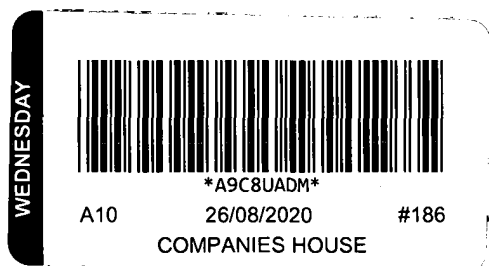


SAPIA PARTNERS LLP

(Limited liability partnership registration Number OC354934 (England & Wales))

Report and Financial Statements

for the year ended 31 March 2020



SAPIA PARTNERS LLP

(Registration Number OC354934)

Report and Financial Statements for the year ended 31 March 2020

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The reports and statements set out below comprise the annual financial statements presented to the partners:

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SAPIA PARTNERS LLP

(Registration Number OC354934)

Report and Financial Statements for the year ended 31 March 2020

LLP Information

COUNTRY OF INCORPORATION AND DOMICILE	United Kingdom
NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES	Provision of investment management and financial advisory services
DESIGNATED MEMBERS	Sapia Capital Partners Ltd IQ EQ (LC) UK Ltd
REGISTERED OFFICE	134 Buckingham Palace Road London United Kingdom SW1W 9SA
BANKERS	HSBC
AUDITOR	Talis Karklins Limited, Statutory Auditor 43 Eastbourne Road London TW8 9PF
FCA FIRM REFERENCE NUMBER	550103
PARTNERSHIP REGISTRATION NUMBER	OC354934
LEGAL FORM	Limited Liability Partnership

SAPIA PARTNERS LLP

(Registration Number OC354934)

Report and Financial Statements for the year ended 31 March 2020

Members' report

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

1. Principal Activities

The LLP's principal activity during the year has not changed, and continues to be the provision of finance regulatory umbrella, and investment management advisory services.

2. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

3. Policy with respect to members' drawings and subscription and repayment of members' capital

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs to the LLP.

New members are required to subscribe a minimum level of capital and in subsequent years members are invited to subscribe for further capital, the amount of which is determined by the performance and seniority of those members. On retirement, capital is repaid to members.

4. Designated Members

The designated members during the accounting period were as follows:

Sapia Capital Partners Ltd

IQ EQ (LC) UK Ltd

5. Pillar 3 disclosure requirements

Our Pillar 3 Disclosures 2019 are published on our website at:

https://www.lawsonconner.com/wp-content/uploads/2018/09/20190717-Pillar-3_-Sapia.pdf

6. Auditor

All of the Members as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The Members are not aware of any audit information of which the LLP's auditor is unaware.

This report was approved by the members on 17 April 2020 and signed on their behalf by:


Gerhard Grueter (Appl. 17, 2020)

Designated Member

On behalf of Sapia Capital Partners Limited

SAPIA PARTNERS LLP

(Registration Number OC354934)

Report and Financial Statements for the year ended 31 March 2020

Statement of members' responsibilities

Members' Responsibilities

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

The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under these regulations the members have elected to prepare the group and Limited Liability Partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under these regulations the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and Limited Liability Partnership and of the profit or loss of the group 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 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, 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 Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report to Members of Sapia Partners Limited Liability Partnership

Opinion

We have audited the financial statements of Sapia Partners Limited Liability Partnership ("the Limited Liability Partnership") for the year ended 31 March 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 31 March 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 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

Basis for opinion

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of Members

As explained more fully in the statement of member's responsibilities, 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 assurance, but is not a guarantee that an audit conducted in accordance with ISA's (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 these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at 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 Limited Liability Partnership's members, as a body, in accordance with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act) Regulations 2008. Our audit work has been undertaken so that we might state to the Limited Liability Partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



Talis Karklins (Senior Statutory Auditor)

For and on behalf of Talis Karklins Limited, statutory auditor

43 Eastbourne Road
London
TW8 9PF
United Kingdom

17 April 2020

Talis Karklins Limited is a limited liability company registered in England & Wales with registered number 9196806. Talis Karklins Limited is registered as auditors in the United Kingdom by the Association of Chartered Certified Accountants.

SAPIA PARTNERS LLP

(Registration Number OC354934)

Report and Financial Statements for the year ended 31 March 2020

Statement of Comprehensive Income

Figures in £	Notes	2020	2019
Turnover	8	2,746,494	1,366,469
Cost of Sales		(888,937)	(1,132,182)
Gross profit		1,857,557	234,287
Interest receivable and similar income		5	106
Administrative expenses		(194,443)	(186,614)
Operating Profit	9	1,663,119	47,779
Profit before taxation		1,663,119	47,779
Profit for the financial year before members' remuneration and profit shares		1,663,119	47,779
Total comprehensive income for the financial year available for discretionary division among members		1,663,119	47,779

The profit and loss account has been prepared on the basis that all operations are continuing operations.

SAPIA PARTNERS LLP

(Registration Number OC354934)

Report and Financial Statements for the year ended 31 March 2020

Statement of Financial Position

Figures in £	Notes	2020	2019
Assets			
Fixed Assets			
Tangible Assets	2	2	2
Current Assets			
Debtors	3	2,273,052	325,264
Cash and cash equivalents		2,709,817	100,244
		4,982,869	425,508
Creditors: amounts falling due within one year	6	(378,195)	(162,334)
Net current assets		4,604,674	263,174
Total assets less current liabilities		4,604,676	263,176
Net assets attributable to members		4,604,676	263,176
Represented by:			
Loans and other debts due (to) / from members	4	94	94
Members' other interests			
Members' capital classified as equity	5	2,846,690	168,309
Other Reserves	5	1,757,892	94,773
		4,604,676	263,176
Total members' interests			
Loans and other debts due (to) / from members		94	94
Members' other interest		4,604,582	263,082
		4,604,676	263,176

These accounts were approved by the members and authorised for issue on 17 April 2020


Gerhard Grueter (Appl 17, 2020)

Designated member
On behalf of Sapia Capital
Partners Limited
Date:

SAPIA PARTNERS LLP

(Registration Number OC354934)

Report and Financial Statements for the year ended 31 March 2020

Statement of Cash Flows

Figures in £	2020	2019
Cash flows (used in) / from operating activities		
Profit for the year	1,663,119	47,779
<i>Adjustments for:</i>		
Depreciation of tangible assets	-	173
(Increase) / decrease in trade and other receivables	(1,947,788)	1,523
Increase in trade and other payables	215,861	42,740
Net cash flows (used in) / from operations	(68,808)	92,215
Net cash flows (used in) / from operating activities	(68,808)	92,215
 Cash flows from / (used in) operating activities		
Capital introduced	2,686,000	-
Loans repaid	(7,619)	(37,672)
Net cash flows from / (used in) operating activities	2,678,381	(37,672)
Net increase in cash and cash equivalents	2,609,573	54,543
Cash and cash equivalents at beginning of the year	100,244	45,701
Cash and cash equivalents at end of the year	2,709,817	100,244

SAPIA PARTNERS LLP

(Registration Number OC354934)

Financial Statements for the year ended 31 March 2020

Statement of changes in equity

Figures in £

Total members' Interests	Members' Equity Capital £	Members other interests: Other Reserves £	Net Loans and other debts due to / from members £	2020	Total £
Balance as at 1 April 2019	168,309	94,773	94	263,176	
Profit / (Loss) for the financial year available for discretionary division among members	-	1,663,119	-	1,663,119	
Members' Interests after Profit / (Loss) for the year	168,309	1,757,892	94	1,926,295	
Introduced by members	2,686,000	-	-	2,686,000	
Repaid by members	(7,619)	-		(7,619)	
Balance as at 31 March 2020	2,846,690	1,757,892	94	4,604,676	

Comparatives for statements of changes in equity	Members' Equity Capital £	Members other interests: Other Reserves £	Net Loans and other debts due to / from members £	2019	Total £
Balance as at 1 April 2018	205,981	46,994	94	253,069	
Profit / (Loss) for the financial year available for discretionary division among members	-	47,779	-	47,779	
Members' Interests after Profit / (Loss) for the year	205,981	94,773	94	300,848	
Introduced by members	-	-	-	-	
Repaid by members	(37,672)	-		(37,672)	
Balance as at 31 March 2019	168,309	94,773	94	263,176	

SAPIA PARTNERS LLP

(Registration Number OC354934)

Report and Financial Statements for the year ended 31 March 2020

Accounting Policies

1. Basis of preparation and accounting policies

Sapia Partners LLP is a Limited Liability Partnership ('LLP') incorporated in England & Wales under the Companies Act. The address of the registered office is given on page 2 and the nature of the LLP's operations and its principal activities are set out in the Members' report. The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, including the Statement of Recommended Practice (2015), 'Accounting by Limited Liability Partnerships'.

1.1 Turnover

Turnover represents the value, net of value added tax and discounts, of services provided to customers.

Management and incentive fees are recognised when receivable in accordance with the relevant investment management agreement. Advisory and regulatory services turnover is recognised when services are provided.

1.2 Taxation

No provision has been made for taxation in the financial statements. Each member is exclusively liable for any tax liabilities arising out of their interest in the LLP. Tax is assessed on the individual members and not on the LLP.

1.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated losses.

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following rates are used for the depreciation of property, plant and equipment:

Furniture and fittings	20.00%
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The assets residual values, useful lives and depreciation methods are reviewed and adjusted retrospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

1.4 Financial instruments

The Partnership only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to and from related parties.

Debt instruments, other than those repayable or receivable within one year, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method.

SAPIA PARTNERS LLP

(Registration Number OC354934)

Report and Financial Statements for the year ended 31 March 2020

Accounting Policies

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured initially and subsequently at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangement of a short term instrument constitutes a financing transaction, the financial asset or liability is measured initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

1.5 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

1.6 Trade and other receivables

Trade and other receivables are measured at amortised cost using the effective interest rate method. At the end of each reporting period, the carrying amounts of trade and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown in current liabilities on the statement of financial position.

1.8 Trade payables

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest rate method.

1.9 Foreign currencies

The partnership's functional and presentational currency is GBP. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of comprehensive income.

SAPIA PARTNERS LLP

(Registration Number OC354934)

Report and Financial Statements for the year ended 31 March 2020

Notes to the Financial Statements

Figures in £	2020	2019
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2. Property, plant and equipment

	Cost	Accumulated depreciation	2020 Carrying value	Cost	Accumulated depreciation	2019 Carrying value
<i>Owned assets</i>						
Furniture and fittings	11,253	(11,251)	2	11,253	(11,251)	2

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2020 Carrying value at end of year
<i>Owned assets</i>					
Furniture and fittings	2	-	-	-	2

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2019 Carrying value at end of year
<i>Owned assets</i>					

3. Accounts receivable

Trade debtors	2,172,139	210,815
Prepayments and Accrued Income	57,310	69,902
Other Debtors	43,603	43,602
VAT Receivable	-	945
	<u>2,273,052</u>	<u>325,264</u>

Amounts due after more than one year included in:

Other Debtors	-	-
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4. Loans and other debts due (from) / to members

Loans from members	(19,896)	(19,896)
Amounts due to members in respect of profits	19,990	19,990
	<u>94</u>	<u>94</u>

Loans and other debts due to members are unsecured and rank equally with debts due to other unsecured creditors in the event of a winding up.

SAPIA PARTNERS LLP

(Registration Number OC354934)

Notes to the Annual Financial Statements

Figures in £

5. Members' Interest

	EQUITY			DEBT		
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors		Total Members' Interests
	Members' capital classified as equity £	Other Reserves £	Total £	Members' capital classified as a liability £	Total £	2020 Total £
Amounts due to members	168,309	94,773	263,082	94	94	263,176
Amounts due from members	-	-	-	-	-	-
Balance as at 1 April 2019	168,309	94,773	263,082	94	94	263,176
Profit for the financial year available for discretionary division among members	-	1,663,119	1,663,119	-	-	1,663,119
Members' interest after profit for the year	168,309	1,757,892	1,926,201	94	94	1,926,295
Introduction by members	2,686,000	-	2,686,000	-	-	2,686,000
Repayment of capital	(7,619)	-	(7,619)	-	-	(7,619)
Amounts due to members	2,846,690	1,757,892	4,604,582	94	94	4,604,676
Amounts due from members	-	-	-	-	-	-
Balance as at 31 March 2020	2,846,690	1,757,892	4,604,582	94	94	4,604,676

SAPIA PARTNERS LLP

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Report and Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

Figures in £	2020	2019
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6. Accounts payable

Included in accounts payable are

Trade creditors	124,964	138,576
Accruals and deferred income	4,500	7,502
VAT - owing or credit	244,731	-
Other Creditors	4,000	16,256
	<u>378,195</u>	<u>162,334</u>

7. Other financial commitments

At year end the LLP had annual commitments under non-cancellable operating leases on property as set out below:

Operating leases which expire:

no later than 1 year	29,902	60,229
within two to five years	-	-
	<u>29,902</u>	<u>60,229</u>

8. Analysis of Turnover

2020	2019
£	£

An analysis of turnover is as follows:

By class of business:

Regulatory umbrella services	24,064	52,340
Other Consulting	2,722,430	1,314,129
	<u>2,746,494</u>	<u>1,366,469</u>

By geographical market:

UK	2,746,494	1,366,469
	<u>2,746,494</u>	<u>1,366,469</u>

9. Operating profit

Operating profit is arrived at after taking into account the following items:

Depreciation

Owned assets

Furniture and fittings	-	173
	<u>-</u>	<u>173</u>

Auditors' remuneration

Financial Statements audit	4,000	4,000
Audit related assurance services	10,500	7,500
	<u>14,500</u>	<u>11,500</u>

Operating lease charges

Premises	122,612	90,343
	<u>122,612</u>	<u>90,343</u>

SAPIA PARTNERS LLP

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Report and Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

Figures in £	2020	2019
10. Related party transactions	2020	2019
	£	£
Company related by common control		
Amount due from / (to) related party at 31 March 2020	2,172,139	-
Interest charge and year end payable amount in respect of loans received amount to 2020: £882 (2019: 1,756)	882	1,756
Company related by common control		
Sapia Partners LLP provided infrastructure resources to company related by common control during the year.		
- Services provided net of VAT	2,722,431	1,313,286
- Year end balances due	-	210,815
Loan issued / (repaid) to a related party during the year	(7,619)	18,392
Capital Introduced by a related party during the year	2,680,000	-
A company related by common control provided specialist advisory services during the year		
- Services provided net of VAT	738,588	1,037,964
- Year end balances due	-	97,844
11. Controlling party		
During the current year the controlling party was IQ EQ (LC) UK Limited.		
During the current and prior year there was no individual ultimate controlling party.		
12. Staff costs	2020	2019
	Number	Number
Average number of employees	-	-
Average number of Members	3	3
No remuneration was paid to employees or members (2019: £Nil).		

SAPIA PARTNERS LLP

(Registration Number OC354934)

Report and Annual Financial Statements for the year ended 31 March 2020

Notes to the Annual Financial Statements

Figures in £	2020	2019
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13. Financial instruments

Financial Assets

Financial assets measured at amortised cost	4,982,869	372,488
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Financial liabilities

Financial liabilities measured at amortised cost	378,195	119,594
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Financial assets measured at amortised cost comprise cash and trade and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, loans and other creditors, accruals and deferred income.

14. Other matters

During the year the controlling party SGG (LC) UK Limited officially changed it's trading name to IQ EQ (LC) UK Limited.

15. Non-adjusting events

On the final month of the financial year, there was a global outbreak of Coronavirus (COVID-19) which has disrupted the financial markets and normal day to day business around the world. Currently it is not possible to estimate the financial impact this would have on the company. However group wide strategy to date has ensured that with the right measurements in place such as staff working from home, business is carried on as usual.

16. Subsequent events

There were no subsequent events after the year end.