

**ADG CAPITAL MANAGEMENT LLP**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

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# ADG CAPITAL MANAGEMENT LLP

## LIMITED LIABILITY PARTNERSHIP INFORMATION

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<b>Designated members</b>	Hasan Abdat ADG Holdings LLP ADG Corporate Ltd
<b>Limited liability partnership number</b>	OC342915
<b>Registered office</b>	10 Chiswell Street London EC1Y 4UQ
<b>Auditor</b>	Fisher, Sassoon & Marks 43 - 45 Dorset Street London W1U 7NA

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# ADG CAPITAL MANAGEMENT LLP

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# **ADG CAPITAL MANAGEMENT LLP**

## **MEMBERS' REPORT**

***FOR THE YEAR ENDED 31 MARCH 2020***

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The members present their annual report and financial statements for the year ended 31 March 2020.

### **Principal activities**

The principal activity of the limited liability partnership is that of investment fund manager regulated by the FCA.

### **Fair review of the business**

The results for the year and the financial position at the year end were considered satisfactory by the members who expect continued growth in the foreseeable future.

The LLP had net assets in excess of £3.65 m (2019: £3.22 m). The LLP has a strong balance sheet and is well placed to achieve its long term strategy.

As a service provider the members consider that the key financial risk exposures faced by LLP relate to counterparty credit risk and the need to maintain sufficient liquidity to satisfy regulatory capital requirements and working capital needs. The LLP does not take positions which expose it to price risk nor does it have a material exposure to foreign exchange movements.

The LLP's financial risk management objections are therefore to minimise the key financial risk through having clearly defined terms of business with counterparties and stringent credit control over transaction with them, and regular monitoring of cash flow and management accounts to ensure regulatory capital requirements are not breached and the LLP maintains adequate working capital.

### **Key performance indicators**

Key performance indicator being net profit margin 35.85% (2019: 22.27%).

### **Members' drawings, contributions and repayments**

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

A member's capital requirement is linked to their share of profit and the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so the retiring members are repaid their capital at "par".

### **Designated members**

The designated members who held office during the year and up to the date of signature of the financial statements were as follows:

Hasan Abdat

ADG Holdings LLP

ADG Corporate Ltd

(Appointed 8 July 2019)

### **Auditor**

The auditor, Fisher, Sassoon & Marks, are deemed to be reappointed under section 487(2) of the Companies Act 2006 (as applied to limited liability partnerships).

# ADG CAPITAL MANAGEMENT LLP

## MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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### Statement of members' responsibilities

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) 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. Under company law (as applied by 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 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 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 statements;
- 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 the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of 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.

### Statement of disclosure to auditor

So far as the members are aware, there is no relevant audit information of which the limited liability partnership's auditor are unaware. Additionally, the members have taken all the necessary steps that they ought to have taken as members in order to make themselves aware of all relevant audit information and to establish that the limited liability partnership's auditor are aware of that information.

On behalf of the members



ADG Corporate Ltd  
Designated Member

30/09/2020

# ADG CAPITAL MANAGEMENT LLP

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ADG CAPITAL MANAGEMENT LLP

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#### Opinion

We have audited the financial statements of ADG Capital Management LLP (the 'limited liability partnership') for the year ended 31 March 2020 which comprise the statement of comprehensive income, the balance sheet, the reconciliation of members' interests, the statement of cash flows 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 limited liability partnership's affairs as at 31 March 2020 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 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.

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We have nothing to report in this regard.

# ADG CAPITAL MANAGEMENT LLP

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF ADG CAPITAL MANAGEMENT LLP

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#### Matters on which we are required to report by exception

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

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

#### Responsibilities of members

As explained more fully in the members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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: <http://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 the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Marks (Senior Statutory Auditor)  
for and on behalf of Fisher, Sassoon & Marks

30/09/2020

Chartered Accountants  
Statutory Auditor

43 - 45 Dorset Street  
London  
W1U 7NA

# ADG CAPITAL MANAGEMENT LLP

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Turnover	3	9,491,489	12,722,681
Cost of sales		(1,107,319)	(1,289,723)
<b>Gross profit</b>		<b>8,384,170</b>	<b>11,432,958</b>
Administrative expenses		(4,995,228)	(8,625,316)
<b>Operating profit</b>	4	<b>3,388,942</b>	<b>2,807,642</b>
Interest receivable and similar income	7	14,102	25,648
<b>Profit for the financial year before members' remuneration and profit shares</b>		<b>3,403,044</b>	<b>2,833,290</b>
Members' remuneration charged as an expense	6	(3,403,044)	(1,120,000)
<b>Profit for the financial year available for discretionary division among members</b>		<b>-</b>	<b>1,713,290</b>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.



# ADG CAPITAL MANAGEMENT LLP

## BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
<b>Current assets</b>					
Debtors	8	6,033,943		3,930,053	
Cash at bank and in hand		1,695,143		3,037,560	
		<u>7,729,086</u>		<u>6,967,613</u>	
<b>Creditors: amounts falling due within one year</b>	9	<u>(4,079,095)</u>		<u>(3,744,166)</u>	
<b>Net current assets and net assets attributable to members</b>		<u>3,649,991</u>		<u>3,223,447</u>	
<b>Represented by:</b>					
<b>Loans and other debts due to members within one year</b>					
Amounts due in respect of profits		1,086,701		660,157	
<b>Members' other interests</b>					
Members' capital classified as equity		850,000		850,000	
Other reserves classified as equity		1,713,290		1,713,290	
		<u>3,649,991</u>		<u>3,223,447</u>	
<b>Total members' interests</b>					
Loans and other debts due to members		1,086,701		660,157	
Members' other interests		2,563,290		2,563,290	
		<u>3,649,991</u>		<u>3,223,447</u>	

The financial statements were approved by the members and authorised for issue on 30/09/2020 and are signed on their behalf by:

  
ADG Corporate Ltd  
Designated member

Limited Liability Partnership Registration No. OC342915

# ADG CAPITAL MANAGEMENT LLP

## RECONCILIATION OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 MARCH 2020

Current financial year	EQUITY			DEBT		TOTAL
	Members' other interests					MEMBERS'
	Members' capital	Other reserves	Total	Other amounts	Total	INTERESTS
	(classified as equity)					Total
	£	£	£	£	£	2020
Amount due to members				660,157		
Members' interests at 1 April 2019	850,000	1,713,290	2,563,290	660,157	660,157	3,223,447
Profit for the financial year available for discretionary division among members	-	-	-	-	-	-
Members' interests after loss and remuneration for the year	850,000	1,713,290	2,563,290	4,063,201	4,063,201	6,626,491
Drawings	-	-	-	(2,976,500)	(2,976,500)	(2,976,500)
Members' interests at 31 March 2020	850,000	1,713,290	2,563,290	1,086,701	1,086,701	3,649,991
Amounts due to members				1,086,701		
				1,086,701		

# ADG CAPITAL MANAGEMENT LLP

## RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Prior financial year	EQUITY			DEBT		TOTAL
	Members' other interests					MEMBERS' INTERESTS
	Members' capital (classified as equity)	Other reserves	Total	Other amounts	Total	Total
	£	£	£	£	£	£
Amount due to members				997,507		
Members' interests at 1 April 2018	400,000	-	400,000	997,507	997,507	1,397,507
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	-	-	1,120,000	1,120,000	1,120,000
Profit for the financial year available for discretionary division among members	-	1,713,290	1,713,290	-	-	1,713,290
Members' interests after profit and remuneration for the year	400,000	1,713,290	2,113,290	2,117,507	2,117,507	4,230,797
Introduced by members	450,000	-	450,000	-	-	450,000
Drawings	-	-	-	(1,457,350)	(1,457,350)	(1,457,350)
Members' interests at 31 March 2019	850,000	1,713,290	2,563,290	660,157	660,157	3,223,447
Amounts due to members				660,157		
				660,157		

# ADG CAPITAL MANAGEMENT LLP

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	15		1,619,981		1,329,662
<b>Investing activities</b>					
Interest received		14,102		25,648	
<b>Net cash generated from investing activities</b>			14,102		25,648
<b>Financing activities</b>					
Capital introduced by members (classified as debt or equity)		-		450,000	
Payments to members that represent a return on amounts subscribed or otherwise contributed		(2,976,500)		(1,457,350)	
<b>Net cash used in financing activities</b>			(2,976,500)		(1,007,350)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(1,342,417)		347,960
Cash and cash equivalents at beginning of year			3,037,560		2,689,600
<b>Cash and cash equivalents at end of year</b>			1,695,143		3,037,560

# ADG CAPITAL MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2020**

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### **1 Accounting policies**

#### **Limited liability partnership information**

ADG Capital Management LLP is a limited liability partnership incorporated in England and Wales. The registered office is 10 Chiswell Street, London, EC1Y 4UQ.

The limited liability partnership's principal activities are disclosed in the Members' Report.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in January 2017, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention, there is no modification required as historic value and fair value of certain financial instruments is same. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the members have a reasonable expectation that the limited liability partnership has adequate resources to continue in operational existence for the foreseeable future. Thus the members continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover represents revenue earned from providing investment management services during the year, and is split between Management fees and Performance fees.

##### **Management Fees**

Represent fees receivable for investment management services, exclusive of Value Added Tax, which are recognised on an accrual basis.

Management fees are recognised when the LLP obtains the right for consideration in exchange for its investment management services.

##### **Performance Fees**

Represent fees that are payable in the event that the performance of the underlying investment exceeds a predetermined benchmark.

Performance fees receivable from funds are recognised in income when the fees crystallise.

# ADG CAPITAL MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 1 Accounting policies

(Continued)

#### 1.4 Members' participating interests

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, 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 section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

Once an unavoidable obligation has been created in favour of members through allocation of profits or other means, any undrawn profits remaining at the reporting date are shown as 'Loans and other debts due to members' to the extent they exceed debts due from a specific member.

#### 1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.6 Financial instruments

The limited liability partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the limited liability partnership's statement of financial position when the limited liability partnership becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction-price-including-transaction-costs-and-are-subsequently-carried-at-amortised-cost-using-the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# ADG CAPITAL MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2020

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#### 1 Accounting policies

(Continued)

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the limited liability partnership after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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# ADG CAPITAL MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

#### **1.7 Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### **1.8 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the limited liability partnership is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.9 Retirement benefits and post retirement payments to members**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.10 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.



# ADG CAPITAL MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 2 Judgements and key sources of estimation uncertainty

In the application of the limited liability partnership's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Turnover

An analysis of the limited liability partnership's turnover is as follows:

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Management & performance fees	9,491,489	11,741,009
Management fees	-	981,672
	<u>9,491,489</u>	<u>12,722,681</u>
	2020 £	2019 £
<b>Other significant revenue</b>		
Interest income	<u>14,102</u>	<u>25,648</u>

### 4 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	105,799	(143,052)
Fees payable to the LLP's auditor for the audit of the LLP's financial statements	<u>15,000</u>	<u>12,200</u>

# ADG CAPITAL MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

### 5 Employees

The average number of persons (excluding members) employed by the partnership during the year was:

	2020 Number	2019 Number
Trader	4	2
Marketing	3	3
IT	3	2
Total	10	7

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	1,336,923	1,369,767
Social security costs	163,867	180,196
Pension costs	12,638	4,335
	1,513,428	1,554,298

### 6 Members' remuneration

	2020 Number	2019 Number
The average number of members during the year was	2	2

	2020 £	2019 £
Profit attributable to the member with the highest entitlement	2,943,044	1,000,000
Average members remuneration	1,701,522	560,000

	2020 £	2019 £
Remuneration under participation rights	3,403,044	1,120,000

# ADG CAPITAL MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 7 Interest receivable and similar income

	2020 £	2019 £
<b>Interest income</b>		
Interest on bank deposits	14,102	25,648

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	14,102	25,648
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### 8 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	5,612,346	1,412,592
Other debtors	-	100,172
Prepayments and accrued income	421,597	2,417,289
	6,033,943	3,930,053

### 9 Creditors: amounts falling due within one year

	2020 £	2019 £
Other taxation and social security	47,512	24,962
Other creditors	142,557	72,726
Accruals and deferred income	3,889,026	3,646,478
	4,079,095	3,744,166

### 10 Retirement benefit schemes

#### Defined contribution schemes

The limited liability partnership operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the limited liability partnership in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £12,638 (2019 - £4,335).

### 11 Loans and other debts due to members

	2020 £	2019 £
<b>Analysis of loans</b>		
Amounts falling due within one year	1,086,701	660,157

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

# ADG CAPITAL MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

### 12 Events after the reporting date

There are no post balance sheet events to report.

### 13 Related party transactions

The total discretionary profit distributed to the members of the LLP, who are considered to be the key management personnel of the LLP was £3,403,044 (2019: £1,000,000).

The limited liability partnership has taken advantage of the exemption in Financial Reporting Standard 102 (Section 33) from the requirement to disclose transactions with group LLP's on the grounds that consolidated financial statements are prepared by the ultimate parent entity.

### 14 Controlling party

The ultimate parent entity is ADG Corporate Limited, a company registered in England and Wales.

The smallest and largest group in which the results of ADG Capital Management LLP are consolidated is that headed by ADG Corporate Limited whose registered office is at 10 Chiswell Street, London, EC1Y 4UQ, UK, where the group financial statements are available.

15 Cash generated from operations	2020 £	2019 £
Profit for the year	3,403,044	2,833,290
<b>Adjustments for:</b>		
Investment income recognised in profit or loss	(14,102)	(25,648)
<b>Movements in working capital:</b>		
Increase in debtors	(2,103,890)	(2,675,019)
Increase in creditors	334,929	1,197,039
<b>Cash generated from operations</b>	<b>1,619,981</b>	<b>1,329,662</b>

### 16 Analysis of changes in net funds

	1 April 2019 £	Cash flows £	31 March 2020 £
Cash at bank and in hand	3,037,560	(1,342,417)	1,695,143
Loans and other debts due to members:			
- Other amounts due to members	(660,157)	(426,544)	(1,086,701)
<b>Balances including members' debt</b>	<b>2,377,403</b>	<b>(1,768,961)</b>	<b>608,442</b>