

Limited Liability Partnership Registration No. OC369340 (England and Wales)

VGC PARTNERS LLP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

VGC PARTNERS LLP

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VGC PARTNERS LLP

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Fixed assets			
Tangible assets	5	97,180	7,954
Investments	6	725,712	805,712
		<u>822,892</u>	<u>813,666</u>
Current assets			
Debtors	7	598,148	556,578
Cash at bank and in hand		1,041,615	680,852
		<u>1,639,763</u>	<u>1,237,430</u>
Creditors: amounts falling due within one year	8	<u>(2,674,965)</u>	<u>(2,039,232)</u>
Net current liabilities		<u>(1,035,202)</u>	<u>(801,802)</u>
Total assets less current liabilities and net (liabilities)/assets attributable to members		<u>(212,310)</u>	<u>11,864</u>
Represented by:			
Loans and other debts due from members within one year	10		
Amounts due from members in respect of drawings in excess of amounts introduced and profits allocated		(300,837)	(76,663)
Members' other interests	10		
Members' capital classified as equity		88,527	88,527
		<u>(212,310)</u>	<u>11,864</u>

The members of the limited liability partnership have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnerships regime.

The financial statements were approved by the members and authorised for issue on 25 May 2023 and are signed on their behalf by:

Mr P Basran
Designated member

Limited Liability Partnership Registration No. OC369340

VGC PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Limited liability partnership information

VGC Partners LLP is a limited liability partnership incorporated in England and Wales. The registered office is 2 Portman Street, Portman House, London, W1H 6DU.

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 December 2021, 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The members have prepared detailed trading and cash flow forecasts for the year ended to 31 December 2023 and beyond. Based on these forecasts, the board expects that the partnership will have available adequate resources and facilities to continue to trade for the foreseeable future. The members are committed to working within the partnership's forecasts to achieve further profitability in 2023 and beyond and have therefore prepared these financial statements on a going concern basis.

1.3 Turnover

Turnover represents the amounts recoverable for the services provided to clients, excluding value added tax, under contractual obligations which are performed gradually over time.

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.

VGC PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	25% on reducing balance
Computers	25% on reducing balance
Motor vehicles	20% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Fixed asset investments

Fixed asset investments comprise of shareholdings in participating interests and high value collectable assets.

The shareholdings in participating interests were initially measured at their deemed cost, which is equal to their market value at the point that they were transferred to the LLP. Subsequently, they are measured at the deemed cost less any accumulated impairment losses. The relevant holdings are assessed for impairment at each reporting date and any impairment losses are recognised immediately in profit or loss.

The high value collectable assets were initially measured at their deemed cost, which is equal to their market value at the point that they were transferred to the LLP. Subsequently, they are measured at the deemed cost less any accumulated impairment losses. The relevant assets are assessed for impairment at each reporting date (based on professional valuations) and any impairment losses are recognised immediately in profit or loss. These assets are expected to at least hold their value over time and are not considered to have an identifiable lifespan given their collectable nature. The Members, therefore, do not consider there to be a consistent basis on which to depreciate the assets.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the profit and loss account.

1.7 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.

VGC PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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.

Derecognition of financial liabilities

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

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.

VGC PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

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 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.11 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.

2 Change in accounting policy

Agency relationship

Following a detailed review of the LLP's income and expenses, it was determined that certain costs incurred by the LLP were deemed to have been incurred and recharged to the funds it manages as part of its agency relationship with these funds.

Therefore, a change in accounting policy was implemented and the relevant costs incurred under agency relationship have been offset against the corresponding turnover in the profit and loss account in the current and comparative periods.

This resulted in a decrease of the current year's income and total expenses by £720,349. This also resulted in a restatement of the previous year's income from £2,764,810 (as previously reported) to £2,158,373 (as restated) and to a corresponding decrease in total expenses from £2,027,130 (as previously reported) to £1,420,693 (as restated). There was nil impact on the prior and current year's profit and net assets attributable to members as a result of this change in accounting policy.

3 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.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Agency relationship

There is an agency relationship between the LLP and the funds it manages, as the members are of the view that the LLP does not have significant exposure to significant risks and rewards associated with the rendering of the services arranged on behalf of the funds by the LLP. Hence, the relevant costs incurred under agency relationship have been offset against the corresponding turnover in the profit and loss account.

VGC PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Impairment of fixed asset investments

The members carry out an annual review of the carrying value of the fixed asset investments based on professional valuations and own assessments. When identified, impairments are recognised as necessary.

4 Employees

The average number of persons (excluding members) employed by the partnership during the year was 6 (2021 - 6).

	2022 Number	2021 Number
Total	6	6

5 Tangible fixed assets

Plant and
machinery etc

£

Cost

At 1 January 2022	13,249
Additions	105,615
Disposals	(1,015)
At 31 December 2022	117,849

Depreciation and impairment

At 1 January 2022	5,295
Depreciation charged in the year	15,497
Eliminated in respect of disposals	(123)
At 31 December 2022	20,669

Carrying amount

At 31 December 2022	97,180
At 31 December 2021	7,954

VGC PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Fixed asset investments

	2022 £	2021 £
Shares in group undertakings and participating interests	112,922	112,922
Other investments other than loans	612,790	692,790
	<u>725,712</u>	<u>805,712</u>

Movements in fixed asset investments

	Shares in subsidiaries £	Other investments £	Total £
Cost or valuation			
At 1 January 2022 & 31 December 2022	<u>112,922</u>	<u>692,790</u>	<u>805,712</u>
Impairment			
At 1 January 2022	-	-	-
Impairment losses	-	80,000	80,000
At 31 December 2022	<u>-</u>	<u>80,000</u>	<u>80,000</u>
Carrying amount			
At 31 December 2022	<u>112,922</u>	<u>612,790</u>	<u>725,712</u>
At 31 December 2021	<u>112,922</u>	<u>692,790</u>	<u>805,712</u>

7 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	283,132	162,146
Amounts owed by group undertakings and undertakings in which the LLP has a participating interest	221,923	250,649
Other debtors	93,093	143,783
	<u>598,148</u>	<u>556,578</u>

VGC PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	31	-
Trade creditors	190,431	147,127
Amounts owed to group undertakings and undertakings in which the LLP has a participating interest	2,321,144	1,725,396
Taxation and social security	52,483	62,176
Other creditors	110,876	104,533
	<u>2,674,965</u>	<u>2,039,232</u>

9 Operating lease commitments

Lessee

At the reporting end date the limited liability partnership had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2022	2021
	£	£
Within one year	108,110	67,325
	<u>108,110</u>	<u>67,325</u>

VGC PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

10 Reconciliation of Members' Interests	EQUITY		DEBT		TOTAL MEMBERS' INTERESTS
	Members' other interests	Members' capital (classified as equity) £	Loans and other debts due to members less any amounts due from members in debtors Total Other amounts	Total	Total 2022
Members' interests at 1 January 2022		88,527			11,864
Profit for the financial year available for discretionary division among members	-	300,867	88,527	(76,663)	300,867
Members' interests after profit for the year		88,527			312,731
Allocation of profit for the financial year	-	300,867		(76,663)	-
Introduced by members	-	(300,867)		300,867	948,495
Drawings	-	-		948,495	(1,473,536)
Members' interests at 31 December 2022		88,527		(1,473,536)	(212,310)

VGC PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

11 Loans and other debts due to members

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

12 Audit report information

The auditor's report was unqualified.

The senior statutory auditor was Nikolaos Ioannidis.
The auditor was Shaw Gibbs (Audit) Limited.

13 Events after the reporting date

In May 2023, the members decided to sell a high value collectable asset for an agreed price that was less than its cost as at 31 December 2022. As a result, an impairment of £80,000 was recognised in the year ended 31 December 2022.

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