the LLP and wider group. As the crisis emerged, the Partnership implemented business continuity plans to ensure operational activity continued with minimal disruption. The members consider COVID-19 to be a non-adjusting subsequent event and as a result, no adjustment is made in these financial statements. There have been no other significant events affecting the Partnership.