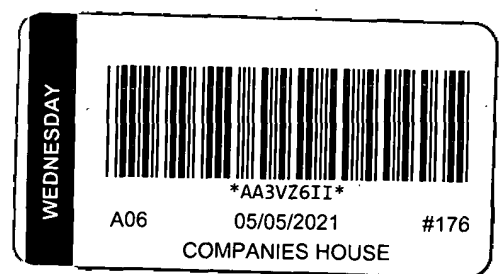


# **SAPIA PARTNERS LLP**

**Annual Report and Financial Statements  
for the 9 Months Period Ended**

**31 December 2020**

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



**Designated Members**

Sapia Capital Partners Ltd  
IQ EQ (LC) UK Ltd

**Auditors**

Deloitte LLP  
Regency Court, Glatigny Esplanade  
St. Peter Port, Guernsey, GY1 3HW

**Company Registered Office**

4th Floor, 3 More London Riverside, London, SE1 2AQ

**Banker**

HSBC

**FCA Firm Reference Number**

550103

**Partnership Registration Number**

OC354934

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## MEMBERS' REPORT

The members present their report and the audited financial statements of Sapia Partners LLP ("the LLP") for the 9-months period ended 31 December 2020.

### Change to the LLP Period End

These financial statements for Sapia Partners LLP ("the LLP") are presented for the 9-month period ended 31 December 2020. Comparative numbers are presented for the 12 months to 31 March 2020. The LLP's period end has been changed to align with the wider IQ-EQ Group.

### Main Business and Operations

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

### Going Concern

The members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months, and have adopted the going concern basis of accounting in preparing these financial statements.

The LLP is expected to continue to generate positive cash flows on its own account for the foreseeable future. It participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The LLP will continue to look for new clients and business to continue its growth.

The LLP is part of the IQ-EQ Group (the "Group") and overall debt funding is managed at a Group level. The Group has a record of generating cash from operations, at the same time significant investment is made to contribute to the long term growth and development of the Group. The majority of the Group's revenues are recurring in nature and there are significant non-underlying costs which mainly relate to the acquisition, integration and project development costs, all of which are focused on the long term growth of the Group.

The Group has demonstrated a solid resilience of the business model in 2020 with revenue and EBITDA up on 2019 despite the Covid-19 Pandemic. The Group has proven its ability to service customers and win new customers with its employees working from home.

The members have undertaken a review of the LLP's trading forecast for the coming 12 months from the date of signing of these financial statements, which shows that the LLP is expected to remain profitable and continue to be cash generative. Therefore, the members believe that the LLP will continue in operational existence for the foreseeable future.

### Coronavirus Pandemic

On 11 March 2020, a global pandemic was declared by the World Health Organisation in relation to the Coronavirus (COVID-19) outbreak. This pandemic has caused extensive disruptions to businesses and economic activities globally. The uncertainty and ongoing economic impacts have caused significant market volatility on a global scale.

From March 2020 the Group has moved to a remote working model, with all employees being primarily home based. Throughout the pandemic, the LLP has continued to ensure delivery for all of its clients.

COVID-19 has not had a material adverse impact on the LLP operationally or financially. The members have considered the ongoing impact of COVID-19 when making their Going Concern assessment.

## **MEMBERS' REPORT (continued)**

### **Policy with respect to members' drawings and subscription and repayment of members' capital**

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.

### **Designated Members**

The designated members during the accounting period were as follows:

Sapia Capital Partners Ltd  
IQ EQ (LC) UK Ltd

### **Pillar 3 Disclosure Requirements**

Our Pillar 3 disclosure 2020 are published on our website at:  
[https://www.lawsonconner.com/wp-content/uploads/2018/09/20190717-Pillar-3\\_-Sapia.pdf](https://www.lawsonconner.com/wp-content/uploads/2018/09/20190717-Pillar-3_-Sapia.pdf)

### **Statement of 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 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 Limited Liability Partnership and of the profit or loss of the LLP for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company 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.

### **Appointment of the Auditor**

The LLP's previous auditors, Talis Karklins Limited, resigned on 19 January Deloitte LLP have been appointed as the LLP's auditors on the same date.

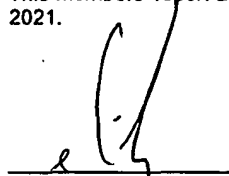
Deloitte LLP has expressed its willingness to continue as the LLP's auditor, and a resolution will be presented to the members for approval at the next annual general meeting.

## MEMBERS' REPORT (continued)

### Disclosure of Information to Auditors

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 auditors are unaware; and each member has taken all the steps that he 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.

This members' report and the financial statements in the pages to follow were approved by its members on 27 April 2021.



Designated Member  
On behalf of Sapia Capital Partners Ltd

## **Independent auditor's report to the members of Sapia Partners LLP**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Sapia Partners LLP (the 'Limited Liability Partnership'):

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 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.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in members interests;
- statement of cash flow; and
- the related notes 1 to 16.

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".

#### **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 Financial Reporting Council's (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**

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Limited Liability Partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

#### **Other Information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. 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.

## **Independent auditor's report to the members of Sapia Partners LLP (continued)**

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 course of 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 this gives rise to material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Responsibilities of directors**

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 FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Limited Liability Partnership's industry and its control environment, and reviewed the Limited Liability Partnership's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Limited Liability Partnership operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act 2006.
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Limited Liability Partnership's ability to operate or to avoid a material penalty. These included regulatory requirements of the Financial Conduct Authority (the "FCA").

We discussed among the audit engagement team including relevant internal specialists such as IT, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.



## **Independent auditor's report to the members of Sapia Partners LLP (continued)**

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below. We have:

- the valuation of unbilled work in progress requires significant management judgement and therefore there is potential for management bias in revenue recognition. In response, we have sought to understand the controls over the valuation of unbilled work in progress, and have tested the balance, on a sample basis, by comparing management's estimate of recoverable values to amounts billed and recovered post year-end, challenging management on recoverable values by assessing historic billings and recovery rates based on our understanding of the specific customer circumstances; and
- the valuation of trade receivables requires significant management judgement and therefore there is potential for management bias through the manipulation of estimated recoverable values. In response, we have sought to understand the controls over the valuation of trade receivables and, on a sample basis, compared management's estimates to cash receipts post year-end, challenged management on amounts not recovered by assessing historic recovery and our understanding of the specific customer circumstances.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, and correspondence with the regulator.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

In the light of the knowledge and understanding of the Limited Liability Partnership and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

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

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

## **Independent auditor's report to the members of Sapia Partners LLP (continued)**

### **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. 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.



David Becker (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
St. Peter Port, Guernsey  
27 April 2021

## STATEMENT OF COMPREHENSIVE INCOME

For the 9-month ended 31 December 2020

	Notes	Period Ending 31 December 2020	Year Ending 31 March 2020
Turnover	3	1,557,676	2,746,495
Cost of sales		(642,205)	(888,936)
<b>Gross profit</b>		<b>915,471</b>	<b>1,857,559</b>
Interest receivable and similar income		-	5
Administrative expenses		(485,162)	(194,443)
<b>Profit for the financial period / year before members' remuneration and profit shares</b>	4	<b>430,309</b>	<b>1,663,121</b>
<b>Total comprehensive income for the financial period / year available for discretionary division among members</b>		<b>430,309</b>	<b>1,663,121</b>

All the results shown in the Statement of Comprehensive Income are from continuing operations.

There were no items of other comprehensive income that occurred during the period / year presented.

# STATEMENT OF FINANCIAL POSITION

31 December 2020

Registration Number: OC354934

	Notes	Period Ending 31 December 2020	Year Ending 31 March 2020
<b>Assets</b>			
<b>Fixed Assets</b>			
Tangible Fixed Assets	8	-	2
<b>Current Assets</b>			
Trade and Other Receivables	9	3,859,560	2,273,052
Cash and cash equivalents		104,075	2,709,817
		<u>3,963,635</u>	<u>4,982,869</u>
<b>Current Liabilities</b>			
Trade and Other Payables	10	(604,652)	(378,195)
<b>Net current assets</b>		<u>3,358,984</u>	<u>4,604,674</u>
<b>Net assets attributable to members</b>		<u>3,358,984</u>	<u>4,604,676</u>
<b>Represented by:</b>			
Loans and other debts from/(to) members	11	94	94
<b>Members' other interests</b>			
Members' capital classified as equity	12	1,170,690	2,846,690
Other reserves	12	2,188,201	1,757,892
		<u>3,358,984</u>	<u>4,604,676</u>
<b>Total members' interests</b>			
Loans and other debts due (to)/from members		94	94
Member's other interest		3,358,890	4,604,582
		<u>3,358,984</u>	<u>4,604,676</u>

The notes on pages 10 to 20 form part of these financial statements.

These accounts were approved by the members and authorised for issue on 27 April 2021.

  
Designated Member  
On behalf of Sapia Capital Partners Ltd

# STATEMENT OF CASH FLOW

For the 9-month ended 31 December 2020

	Period Ending 31 December 2020	Year Ending 31 March 2020
<b>Cash flows used in operating activities</b>		
Profit for the year	430,309	1,663,121
<i>Adjustments for:</i>		
Depreciation of tangible assets	2	
Increase in trade and other receivables	(1,586,508)	(1,947,788)
Increase in trade and other payables	226,456	215,861
<b>Net cash flows used in operating activities</b>	<b>(929,741)</b>	<b>(68,806)</b>
<b>Cash flows (used in)/from financing activities</b>		
Capital introduced	-	2,686,000
Loans repaid	(1,676,000)	(7,619)
<b>Net cash flows (used in)/from operating activities</b>	<b>(1,676,000)</b>	<b>2,678,381</b>
<b>Cash and cash equivalents at beginning of the period/year</b>	<b>2,709,817</b>	<b>100,244</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,605,741)</b>	<b>2,609,575</b>
<b>Cash and cash equivalents at end of the period/year</b>	<b>104,075</b>	<b>2,709,817</b>

## STATEMENT OF CHANGES IN MEMBERS' INTERESTS

For the 9-month ended 31 December 2020

	Members' Equity Capital	Members other interests: Other Reserves	Net Loans and other debts due to / from members	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
Balance as at 1 April 2020	2,846,690	1,757,892	94	4,604,676
Profit / (Loss) for the period available for discretionary division among members	-	430,309	-	430,309
Members' interests after Profit / (Loss) for the period	2,846,690	2,188,201	94	5,034,984
Introduced by members	-	-	-	-
Repaid by members	(1,676,000)	-	-	(1,676,000)
Balance as at 31 December 2020	1,170,690	2,188,201	94	3,358,984

## NOTES TO THE FINANCIAL STATEMENTS

For the 9 month period ended 31 December 2020

### 1. General Information

Sapia Partners LLP is a Limited Liability Partnership ('LLP') incorporated in England & Wales under the Companies Act 2006 and is registered in England & Wales under the Limited Liability Partnership Act 2000. The address of the registered office is given on page 1.

The nature of the LLP's operations and its principal activities are set out in the members' report.

These 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'.

The LLP's financial statements are presented in British pounds which is the currency of the primary economic environment in which the company operates, the functional currency.

The principal accounting policies adopted by the LLP are set out in Note 2. These policies have been consistently applied to all the periods presented, unless otherwise stated.

### Going Concern

The members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months, and have adopted the going concern basis of accounting in preparing these financial statements.

The LLP is expected to continue to generate positive cash flows on its own account for the foreseeable future. It participates in the Group's centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries. The LLP will continue to look for new clients and business to continue its growth.

The LLP is part of the IQ-EQ Group (the "Group") and overall debt funding is managed at a Group level. The Group has a record of generating cash from operations, at the same time significant investment is made to contribute to the long term growth and development of the Group. The majority of the Group's revenues are recurring in nature and there are significant non-underlying costs which mainly relate to the acquisition, integration and project development costs, all of which are focused on the long term growth of the Group.

The Group has demonstrated a solid resilience of the business model in 2020 with revenue and EBITDA up on 2019 despite the Covid-19 Pandemic. The Group has proven its ability to service customers and win new customers with its employees working from home.

The members have undertaken a review of the LLP's trading forecast for the coming 12 months from the date of signing of these financial statements, which shows that the LLP is expected to remain profitable and continue to be cash generative. Therefore, the members believe that the LLP will continue in operational existence for the foreseeable future.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### *Coronavirus Pandemic*

On 11 March 2020, a global pandemic was declared by the World Health Organisation in relation to the Coronavirus (COVID-19) outbreak. This pandemic has caused extensive disruptions to businesses and economic activities globally. The uncertainty and ongoing economic impacts have caused significant market volatility on a global scale.

From March 2020 the Group has moved to a remote working model, with all employees being primarily home based. Throughout the pandemic, the LLP has continued to ensure delivery for all of its clients.

COVID-19 has not had a material adverse impact on the LLP operationally or financially. The members have considered the ongoing impact of COVID-19 when making their Going Concern assessment.

## 2. Summary of Significant Accounting Policies

### *Turnover*

Turnover is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services rendered, stated net of value added taxes. The LLP recognises revenue when the amount of revenue can be reliably measured and when it is probable that future economic benefits will flow to the entity.

Turnover comprises fees earned from operating unregulated collective investment schemes. All fees are earned on an accruals basis by spreading the income over the period for which it relates. All income is earned in the UK.

#### *(a) Rendering of services*

Revenue is recognised in the statement of comprehensive income over time as the customer simultaneously receives and consumes the benefits provided by the services the LLP performs, on accrual basis.

#### *(b) Accrued Income*

Accrued income represents the billable position of services to clients which has not been invoiced at the reporting date.

Accrued income is recorded based on agreed fees billed in arrears and time based charges at the agreed charge out rates in force at the work date, less any specific provisions against the value of accrued income where recovery will not be made in full.

### *Interest Income and Expenses*

Interest income and expenses are recognised on an accrual basis using the effective interest method.

### *Taxation*

The taxation payable on the Partnership's profits is the personal liability of the members, although payment of such liabilities is administered on behalf of the members.

Consequently, neither partnership taxation, nor related deferred taxation, are accounted for in these financial statements. Sums set aside in respect of members' tax obligations are included in the statement of financial position within loans and other debts due to members' or set against amounts due from members as appropriate.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 2. Summary of Significant Accounting Policies (continued)

#### *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%

The assets residual values, useful lives and depreciation methods are reviewed on a regular basis.

#### *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.

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.

#### *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.

#### *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.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Cash and Cash Equivalents

Cash and cash equivalents include 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.

### Trade and Other Payables

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

### 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.

## 3. Analysis of Turnover

	Period Ending 31 December 2020	Year Ending 31 March 2020
<i>Analysis of turnover is as follows:</i>		
<b>By class of business:</b>		
Regulatory umbrella services	23,243	24,064
Other consulting	1,534,433	2,722,431
	<u>1,557,676</u>	<u>2,746,495</u>
<b>By geographical market:</b>		
United Kingdom	1,557,676	2,746,495
	<u>1,557,676</u>	<u>2,746,495</u>

## 4. Operating Profit

	Period Ending 31 December 2020	Year Ending 31 March 2020
<i>Operating profit is arrived at after taking into account the following items:</i>		
Depreciation	2	-
Operating lease charges	64,608	122,612

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 5. Auditors Remuneration

	Period Ending 31 December 2020	Year Ending 31 March 2020
Statutory audit fees	17,975	4,000
Other assurance services	35,950	10,500
	<u>53,925</u>	<u>14,500</u>

No fees were paid in relation to non-assurance services for the 9-month period ended 31 December 2020 (year ended 31 March 2020: £nil).

### 6. Staff Costs and Members Remuneration

	Period Ending 31 December 2020	Year Ending 31 March 2020
Average number of employees	-	-
Average number of Members	<u>3</u>	<u>3</u>

No remuneration was paid to employees or members for the 9-month period ended 31 December 2020 (year ended 31 March 2020: £nil)

### 7. Other Financial Commitments

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

	Period Ending 31 December 2020	Year Ending 31 March 2020
<i>Operating leases which expire:</i> within the next 12 months	29,902	60,229
	<u>29,902</u>	<u>60,229</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 8. Tangible Fixed Assets

	<u>Furniture and fittings</u>
<b>Cost</b>	
At 31 March 2020	11,253
Additions	-
Disposals	-
At 31 December 2020	<u>11,253</u>
<b>Accumulated Depreciation</b>	
At 31 March 2020	(11,251)
Charge for the period	(2)
At 31 December 2020	<u>(11,253)</u>
<b>Net Book Value</b>	
At 31 December 2020	<u>-</u>
At 31 March 2020	<u>2</u>

### 9. Trade and Other Receivables

	<u>Period Ending 31 December 2020</u>	<u>Year Ending 31 March 2020</u>
Trade debtors	3,805,915	2,172,139
Prepayments and accrued income	-	57,310
Other debtors	53,645	43,603
	<u>3,859,560</u>	<u>2,273,052</u>

### 10. Trade and Other Payables

	<u>31 December 2020</u>	<u>31 March 2020</u>
Trade creditors	208,780	124,964
Accruals and deferred income	53,924	4,500
VAT receivable	341,948	244,731
Other creditors	-	4,000
	<u>604,652</u>	<u>378,195</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 11. Loans and Other Debts From / (To) Members

	31 December 2020	31 March 2020
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.

### 12. Reconciliation of Members' Interests

	EQUITY			DEBT			Total Members' Interests
	Members' other Interests			Loans and other debts due to members less any amounts due from members in debtors			
	Members' capital classified as equity	Other Reserves	Total	Members' capital classified as a liability	Other Amounts	Total	December 2020 Total
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 1 April 2020	2,846,690	1,757,892	4,604,582	94	-	94	4,604,676
Profit for the financial period available for discretionary division among members	-	430,309	430,309	-	-	-	430,309
Members' interest after profit for the period	2,846,690	2,188,201	5,034,890	94	-	94	5,034,984
Introduction by members	-	-	-	-	-	-	-
Repayment of capital	(1,676,000)	-	(1,676,000)	-	-	-	(1,676,000)
Amounts due to members	1,170,690	2,188,201	3,358,890	94	-	94	3,358,984
Amounts due from members	-	-	-	-	-	-	-
Balance as at 31 December 2020	<u>1,170,690</u>	<u>2,188,201</u>	<u>3,358,890</u>	<u>94</u>	<u>-</u>	<u>94</u>	<u>3,358,984</u>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 13. Financial Instruments

The LLP has classified its financial assets in the following categories:

	Fair value through profit and loss	Debt instruments at amortised cost	Equity instruments	Total
<b>Period ended 31 December 2020</b>				
<b>Current financial assets</b>				
Trade and other receivables (note 9)	-	3,859,560	-	3,859,560
Cash and cash equivalents	-	104,075	-	104,075

	Fair value through profit and loss	Debt instruments at amortised cost	Equity instruments	Total
<b>Year ended 31 March 2020</b>				
<b>Current financial assets</b>				
Trade and other receivables (note 9)	-	2,273,052	-	2,273,052
Cash and cash equivalents	-	2,709,817	-	2,709,817

The LLP has classified its financial liabilities in the following categories:

	Fair value through profit and loss	Loan commitments at cost less impairment	Amortised cost	Total
<b>Period ended 31 December 2020</b>				
<b>Current financial liabilities</b>				
Trade and other payables (note 10)	-	-	604,652	604,652

	Fair value through profit and loss	Loan commitments at cost less impairment	Amortised cost	Total
<b>Year ended 31 March 2020</b>				
<b>Current financial liabilities</b>				
Trade and other payables (note 10)	-	-	378,195	378,195

### 14. Immediate and Ultimate Parent Undertaking

The LLP's immediate parent is IQ EQ (LC) UK Limited, a limited company incorporated and registered in the UK.

The ultimate parent undertaking is Saphilux Sarl incorporated in Luxembourg. Copies of the consolidated accounts of Saphilux Sarl are available from its registered office at 412F, route d'Esch, L-2086, Luxembourg, Luxembourg.

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

### **15. Related Party Disclosures**

The LLP has taken advantage of the exemption within FRS 102 from the requirement to disclose related party transactions entered into with other members of the IQ-EQ Group, where any subsidiary which is a party to the transaction is a wholly owned subsidiary of an IQ EQ group member, whose consolidated financial statements are publicly available.

### **16. Events After the End of the Reporting Period**

There are no other events after the reporting date were identified in the financial statements that provided evidence of conditions that existed at the reporting date (adjusting events after the reporting date) and that were indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).