



Registered Number: OC388668

PSC CREDIT HOLDINGS LLP

**MEMBERS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



PSC CREDIT HOLDINGS LLP
REGISTERED NUMBER: OC388668

PARTNERSHIP INFORMATION

Designated Members	PSC Credit Limited L McMurray J W Scott I M C Gascoigne M J P England C Palmer M J Potter H I Garland
LLP Registered Number	OC388668
Registered Office	11-12 Hanover Square London W1S 1JJ
Independent Auditors	BDO LLP 55 Baker Street London W1U 7EU

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MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

The members present their report together with the audited financial statements of PSC Credit Holdings LLP ("the Partnership") for the year ended 31 December 2020.

Principal activities and review of the business

PSC Credit Holdings LLP is an independent asset manager with a credit strategy which possesses a strong and consistent track record within the financial and business services sectors.

The credit strategy provides capital to the growing specialty finance market, which the Partnership believes is underserved by the banking industry, capital markets and more generalist credit funds. The strategy is supported by changes in the focus of mainstream lenders together with the implementation of new models that utilise data, analytics and technology more effectively. It provides an opportunity to deliver better products to borrowers while generating attractive returns for investors. In 2020, the Partnership agreed to terminate the management agreement with Pollen Street Secured Lending Plc and focussed on raising additional credit funds in order to increase AUM within its credit strategy. During the year, the Partnership successfully raised a new Separately Managed Account ("SMA"), which closed 2020 with commitments of £80m. The Partnership plans to launch additional private credit funds in 2021, as well as growing the AUM of the existing fund:

The Partnership employs the staff and maintains systems that are necessary to discharge all its regulatory obligations. PSC Service Company Limited, a fellow subsidiary, employs staff and maintains systems relating to general business development and activities that are not subject to regulation.

Principal risks and uncertainties

The Partnership is subject to a range of risks including business risk, operational risk, credit risk and liquidity risk. The members are responsible for oversight of these risks and has established a risk management framework to ensure that the Partnership has adequate capital and liquidity resources to meet its liabilities as they fall due. The principal elements of the framework include:

- The members have established a risk appetite and risk limits to control the exposure to risk. These limits were established to ensure that the Partnership maintains capital and liquidity resources in excess of the minimum regulatory requirements. These limits are monitored on a monthly basis.
- A risk management function has been established that is responsible for oversight of risk on a day to day basis and has a reporting line directly to the members.
- The members conduct a formal review of the Partnership's exposure to risk by way of an Internal Capital Adequacy Assessment Process ("ICAAP") and a similar assessment for liquidity. These assessments are performed on an annual basis.

The balance sheet remains robust with £0.4m (2019: £1.6m) of cash and £0.5m (2019: £3.6m) of total members' interests at 31 December 2020.

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MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Designated members

The designated members of the Partnership during the period were:

PSC Credit Limited
L McMurray
J W Scott
I M C Gascoigne
M J P England
C Palmer
M J Potter
H I Garland

Members' capital and interests

Policies for members' drawings, subscriptions and repayment of member's capital are governed by the Partnership Agreement. Profit allocations are recognised on a discretionary basis when formally approved by the members of the Partnership.

Results

The profit for the period available for division amongst members amounted to £2,305 (2019: profit of £112,423) as set out in the Statement of Comprehensive Income on page 12.

Total members' interests at the year end amounted to £499,458 (2019: £3,603,363).

Going concern

The members have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future, being a period of at least twelve months from the date that this report and financial statements will be approved. Accordingly, the members continue to adopt the going concern basis in preparing the members' report and financial statements.

Coronavirus disease

In March 2020, the World Health Organisation recognised an outbreak of a new virus that causes coronavirus disease 2019 ("COVID-19") as a pandemic. COVID-19 has caused major disruption to businesses and economic activity. The Partnership has considered the impact of the emergence and spread of COVID-19 and potential implications on future operations. Whilst there are wider market uncertainties which may impact portfolio company investments and fund investors, the directors do not believe this will significantly impact the liquidity of the Partnership over the next 12 months.

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MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Brexit

On 1st January 2021, the transitional arrangements, which had been in place between the UK and the European Union since the UK formally left the EU on 31st January 2020, came to an end and were replaced by the new UK-EU trade deal. The Partnership has considered the impact of Brexit and its potential implications on future operations, and whilst there are wider market uncertainties which may impact portfolio company investments, the members do not believe this will significantly impact the liquidity of the Partnership over the next 12 months.

Key performance indicators

Given the straightforward nature of the business, the members are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Pillar 3

In accordance with the rules of the FCA, the Partnership has published information on its risk management objectives and policies on its regulatory capital requirements and resources. This information is available on the Pollen Street Capital website: <https://www.pollencap.com/pillar-iii/>. These disclosures are unaudited.

UK stewardship code disclosures

The UK stewardship code disclosures of the Partnership as required by the FCA Prudential Sourcebook for Banks, Buildings Societies and Investment Firms (BIPRU) COBS 2.2.3 - Disclosure of commitments to the Financial Reporting Council's Stewardship Code, are available on the Pollen Street Capital website: <https://www.pollencap.com/terms-and-conditions/>. These disclosures are unaudited.

Disclosure of information to auditor

Each of the persons who are members at the time when this Members' Report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the Partnership's auditor is unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.



L McMurray

Designated Member
Date: 27-04-2021

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MEMBERS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law, as applied to LLPs, 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 Partnership and of the profit or loss of the Partnership for that period.

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

- select suitable accounting policies for the Partnership's financial statements and then apply them consistently;
- make judgments 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 entity will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and to 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 Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020

Opinion

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 December 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 the Companies Act 2006) Regulations 2008.

We have audited the financial statements of PSC Credit Holdings LLP ("the Limited Liability Partnership") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Reconciliation of Members' Interests, 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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

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.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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 conclusion thereon.

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 a 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.

Other Companies Act 2006 reporting as applied to limited liability partnerships

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 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.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Auditors' 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.

Extent to which the audit was 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:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- testing of journal postings made during the year to identify potential management override of controls;
- agreement of management and termination fees to third party confirmations and income recoverability testing; and
- review of minutes of members meetings throughout the period.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

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 Limited Liability Partnerships (Accounts and Audit) (Application of the 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 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.

BDO LLP

Kelly Sheppard (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK
Date

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

27 April 2021

PSC CREDIT HOLDINGS LLP
REGISTERED NUMBER: OC388668

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR TO 31 DECEMBER 2020

	Notes	2020 £'000	2019 £'000
Turnover	4	8,462	13,814
Sub-advisory fees and rebates	2.4	<u>(1,682)</u>	<u>(2,425)</u>
Gross profit		6,780	11,389
Administrative expenses		<u>(6,775)</u>	<u>(11,265)</u>
Operating profit		5	124
Foreign exchange (losses)		<u>(3)</u>	<u>(12)</u>
Profit for the year before members' remuneration and available for discretionary division among members		<u>2</u>	<u>112</u>

The notes on pages 16 to 24 form part of these financial statements.

PSC CREDIT HOLDINGS LLP
REGISTERED NUMBER: OC388668

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	2020 £'000	2019 £'000
Current assets			
Debtors	9	6,400	12,114
Cash at bank and in hand		407	1,644
		<u>6,807</u>	<u>13,758</u>
Creditors: amounts falling due within one year	10	(205)	(7,046)
Net current assets		<u>6,602</u>	<u>6,712</u>
Net assets attributable to members		<u>6,602</u>	<u>6,712</u>
Represented by:			
members' other interests			
Members' capital classified as equity		6,600	6,600
Other reserves classified as equity		2	112
		<u>6,602</u>	<u>6,712</u>
Total Members' Interests			
Amounts due from members (included in debtors)		(6,103)	(3,109)
Members' other interests		<u>6,602</u>	<u>6,712</u>
		<u>499</u>	<u>3,603</u>

The financial statements of PSC Credit Holdings LLP (registered number: OC388668) were approved and authorised for issue by the members and were signed on their behalf by:



L McMurray
Designated Member
Date: 27-04-2021

The notes on pages 16 to 24 form part of these financial statements

PSC CREDIT HOLDINGS LLP
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RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 DECEMBER 2020

		Members' other interests		Amounts due to / (from) members	Total members interests
	Members capital (classed as equity) £'000	Other Reserves £'000	Total £'000	Other amounts £'000	Total £'000
Balance at 1 January 2019	6,601	5	6,606	(435)	6,171
Profit for the year available for division among members	-	112	112	-	112
Members' interests after profit for the year	6,601	117	6,718	(435)	6,283
Other division of profits	-	(5)	(5)	5	-
Repayment of capital	(1)	-	(1)	-	(1)
Drawings	-	-	-	(348)	(348)
Other movements	-	-	-	(2,331)	(2,331)
Balance at 31 December 2019	6,600	112	6,712	(3,109)	3,603
Profit for the year available for division among members	-	2	2	-	2
Members' interests after profit for the year	6,600	114	6,714	(3,109)	3,605
Other division of profits	-	(112)	(112)	112	-
Other movements	-	-	-	(3,106)	(3,106)
Balance at 31 December 2020	6,600	2	6,602	(6,103)	499

The notes on pages 16 to 24 form part of these financial statements.

There are no existing restrictions or limitations which impact the ability of the members of the Partnership to reduce the amount of Members' other interests.

Loans and other debts due to members are unsecured and would rank pari passu with other unsecured creditors in the event of winding up.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £'000	2019 £'000
Cash flows from operating activities		
Profit for the financial year	2	112
Adjustments for:		
Decrease in debtors	8,708	2,621
Decrease in creditors	(6,841)	(5,165)
Net cash generated from operating activities	<u>1,867</u>	<u>(2,432)</u>
Cash flows from financing activities		
Members' capital repaid	-	(1)
Distribution paid to members	(3,106)	(2,540)
Other transactions with members	-	(139)
Net cash used in financing activities	<u>(3,106)</u>	<u>(2,680)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(1,237)</u>	<u>(5,112)</u>
Cash and cash equivalents at beginning of year	<u>1,644</u>	<u>6,756</u>
Cash and cash equivalents at the end of year	<u><u>407</u></u>	<u><u>1,644</u></u>

The notes on pages 16 to 24 form part of these financial statements.

PSC CREDIT HOLDINGS LLP
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

1 GENERAL INFORMATION

These financial statements are presented in Pounds Sterling (GBP), which is the Partnership's functional and presentational currency.

PSC Credit Holdings LLP is a limited liability partnership incorporated and domiciled in the United Kingdom. Its registration number is OC388668. The address of its registered office is 11-12 Hanover Square, London, England, W1S 1JJ.

A description of the nature of the Partnership's operations and its principal activities are included in the members' report, which is not part of the financial statements.

2 ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Partnership's accounting policies (see note 3).

The following principal accounting policies have been applied.

2.2 Going concern

The members have a reasonable expectation that the Partnership will have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the members continue to adopt the going concern basis in preparing the members' report and financial statements.

2.3 Turnover

Turnover which is stated net of Value Added Tax, represents fees receivable for investment fund management and advisory services provided during the year and arising from continuing activities in the UK and is recognised on an accruals basis when the Partnership obtains the right for consideration in exchange for its performance. Turnover also includes performance fees which are recognised on an accruals basis when the Partnership obtains the right for consideration in exchange for its performance.

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

2.4 Sub-advisory fees and rebates

Sub-advisory fees are paid to Pollen Street Capital (US) LLC in accordance with the sub-advisory agreement between the two entities. These fees are recognised on an accruals basis.

Agreements have been entered into with certain investors whereby a proportion of management / performance fees are rebated. These rebates are recognised on an accruals basis.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.7 Creditors

These amounts represent liabilities for goods and services provided to the Partnership prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

2.8 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 debtors and creditors, loans from banks and other third parties and loans to related parties.

2.9 Taxation

No provision has been made for UK taxation in the financial statements. Each member is exclusively liable for any tax liabilities arising out of their interest in the Partnership, which will be assessed on the individual members and not on the Partnership.

2.10 Members' capital

Members' capital is classified as equity in accordance with the Partnership Agreement. It is not automatically repayable on retirement and is not interest bearing.

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

3 JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Partnership's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amounts 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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both the current and future periods.

There were no judgment or material estimation uncertainties affecting the reported financial performance in the current or prior year.

4 ANALYSIS OF TURNOVER

Analysis of turnover by class of business:

	2020 £'000	2019 £'000
Management fees	8,462	7,273
Performance fees	-	6,541
	<u>8,462</u>	<u>13,814</u>

Analysis of turnover by origin:

	2020 £'000	2019 £'000
UK	5,279	9,304
Europe	137	-
Rest of the world	3,046	4,510
	<u>8,462</u>	<u>13,814</u>

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

5 AUDITORS' REMUNERATION

	2020	2019
	£'000	£'000
Fees payable to the Partnership's auditor for the audit of the Partnership's annual financial statements	19	19
Non-audit services:		
Non-audit consultancy	-	2
Taxation services	5	5

6 EMPLOYEES

Staff costs were as follows:

	2020	2019
	£'000	£'000
Wages and salaries	186	27
Social security costs	26	4
	212	31

The average monthly number of persons (including members with contracts of employment) employed during the year was as follows:

	2020	2019
	No.	No.
Administration and compliance	2	3
	2	3

7 KEY MANAGEMENT REMUNERATION

No key management personnel received emoluments from the Partnership. Key management personnel are remunerated through PSC Service Company Limited, a fellow subsidiary.

The average number of key management personnel in the period was 7 (2019: 7).

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

8 INFORMATION IN RELATION TO MEMBERS

	2020 Number	2019 Number
The average number of members during the year was	8	5
	2020 £'000	2019 £'000
The amount of profit attributable to the member with the largest entitlement	2	3

The amount disclosed above is the actual profit allocated to that member during the year.

9 DEBTORS

	2020 £'000	2019 £'000
Trade debtors	103	7,853
Amounts owed by group undertakings	190	1,063
Other debtors	1	86
Prepayments and accrued income	3	3
Amounts due from members	6,103	3,109
Total	6,400	12,114

10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £'000	2019 £'000
Trade creditors	5	1
Amounts owed to group undertakings	-	6,849
Other creditors	165	171
Accruals and deferred income	35	25
Total	205	7,046

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

11 FINANCIAL INSTRUMENTS

	2020	2019
	£'000	£'000
Financial assets		
Financial assets measured at amortised cost	6,803	13,756
Financial liabilities		
Financial liabilities measured at amortised cost	(205)	(7,046)

Financial assets measured at amortised cost comprise cash, trade debtors, amounts owed from group undertakings, other debtors and amounts due from members and excludes prepayments and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, amounts owed to group undertakings and accruals and excludes other taxation and social security and deferred income

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

12 FINANCIAL RISK MANAGEMENT

The Partnership's business is exposed to a variety of financial risks. The financial risks are mainly categorised as business risk, credit risk, operational risk, market risk and liquidity risk. The objective of the Partnership's risk management framework is to identify and assess the risks facing the Partnership and to minimise the potential adverse effects of these risks on the Partnership's financial performance. Financial risk management is overseen by the members.

Business risk

Business risk is the risk that the firm may not be able to carry out its business plan or strategy. The Partnership operates a relatively simple business model with much of the income and expenditure stable. The risk is mitigated by managing its income and controlling its expenditure on a frequent basis.

Credit risk

Credit risk is the risk of suffering financial loss should the Partnership's customers, clients or counterparties fail to fulfil their contractual obligations to the Partnership. The Partnership does not undertake lending activity. Its credit risk therefore arises from non-payment by trade debtors or default by banking counterparties. No debtors are currently overdue.

Operational risk

Operational risk is the risk that the firm suffers a loss as a result of the failure of internal systems, processes or procedures caused by either external or internal factors. The Partnership has undertaken a detailed risk assessment process, by business area and risk area, identified their potential impact, potential mitigation and the residual risk impact, along with any future actions that can improve the overall risk position. Operational risk is mitigated because the Partnership has insurance policies to protect it from a number of these risk events such as civil liability insurance.

Market risk

Market risk is the risk that the Partnership suffers a loss as a result of fluctuations in the values of, or income from, assets or in interest or exchange rates. The Partnership's functional currency is Pound Sterling and therefore it can be exposed to the effect of fluctuations in currencies other than Pound Sterling. The Partnership is not subject to material market risk.

Liquidity risk

Liquidity risk is the risk that the Partnership will have insufficient liquid resources available to meet its financial obligations as they fall due. The Partnership manages liquidity by maintaining sufficient cash with banks to meet its on-going commitments.

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

11 FINANCIAL RISK MANAGEMENT (CONTINUED)

Maturity analysis

	2020 £'000	2019 £'000
Financial assets		
Due in less than 3 months	433	9,582
Due in less than one year	6,370	4,173
	<u>6,803</u>	<u>13,756</u>
Financial liabilities		
Due in less than 3 months	170	171
Due in less than one year	35	6,874
	<u>205</u>	<u>7,046</u>
Net financial assets / (liabilities)		
Due in less than 3 months	263	9,411
Due in less than one year	6,335	(2,701)
	<u>6,598</u>	<u>6,710</u>

Capital risk management

The capital structure is managed to be optimal and maintain sound levels of working capital for the continuity of trade, organic growth and therefore, continue as a going concern.

The capital structure of the Partnership consists of members' interest attributable to members of the Partnership, comprising issued capital and reserves

	2020 £'000	2019 £'000
Capital		
Partners' capital	6,600	6,600
Other reserves	2	112
Amounts due from members	<u>(6,103)</u>	<u>(3,109)</u>
	<u>499</u>	<u>3,603</u>

PSC CREDIT HOLDINGS LLP
REGISTERED NUMBER: OC388668

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

12 RELATED PARTY TRANSACTIONS

The Partnership has taken the exemption available under FRS102 Section 33 to not disclose related party transactions with wholly owned group companies. Details of the debtor and creditor balances held with group companies can be found in notes 9 and 10.

The funds that the Partnership manages or advises are considered to be a related parties of the Partnership. The Partnership had the following transactions with those funds:

Fund	Category	2020 £'000	2019 £'000
Pollen Street Secured Lending	Management, Advisory & Performance Fees	8,301	13,808
	Debtor	-	7,735
PSC Credit (P)	Management, Advisory & Performance Fees	137	-
	Debtor	103	-

13 CONTROLLING PARTY

PSC Credit Limited, an entity registered at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands is the Partnership's immediate parent entity. The ultimate parent is Pollen Street Capital Holdings Limited, an entity registered at PO Box 255, Trafalgar Court, les Banques, GY1 3QL, Guernsey. The Partnership is not included in any consolidated accounts that are publicly available.

There is not considered to be an ultimate controlling party during the year ended 31 December 2020.