

Mayfair Equity Partners LLP

31 March 2016

Report and Financial Statements

Registered Number OC393828

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EQUITY PARTNERS

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EQUITY PARTNERS

Members' Report

The Members have pleasure in presenting their report and financial statements of Mayfair Equity Partners LLP ("the Partnership") for the year from 1 April 2015 to 31 March 2016 (prior period: 18 June 2014 to 31 March 2015).

Principal activity and business review

The Partnership was incorporated on 18 June 2014 with its principal activity being the provision of investment management services to private equity funds. The Partnership became authorised and regulated by the Financial Conduct Authority ("FCA") on 25 March 2015.

The Partnership acts, inter alia, as the Manager for Mayfair Equity Partners I (comprising Mayfair Equity Partners I LP, Mayfair Equity Partners I Sidecar LP and Mayfair Equity Partners I F&F LP). Mayfair Equity Partners I held four investments as at 31 March 2016.

Details of the results for the year are set out in the Income Statement on page 8.

The Partnership has adequate financial resources to meet its operational needs for the foreseeable future and a going concern basis has been adopted in preparing these financial statements.

D Sasaki and K Dasgupta were appointed as Designated Members of the Partnership on 18 June 2014, as defined in the Limited Liability Partnerships Act 2000. W Ahmad and B Aykroyd were appointed as Members of the Partnership on 2 April 2015.

Registered office

8 Hanover Street
London
W1S 1YQ

Financial statements

The state of affairs and results of the Partnership as at 31 March 2016 are shown on pages 8 to 17.

The net assets attributable to Members as at 31 March 2016 amounted to £794,069.

Principal risks and uncertainties

The principal risks and uncertainties faced by the Partnership are those inherent within the financial services industry, but primarily include:

- Credit risk – subject to counterparties not fulfilling their obligations and exposure from cash held at bank.
- Operational risk – subject to potential losses incurred from inadequate or failed internal and external processes, systems and human error or from external events.
- Regulatory risk – subject to the effects of changes in the laws, regulations, policies and interpretations and any accounting standards in the markets in which it operates.

All risks facing the Partnership and its subsidiaries are assessed regularly by the Executive Committee of the Partnership, together with the effectiveness of existing controls.

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Members' Report (continued)

Policy with respect to Members' drawings and subscription and repayment of amounts subscribed or otherwise contributed by Members

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of the financial year, taking into account the anticipated cash needs of the Partnership. All profits before Members' remuneration and profit shares are allocated to the Members of the Partnership and recognised as an expense on a separate line in the Income Statement.

For as long as the Partnership is authorised and regulated by the FCA to conduct regulated activities, the Designated Members must ensure that the Partnership has capital at least equal to its Regulatory Capital and all such capital shall be held in a reserve known as the "Regulatory Capital Reserve".

The Executive Committee of the Partnership shall ensure that no distributions or other payments shall be made from or by the Partnership to its Members if, as a result of such distributions, the Partnership would no longer have sufficient Regulatory Capital. Capital may only be repaid to Members provided that Regulatory Capital is maintained by transfers into the Regulatory Capital Reserve by Members.

Statement of Members' responsibilities

The Members are responsible for preparing the Report and Financial Statements in accordance with applicable law and regulations.

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 ("the Regulations") requires the Members to prepare financial statements for each financial year. Under the law the Members have prepared the Partnership financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ("FRS 102"). Under company law as applied to limited liability partnerships 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership 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 enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations. 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.

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 Partnership's auditors are unaware; and each Member has taken all reasonable steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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Members' Report (continued)

Independent auditors

PricewaterhouseCoopers LLP have been appointed under section 487(2) of the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008.

Signed on behalf of the Members on 30 June 2016:

A handwritten signature in black ink, appearing to read 'D Sasaki', with a long, sweeping underline.

D Sasaki
Designated Member

Independent Auditors' Report to the Members of Mayfair Equity Partners LLP

Report on the financial statements

Our opinion

In our opinion, Mayfair Equity Partners LLP's financial statements (the "financial statements"):

- give a true and fair view of the state of the Partnership's affairs as at 31 March 2016 and of its result and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

What we have audited

The financial statements, included within the Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 March 2016;
- the Income Statement for the year then ended;
- the Statement of Changes in Members' Interests for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the Members have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Independent Auditors' Report to the Members of Mayfair Equity Partners LLP (continued)

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Members

As explained more fully in the Statement of Members' responsibilities set out on page 4, the Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the Members of the Partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

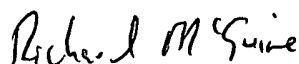
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Partnership's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Members; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Members' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Richard McGuire (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

London

30 June 2016

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Income Statement

(stated in £)

	Notes	Year ended 31 March 2016	Period ended 31 March 2015
Turnover	2	3,992,422	-
Administrative expenses	3,4	(1,478,649)	-
Operating result		2,513,773	-
Interest receivable and similar income		-	-
Interest payable and similar charges		(12)	-
Result for the period before Members' remuneration and profit shares		2,513,761	-
Members' remuneration and profit shares charged as an expense		(2,513,761)	-
Result for the period after Members' remuneration and profit shares		-	-

All amounts were derived from continuing operations.

There are no material differences between the result for the period stated above and their historical cost equivalents.

No other comprehensive income was recorded during the period (2015: £nil).

The notes on pages 12 to 17 form part of these financial statements.

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Statement of Financial Position

(stated in £)

		As at 31 March 2016	As at 31 March 2015
	Notes		
Non-current assets			
Tangible assets	5	11,850	-
Investments	6	5	-
Debtors	7	245,718	-
		<u>257,573</u>	<u>-</u>
Current assets			
Debtors	7	772,670	362,554
Cash at bank and in hand		246,269	52,378
		<u>1,018,939</u>	<u>414,932</u>
Creditors: amount falling due within one year	8	(482,443)	(204,932)
Net current assets		<u>536,496</u>	<u>210,000</u>
Total assets less current liabilities		<u>794,069</u>	<u>210,000</u>
Net assets attributable to Members		<u>794,069</u>	<u>210,000</u>
Represented by:			
Loans and other debts due to Members			
Other amounts		789,069	200,000
		<u>789,069</u>	<u>200,000</u>
Members' other interests			
Members' capital classified as equity		5,000	10,000
Members' other interests - other reserves classified as equity		-	-
		<u>794,069</u>	<u>210,000</u>

These financial statements were approved by the Members on 30 June 2016 and signed on their behalf by:


D Sasaki
Designated Member

Registered Number: OC393828

The notes on pages 12 to 17 form part of these financial statements.

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EQUITY PARTNERS

Statement of Changes in Members' Interests

(stated in £)

	Equity		Debt	Total
	Members' capital	Other reserves		2015/16
	treated as equity	classified as equity	Loans and other debts due to / (from) Members	Total
Balance as at 1 April	10,000	-	200,000	210,000
Members' remuneration and profit shares charged as an expense	-	-	2,513,761	2,513,761
Members' interests after result for the year	10,000	-	2,713,761	2,723,761
Introduced by / (repaid to) Members	(5,000)	-	(200,000)	(205,000)
Drawings	-	-	(1,725,000)	(1,725,000)
Other movements	-	-	308	308
Balance as at 31 March	5,000	-	789,069	794,069

	Equity		Debt	Total
	Members' capital	Other reserves		2014/15
	treated as equity	classified as equity	Loans and other debts due to / (from) Members	Total
Balance as at 18 June	-	-	-	-
Members' remuneration and profit shares charged as an expense	-	-	-	-
Members' interests after result for the period	-	-	-	-
Introduced by Members	10,000	-	200,000	210,000
Drawings	-	-	-	-
Other movements	-	-	-	-
Balance as at 31 March	10,000	-	200,000	210,000

The notes on pages 12 to 17 form part of these financial statements.

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EQUITY PARTNERS

Statement of Cash Flows

(stated in £)

		Year ended 31 March 2016	Period ended 31 March 2015
	Notes		
Net cash inflow / (outflow) from operating activities	A	<u>2,136,167</u>	<u>(157,622)</u>
Investing activities			
Purchase of tangible fixed assets		(12,259)	-
Purchase of investments		<u>(5)</u>	
Net cash outflow from investing activities		<u>(12,264)</u>	<u>-</u>
Financing activities			
Introduced by / (repaid to) Members		(205,000)	210,000
Members' drawings		(1,725,000)	-
Interest paid		<u>(12)</u>	<u>-</u>
Net cash (outflow) / inflow from financing activities		<u>(1,930,012)</u>	<u>210,000</u>
Increase in net cash	B	193,891	52,378

NOTES

A. Cash flow from operating activities

Operating result	2,513,773	-
Depreciation	409	-
Increase in debtors	(655,834)	(362,554)
Increase in creditors	277,819	204,932
Net cash inflow / (outflow) from operating activities	<u>2,136,167</u>	<u>(157,622)</u>

B. Reconciliation of cash flow to movement in net cash

Net cash at start of the period	52,378	-
Increase in net cash in the period	193,891	52,378
Balance as at 31 March	<u>246,269</u>	<u>52,378</u>

The notes on pages 12 to 17 form part of these financial statements.

Notes to the Financial Statements

1 Accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable UK Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ("FRS 102") and the Companies Act 2006 as applied to Limited Liability Partnerships under the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' ("SORP") issued in July 2014.

The principal accounting policies, which have been consistently applied throughout the period, are set out below.

(b) Consolidation

The Partnership and its subsidiary undertakings listed below comprise a small group. The Members have therefore adopted the exemption provided by section 398 of the Companies Act 2006, resulting in the presentation of the financial statements of the Partnership on a stand-alone basis.

(c) Turnover

Turnover, which is stated net of Value Added Tax and accounted for on an accruals basis, principally represents management fees received from the General Partner of the limited partnerships that collectively comprise Mayfair Equity Partners I, to which the Partnership provides investment advice and fund management services.

(d) Tangible assets and depreciation

All tangible assets are initially recorded at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer equipment:	25% per annum
Office equipment:	20% per annum
Leasehold improvements:	Straight line over the term of the lease

(e) Operating leases

Operating lease rentals and lease incentives are charged to the Income Statement on a straight line basis over the period of the lease.

(f) Members' participation rights

Members' participation rights are the rights of a Member against the Partnership 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 Partnership are analysed between those that are, from the Partnership's perspective, either a financial liability or equity. A Member's participation rights results in a liability unless the right to any payment is discretionary on the part of the Partnership.

Amounts subscribed or otherwise contributed by Members, for example Members' capital, are classed as equity if the Partnership has an unconditional right to refuse payment to Members. If the Partnership does not have such an unconditional right, such amounts are classified as liabilities.

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Notes to the Financial Statements (continued)

1 Accounting policies (continued)

(f) Members' participation rights (continued)

Where profits are automatically divided as they arise, so the Partnership does not have an unconditional right to refuse payment, the amounts arising that are due to Members are in the nature of liabilities. They are therefore treated as an expense in the Income Statement. To the extent that they remain unpaid at the period end, they are shown as liabilities in the Statement of Financial Position.

Where the Partnership incurs a loss, no Member shall be obliged to make any further capital or loan contributions to the Partnership to cover any loss allocated to the Members, which may be allocated at the discretion of the Executive Committee of the Partnership.

All amounts due to Members that are classified as liabilities are presented in the Statement of Financial Position within 'Loans and other debts due to Members'. Amounts due to Members that are classified as equity are shown in the Statement of Financial Position within 'Members' other interests'.

(g) Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the Statement of Financial Position. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

(h) Administrative expenses

Administrative expenditure is accounted for on an accruals basis.

(i) Taxation

The Partnership is not subject to taxation since the Members are individually responsible for taxation of their share of the profits from the Partnership.

2 Turnover

An analysis of turnover is given below:

	Year ended 31 March 2016	Period ended 31 March 2015
	£	£
United Kingdom	3,992,422	-

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Notes to the Financial Statements (continued)

3 Administrative expenses

Administrative expenses include:

	Year ended 31 March 2016 £	Period ended 31 March 2015 £
Legal and professional fees	223,587	-
Operating lease rentals - land & buildings	319,092	-
Other property related costs	276,420	-
Staff costs (see note 4)	491,950	-
Other administrative expenses	167,600	-
	<u>1,478,649</u>	<u>-</u>

Fees payable to the Partnership's auditors:

	Year ended 31 March 2016 £	Period ended 31 March 2015 £
Fees payable to the Partnership's auditors for the audit of the Partnership financial statements	12,500	12,500
Fees payable to the Partnership's auditors for other services:		
Taxation compliance services	15,000	12,500
	<u>27,500</u>	<u>25,000</u>

The fees payable to the Partnership's auditors for the period ended 31 March 2015 are not included in the Income Statement as they were borne by related undertakings.

4 Staff costs

The monthly average number of employees employed by the Partnership during the year ended 31 March 2016 was 3 (2015: nil).

The aggregate payroll costs incurred were:

	Year ended 31 March 2016 £	Period ended 31 March 2015 £
Wages and salaries	417,872	-
Social security costs	51,636	-
Other staff related costs	22,442	-
	<u>491,950</u>	<u>-</u>

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EQUITY PARTNERS

Notes to the Financial Statements (continued)

5 Tangible assets

	Computer Equipment £	Office Equipment £	Leasehold Improvements £	Total £
Cost				
1 April 2015	-	-	-	-
Additions	8,200	4,059	-	12,259
Disposals	-	-	-	-
31 March 2016	8,200	4,059	-	12,259
Accumulated Depreciation				
1 April 2015	-	-	-	-
Charge for the year	342	67	-	409
Disposals	-	-	-	-
31 March 2016	342	67	-	409
Net Book Value				
1 April 2015	-	-	-	-
31 March 2016	7,858	3,992	-	11,850

6 Investments

	As at 31 March 2016 £	As at 31 March 2015 £
Mayfair Equity Partners I General Partner Limited	1	-
Mayfair Equity Partners I General Partner (Guernsey) Limited	1	-
Mayfair Equity Partners I Co-Investor GP Limited	1	-
Mayfair Equity Partners Nominees Limited	1	-
Mayfair Equity Partners PenCo Limited	1	-
	5	-

	Country of Incorporation and Place of Business	Nature of Business	Percentage Shareholding
Mayfair Equity Partners I General Partner Limited	United Kingdom	General Partner	100%
Mayfair Equity Partners I GP LLP*	United Kingdom	General Partner	98%
Mayfair Equity Partners I General Partner (Guernsey) Limited	Guernsey	General Partner	100%
Mayfair Equity Partners I Co-Investor GP Limited	United Kingdom	General Partner	100%
Mayfair Equity Partners I Co-Investor General Partner LLP*	United Kingdom	General Partner	98%
Mayfair Equity Partners Nominees Limited	United Kingdom	Holding company	100%
Mayfair Equity Partners PenCo Limited	United Kingdom	Pension vehicle	100%

* Interests in these entities are held by subsidiary undertakings.

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Notes to the Financial Statements (continued)

7 Debtors

	As at 31 March 2016 £	As at 31 March 2015 £
Non-current assets		
Rent deposit	245,718	-
	<u>245,718</u>	<u>-</u>

	As at 31 March 2016 £	As at 31 March 2015 £
Current assets		
Amounts owed by related undertakings	701,868	362,554
Prepayments and accrued income	70,802	-
	<u>772,670</u>	<u>362,554</u>

8 Creditors

	As at 31 March 2016 £	As at 31 March 2015 £
Accruals and deferred income	463,986	-
Trade creditors	11,487	64,932
Taxation and social security	5,144	-
Other creditors	1,826	140,000
	<u>482,443</u>	<u>204,932</u>

9 Operating leases

The amounts which the Partnership has committed to pay under non-cancellable operating leases is analysed below.

	As at 31 March 2016 £	As at 31 March 2015 £
Operating leases which expire:		
Within one year	153,574	-
Between two and five years	1,518,674	-
More than five years	1,672,247	-
	<u>3,344,495</u>	<u>-</u>

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Notes to the Financial Statements (continued)

10 Pension scheme

The Partnership operates a defined contribution pension scheme. An amount of £1,750 was payable by the Partnership to the pension scheme at the balance sheet date. Contributions paid in the year are disclosed in note 4.

11 Related party transactions

All the Members of the Partnership are related parties as a result of their membership of the Partnership. All the Members play a part in the management of the Partnership and it is not controlled by any entity, individual or group of individuals who are not Members.

The Partnership recognised management fee income from Mayfair Equity Partners I of £3,909,340 (2015: £nil). As at 31 March 2016, the Partnership was owed £564,039 in relation to this income.

At the year end, the Partnership was owed the following amounts from related undertakings for the reimbursement of expenses in relation to their constitution, administration and business:

- Mayfair Equity Partners I - £53,959 (2015: £362,554)
- Mayfair Equity Partners I General Partner (Guernsey) Limited - £1,000 (2015: £nil)
- Mayfair Equity Partners I Co-Investor LP - £82,870 (2015: £nil)

The principal activity of the Partnership is the provision of investment management services to private equity funds. In its capacity as Manager, the Partnership has transactions with these private equity funds, all of which are in the normal course of business and have been fully disclosed above.