

Private Investor Capital Limited

Report and Financial Statements

31 December 2020

Rees Pollock
Chartered Accountants



Private Investor Capital Limited

COMPANY INFORMATION

Directors	D A Giampaolo P S Thomas
Registered number	03385330
Registered office	5 New Street Square London EC4A 3TW
Independent auditors	Rees Pollock 16 Great Queen Street London WC2B 5AH

STRATEGIC REPORT
For the Year Ended 31 December 2020

Business review

The Pi business has continued to trade as planned, with a number of investments managed on behalf of our client investors.

Principal risks and uncertainties

The business would be impacted should the investment portfolio not perform as anticipated.

Financial key performance indicators

The success of the business is measured by the overall outcome of the investment portfolio.

Directors' statement of compliance with duty to promote the success of the Company

The directors must act in accordance with a general set of duties, which are detailed in section 172 of the Companies Act 2006 as follows:

- (a) the likely consequences of any decision in the long term;
- (b) the interests of the company's employees;
- (c) the need to foster the company's business relationships with suppliers, customers and others;
- (d) the impact of the company's operations on the community and the environment;
- (e) the desirability of the company maintaining a reputation for high standards of business conduct;
- (f) the need to act fairly between members of the company.

The only employees of the Company are its two directors, who are also on the board of the sole Company shareholder, Pi Capital (Holdings) Limited. The directors are committed to running a responsible business to fulfil the above duties and to operating in line with the FCA's regulatory principles. The Company's behaviour is aligned with the expectations of its shareholder and its client investors, the community and society as a whole and the directors value all of the Company's service providers, viewing them as partners rather than simply as suppliers.

This report was approved by the board on **27 April 2021**

and signed on its behalf.

P Thomas

P S Thomas
Director

DIRECTORS' REPORT

For the Year Ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity

The principal activity of the Company during the year was that of a venture capital manager, investing the personal wealth of a club of successful high net worth individuals. The directors intend to develop the business.

Results

The profit for the year, after taxation, amounted to £4,434 (2019 - £159,214).

Directors

The directors who served during the year were:

D A Giampaolo
P S Thomas

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 the directors 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 Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company'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 Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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

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

Private Investor Capital Limited

DIRECTORS' REPORT (CONTINUED)
For the Year Ended 31 December 2020

Auditors

The auditors, Rees Pollock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on **27 April 2021** and signed on its behalf.

P Thomas

P S Thomas
Director

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PRIVATE INVESTOR CAPITAL LIMITED**

Opinion

We have audited the financial statements of Private Investor Capital Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company'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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 directors' 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 Company'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 Strategic Report and 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 the Directors' Report have been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PRIVATE INVESTOR CAPITAL LIMITED (CONTINUED)**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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
- 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors 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 directors 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 directors are responsible for assessing the Company'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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 Auditors' 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.

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 identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, and non-compliance with laws and regulations, our procedures included the following: enquiring of management concerning the Company's policies with regards to identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; enquiring of management concerning the Company's policies for detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; enquiring of management concerning the Company's policies in relation to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud; and obtaining an understanding of the legal and regulatory framework that the Company operates in and focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Company. The key laws and regulations we considered in this context included the UK Companies Act 2006, the Financial Services and Markets Act 2000 and applicable tax legislation.

One particular focus area was the risk of fraud through management override of controls. Our procedures to respond to risks identified included the following: performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; reviewing the bank statements of the Company for evidence of any large or unusual activity which may be indicative of fraud;

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PRIVATE INVESTOR CAPITAL LIMITED (CONTINUED)**

enquiring of management in relation to any potential litigation and claims; and testing the appropriateness of journal entries and other adjustments.

Another focus area was non-compliance with the rules of the Financial Conduct Authority ('the FCA'). The Company was authorised and regulated by the FCA throughout the period. Our procedures to respond to risks identified included the following: reviewing correspondence between the Company and the FCA, performing analytical review to detect receipts of client money and remaining alert to the possibility of accidental receipt of client monies; and discussion of regulatory matters with the appointed officers of the Company.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, 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 Company's members those matters we are required to state to them in an Auditors' 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Neal Desai (Senior Statutory Auditor)
for and on behalf of
Rees Pollock
Chartered Accountants
Statutory Auditor
16 Great Queen Street
London
WC2B 5AH
Date: 27 April 2021

STATEMENT OF INCOME AND RETAINED EARNINGS
For the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	3	39,204	99,415
Gross profit		39,204	99,415
Administrative expenses		(34,831)	(42,333)
Exceptional items	7	-	101,734
Operating profit	4	4,373	158,816
Interest receivable and similar income		61	398
Profit before tax		4,434	159,214
Tax on profit	6	-	-
Profit after tax		4,434	159,214
Retained earnings at the beginning of the year		(1,438,863)	(1,598,077)
Profit for the year		4,434	159,214
Retained earnings at the end of the year		(1,434,429)	(1,438,863)

There were no recognised gains and losses for 2020 or 2019 other than those included in the Statement of Income and Retained Earnings.

The notes on pages 9 to 16 form part of these financial statements.

BALANCE SHEET
As at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Fixed asset investments	9	3	3
		<u>3</u>	<u>3</u>
Current assets			
Debtors: amounts falling due within one year	10	830,752	850,647
Bank & cash balances		232,090	177,231
		<u>1,062,842</u>	<u>1,027,878</u>
Creditors: amounts falling due within one year	11	(112,274)	(81,744)
Net current assets		<u>950,568</u>	<u>946,134</u>
Total assets less current liabilities		<u>950,571</u>	<u>946,137</u>
Net assets		<u>950,571</u>	<u>946,137</u>
Capital and reserves			
Called up share capital	12	2,285,006	2,285,006
Share premium		99,994	99,994
Profit & loss account		(1,434,429)	(1,438,863)
		<u>950,571</u>	<u>946,137</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
27 April 2021.

P Thomas

P S Thomas
Director

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020

1. General information

Private Investor Capital Limited is a private company limited by shares and registered in England and Wales.

The Company's registered address is 5 New Street Square, London, EC4A 3TW.

The principal activity of the Company during the year was that of a venture capital manager, investing the personal wealth of a club of successful high net worth individuals. The directors intend to develop the business.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. Management consider that the only key accounting estimate which has been made relates to the provision against amounts due from companies within the group. Management have reviewed the likelihood of recovery and have made provisions against these balance as they consider necessary.

Management are also required to exercise judgment in applying the Company's accounting policies. Due to the straight forward nature of the business management consider that no critical judgments have been made in applying the Company's accounting policies.

2.2 Going concern

The group headed by Pi Capital (Holdings) Limited, the Company's parent company, has sufficient financial resources to continue trading for the foreseeable future, together with contracts with a number of customers that are on-going and have the nature of long-term contracts. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The directors have made enquiries into the group's business activities, assessed the most likely risks the group faces including the potential impact of the Covid-19 pandemic, together with an ongoing review of factors likely to affect its future development and performance. Based on these enquiries the directors have prepared forecasts for the group. Having taken account of the financial assumptions on which the forecast is based, and having analysed its potential cash flows, and liquidity position the directors have a reasonable expectation that the Company and the group have adequate resources to continue in operational existence for the foreseeable future.

Pi Capital (Holdings) Limited has confirmed it is willing to support the Company for the foreseeable future and accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

2.3 Turnover

The turnover shown in the profit and loss account represents fees received for advisory services and management fees from the funds which the Company manages, exclusive of value added tax. Advisory and management fees are recognised over the period for which the services are provided.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.4 Exceptional items

The Company classifies certain one-off charges or credits that have a material impact on the Company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Fixtures & fittings	- 5 years
Computer equipment	- 3 years

2.6 Operating leases

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

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Financial instruments

The Company does not trade in financial instruments and all such instruments arise directly from operations.

All trade and other debtors are initially recognised at transaction value, as none contain in substance a financing transaction. Thereafter trade and other debtors are reviewed for impairment where there is objective evidence based on observable data that the balance may be impaired. The Company does not hold collateral against its trade and other receivables so its exposure to credit risk is the net balance of trade and other debtors after allowance for impairment.

The Company's cash holdings comprise on demand balances and all cash is held with banks with strong external credit ratings.

Trade and other creditors and accruals are initially recognised at transaction value as none represent a financing transaction. They are only derecognised when they are extinguished. As the Company only has short term receivables and payables, its net current asset position is a reasonable measure of its liquidity at any given time.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the the Statement of Income and Retained Earnings, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will berecovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.10 Statement of cash flows exemption

The Company, being a subsidiary, of Pi Capital (Holdings) Limited whose consolidated financial statements are publicly available, is exempt from the requirements to draw up a statement of cash flows.

2.11 Related parties

The Company is exempt under section 33 of FRS102 from disclosing transactions or balances between wholly owned group companies

3. Turnover

The whole of the turnover for the year is attributable to the Company's principal continuing activity.

All turnover arose within the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020

4. Operating profit

The operating profit is stated after charging:

	2020	2019
	£	£
Fees payable to the Company's auditors for the audit of the Company's annual accounts	3,750	5,400
Fees payable to the Company's auditors for non-audit services	2,500	1,250
Bad debt reversal	-	(101,734)
	=====	=====

5. Employees

The average monthly number of employees, including the directors, during the year was as follows:

2020	2019
No.	No.
2	2
=====	=====

During the year, no director received any emoluments (2019: £nil).

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020

6. Taxation

	2020 £	2019 £
Total current tax	-	-

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	4,434	159,214
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	842	30,251
Effects of:		
Expenses not deductible for tax purposes	-	(19,291)
Group relief	(842)	(10,960)
Total tax charge for the year	-	-

7. Exceptional items

In 2019, a provision of £101,734 made against an amount owed by group undertakings was reversed. There was no provision movement in 2020.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020

8. Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2020	840
At 31 December 2020	840
Depreciation	
At 1 January 2020	840
At 31 December 2020	840
Net book value	
At 31 December 2020	-
At 31 December 2019	-

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020

9. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2020	3
At 31 December 2020	<u>3</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Pi Capital Partners 1 Limited	To act as General Partner	Ordinary	100%
Pi Capital Partners 2 Limited	To act as General Partner	Ordinary	100%
Pi Capital Partners 3 Limited	To act as General Partner	Ordinary	100%

10. Debtors

	2020 £	2019 £
Trade debtors	-	31,320
Amounts owed by group undertakings	825,251	813,825
Other debtors	5,125	5,125
Prepayments and accrued income	376	377
	<u>830,752</u>	<u>850,647</u>

11. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	99	-
Amounts owed to group undertakings	63,369	63,369
Other taxation and social security	36,988	5,160
Accruals and deferred income	11,818	13,215
	<u>112,274</u>	<u>81,744</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2020

12. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
2,285,000 (2019 - 2,285,000) Ordinary shares of £1.00 each	2,285,000	2,285,000
600 (2019 - 600) Ordinary shares of £0.01 each	6	6
	<u>2,285,006</u>	<u>2,285,006</u>

13. Ultimate parent undertaking and controlling party

The Company's immediate and ultimate parent undertaking is Pi Capital (Holdings) Limited, incorporated in the UK. Consolidated accounts are available from Companies House.