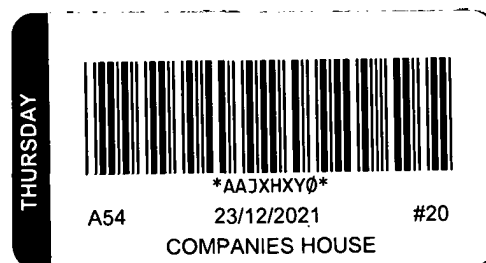


TERRA FIRMA CAPITAL PARTNERS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



COMPANY NUMBER: 04219556

TERRA FIRMA CAPITAL PARTNERS LIMITED

COMPANY INFORMATION

Directors	Mr V Ahuja Mr R Boehringer (resigned 31 May 2021) Mrs D Pluck
Secretary	Ms M Lappas
Company Number	04219556
Registered Office	2 More London Riverside London SE1 2AP
Auditor	Deloitte LLP Regency Court Glategny Esplanade St Peter Port Guernsey GY1 3HW
Bankers	National Westminster Bank Plc 250 Bishopsgate London EC2M 4AA

TERRA FIRMA CAPITAL PARTNERS LIMITED

CONTENTS

	Page
Directors' Report	1
Strategic Report	3
Independent Auditor's Report to the Members of Terra Firma Capital Partners Limited	4
Consolidated Statement of Comprehensive Income	8
Consolidated Statement of Financial Position	9
Company Statement of Financial Position	10
Consolidated Statement of Changes in Equity	11
Company Statement of Changes in Equity	12
Consolidated Statement of Cash Flows	13
Notes to the Financial Statements	14

TERRA FIRMA CAPITAL PARTNERS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their report together with the strategic report, auditor's report and accounts for the year ended 31 March 2021.

Principal Activity and Review of Business

Terra Firma Capital Partners Limited ('the Company') was incorporated on 18 May 2001. The Company has a subsidiary incorporated in Germany, Terra Firma GmbH (together 'the Group'). The principal activity of the Company is that of an adviser to the General Partners of Limited Partnerships making private equity investments. The Company provides investment advice to the General Partners, including sourcing and advising on investment opportunities and realisation strategies. The directors are of the opinion that the Company will continue its principal activity for the foreseeable future.

Financial Risk Management Objectives and Policies

The Group's activities expose it to a number of financial risks including foreign exchange risk, credit risk, cash flow risk and liquidity risk. The Group does not currently use derivative financial instruments for the management of these risks.

Foreign Exchange Risk

The Group's activities expose it only to a very limited extent to the financial risks of changes in foreign currency exchange rates, with the main constituent of this being the translation of the Company's foreign subsidiary. Therefore the directors do not consider it appropriate to use foreign exchange forward contracts to hedge these small exposures.

Credit Risk

The Group's principal financial assets are bank balances and cash, trade and other receivables and investments. The Group's credit risk is primarily attributable to its trade receivables and loan receivables. The credit risk on liquid funds is limited because the counterparties are banks with relatively high credit-ratings. Trade receivables balances are kept on short maturities to enable reallocation of funds at short notice. Loan receivable arrangements are checked for credit worthiness before being entered into. The group does have significant concentration of credit risk, with exposure spread over a small number of counterparties and customers. However, the directors are satisfied that the risk of a loss event is not significant. There have been no such loss events to date.

Cash Flow Risk and Liquidity Risk

The Group has sufficient cash available to manage ongoing operations and holds such cash on short maturities. The Group has no need for debt finance.

Going Concern

The directors are of the opinion that the Company is a going concern. The directors make such representation after performing a detailed future cash flow analysis of the Terra Firma Holdings Limited group ("TFHL") including the Company and its subsidiary and on this basis the Terra Firma Holdings Limited will fund any individual subsidiaries as required. In performing this review, the directors note both the ultimate shareholder's intent and historic support of TFHL. This is evidenced by committing capital of up to £17,400,000 to TFHL as required for the 12 months period from the date of signing these accounts. Consistent with prior years, it is anticipated that further capital contributions will be required to meet ongoing liabilities as they fall due.

The directors have also considered the impact of COVID-19 on TFHL including a review of the cash requirements should TFHL be adversely impacted. To date, all income and associated revenues have been unaffected and the day to day operations of TFHL have not been materially impacted. As such, the directors continue to adopt the going concern basis of preparation for the financial statements.

TERRA FIRMA CAPITAL PARTNERS LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Results and Dividends

The audited accounts for the year ended 31 March 2021 are set out on pages 8 to 30. The Group profit for the year after taxation was £1,416,000 (2020: £1,167,000). During the year ended 31 March 2021 no dividend was declared (2020: £5,000,000) to London 58 Limited, the parent company.

Directors

The directors who served during the year and up until the date of this report are:

Mr V Ahuja
Mr R Boehringer (resigned 31 May 2021)
Mrs D Pluck

Directors' Interests

As at 31 March 2021, no director held interests in the shares of the Company or any subsidiary undertaking (2020: nil). London 58 Limited, a company ultimately owned by Mr G Hands, held the entire share capital of the Company.

Directors' Indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its directors which have been in place for some time and remain in force at the date of this report.

Charitable and Political Donations

During the year the Group committed to charitable donations of £144,000 (2020: £153,000), through a variety of channels. As in previous years, this amount included donations of 10% of the Group's annual profits in aggregate to Impetus – The Private Equity Foundation, the Terra Firma Charitable Trust and The Baytree Centre.

The Terra Firma Charitable Trust, a not-for-profit charitable fund formed and funded by Terra Firma employees and donations from the Company, makes charitable donations which will directly benefit the local community in the London Borough of Southwark.

During the year, the Group made no political donations (2020: nil)

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware;
- the director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of the information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

TERRA FIRMA CAPITAL PARTNERS LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Directors' Responsibilities Statement

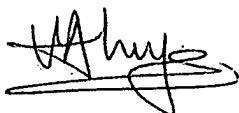
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 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 Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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; and
- 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 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.

By order of the Board,

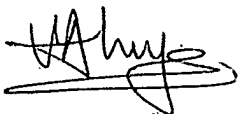


Vivek Ahuja
28 July 2021

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021

In the year ended 31 March 2021, the Group's turnover decreased by 4% to £15.3m (2020: £15.9m). There was a corresponding decrease in administrative costs, with the result that operating profit for the year was £1.6m (2020: £1.4m). Profit for the financial year was £1.4m (2020: £1.2m).

By order of the Board,



Vivek Ahuja
28 July 2021

TERRA FIRMA CAPITAL PARTNERS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERRA FIRMA
CAPITAL PARTNERS LIMITED
FOR THE YEAR ENDED 31 MARCH 2021

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Terra Firma Capital Partners Limited (the 'parent company') and its subsidiary (the 'Group'):

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent company statements of financial position;
- the consolidated and parent company statements of changes in equity;
- the consolidated statement of cash flows; and
- the related notes 1 to 17.

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 Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 Group's and parent 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.

TERRA FIRMA CAPITAL PARTNERS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERRA FIRMA
CAPITAL PARTNERS LIMITED (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 Group's and the parent 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 Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

TERRA FIRMA CAPITAL PARTNERS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERRA FIRMA
CAPITAL PARTNERS LIMITED (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

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

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

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

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

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

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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

- As per the employment contracts of the parent company's employees, the employees are eligible for long term incentive plan ("LTIP"). These incentives are becoming vested over the passage of time and achieving target multiples for the funds under investments. There is a key judgment related to the recognition and the valuation of the employees' LTIPs and when these LTIPs will be recognised based on the uncertainty attached to this process. In response to this risk, we have evaluated the accounting considerations around the LTIP recognition, to assess whether this has been accounted for appropriately; challenged management on the calculation of the LTIP including the evaluation of the target multiples status and the performance of the underlying funds' investments.
- Revenue recognition in connection with the advisory fee income charged to the General Partners of Limited Partnerships (the "GPs") for making private equity investments advices, has been deemed a significant risk due to potential for fraud. The advisory fee income is determined by charging an agreed profit margin percentage in addition to all administrative expenses with the exception of charitable donations. To address this risk we tested the administrative expenses for their accuracy, occurrence and completeness with additional focus on the payroll related cost given it's the most significant number. Furthermore, we recalculated the advisory fee income based on the agreed profit margin percentage and traced the collections to bank statements.

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

TERRA FIRMA CAPITAL PARTNERS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TERRA FIRMA
CAPITAL PARTNERS LIMITED (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

In the light of the knowledge and understanding of the Group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

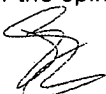
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the parent company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the parent company'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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.



.....
John Clacy, BSc FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
St Peter Port, Guernsey
28 July 2021

TERRA FIRMA CAPITAL PARTNERS LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £'000	2020 £'000
Turnover	4	15,269	15,890
Administrative expenses		(13,687)	(14,444)
Operating profit	5	1,582	1,446
Interest receivable and similar income		182	163
Interest payable and similar charges		(5)	(5)
Profit on activities before taxation		1,759	1,604
Tax	7	(343)	(437)
Profit for the financial year		1,416	1,167
Currency translation difference on foreign currency investments		(30)	2
Total comprehensive income		1,386	1,169

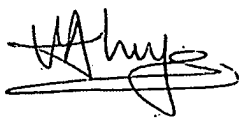
The notes on pages 14 to 30 are an integral part of these financial statements.

TERRA FIRMA CAPITAL PARTNERS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021	2020
		£'000	£'000
Fixed assets			
Tangible assets	8	571	142
Current assets			
Cash at bank		8,327	4,471
Debtors:			
amounts due falling within one year	11	3,279	6,084
amounts due falling more than one year	11	4,500	4,500
		<u>16,106</u>	<u>15,055</u>
Creditors: amounts falling due within one year	12	<u>(3,339)</u>	<u>(3,245)</u>
Net current assets		<u>12,767</u>	<u>11,810</u>
Net assets		<u>13,338</u>	<u>11,952</u>
Capital and reserves			
Called up share capital	13	5	5
Share premium		5,750	5,750
Profit and loss account		<u>7,583</u>	<u>6,197</u>
Shareholder's funds		<u>13,338</u>	<u>11,952</u>

The notes on pages 14 to 30 are an integral part of these financial statements.

The financial statements on pages 8 to 30 were approved by the board of directors on 28 July 2021 and were signed on its behalf by:



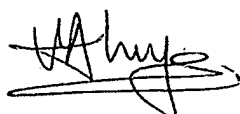
Vivek Ahuja
 Director
 Terra Firma Capital Partners Limited
 Company number: 04219556

TERRA FIRMA CAPITAL PARTNERS LIMITED
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	2021 £'000	2020 £'000
Fixed assets			
Investments		152	152
Tangible assets	8	<u>571</u>	<u>142</u>
		723	294
Current assets			
Cash at bank		8,303	4,420
Debtors:			
amounts falling due within one year	11	3,278	6,057
amounts falling due more than one year	11	<u>4,500</u>	<u>4,500</u>
		16,081	14,977
Creditors: amounts falling due within one year	12	<u>(3,786)</u>	<u>(3,667)</u>
Net current assets		<u>12,295</u>	<u>11,310</u>
Net assets		<u>13,018</u>	<u>11,604</u>
Capital and reserves			
Called up share capital	13	5	5
Share premium		5,750	5,750
Profit and loss account		<u>7,263</u>	<u>5,849</u>
Shareholder's funds		<u>13,018</u>	<u>11,604</u>

The notes on pages 14 to 30 are an integral part of these financial statements.

The financial statements on pages 8 to 30 were approved by the board of directors on 28 July 2021 and were signed on its behalf by:



Vivek Ahuja
 Director
 Terra Firma Capital Partners Limited
 Company number: 04219556

TERRA FIRMA CAPITAL PARTNERS LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Called up share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
As at 31 March 2019		5	5,750	10,028	15,783
Total comprehensive income		-	-	1,169	1,169
Dividend	13	-	-	(5,000)	(5,000)
As at 31 March 2020		5	5,750	6,197	11,952
Total comprehensive income		-	-	1,386	1,386
As at 31 March 2021		5	5,750	7,583	13,338

The notes on pages 14 to 30 are an integral part of these financial statements.

TERRA FIRMA CAPITAL PARTNERS LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Called up share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
As at 31 March 2019		5	5,750	9,683	15,438
Total comprehensive income		-	-	1,166	1,166
Dividend	13	-	-	(5,000)	(5,000)
As at 31 March 2020		5	5,750	5,849	11,604
Total comprehensive income		-	-	1,414	1,414
As at 31 March 2021		5	5,750	7,263	13,018

The notes on pages 14 to 30 are an integral part of these financial statements.

TERRA FIRMA CAPITAL PARTNERS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £'000	2020 £'000
Net cash flows generated from/(used in) operating activities	14	4,323	(9,455)
Cash flows (used in)/generated from investing activities			
Purchase of tangible assets		(612)	(37)
Loan interest received		180	151
Net cash flows (used in)/generated from investing activities		(432)	114
Cash flows used in financing activities			
Dividend paid		-	(5,000)
Interest paid		(5)	(5)
Net cash flows used in financing activities		(5)	(5,005)
Effect of foreign exchange on cash and cash equivalents		(30)	2
Net movement in cash and cash equivalents		3,856	(14,344)
Cash and cash equivalents at beginning of year		4,471	18,815
Cash and cash equivalents at end of year		8,327	4,471

The notes on pages 14 to 30 are an integral part of these financial statements.

TERRA FIRMA CAPITAL PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1. General Information

Terra Firma Capital Partners Limited ('the Company') and its subsidiary, Terra Firma GmbH, (together 'the Group') provide advisory services to the General Partners of Limited Partnerships making private equity investments. The Group provides investment advice to the General Partners, including sourcing and advising on investment opportunities and realisation strategies.

The Company is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is 2 More London Riverside, London SE1 2AP.

2. Accounting Policies

The group and individual financial statements of Terra Firma Capital Partners Limited have been prepared in compliance with United Kingdom 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.

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

The Company has taken advantage of the exemption in section 408 of the Companies Act from presenting its individual profit and loss account. The Company's profit after tax for the year was £1,414,000 (2020: £1,166,000).

b. Going concern

The directors are of the opinion that the Company is a going concern. The directors make such representation after performing a detailed future cash flow analysis of the Terra Firma Holdings Limited group ("TFHL") including the Company and its subsidiary and on this basis the Terra Firma Holdings Limited will fund any individual subsidiaries as required. In performing this review, the directors note both the ultimate shareholder's intent and historic support of TFHL. This is evidenced by committing capital of up to £17,400,000 to TFHL as required for the 12 months period from the date of signing these accounts. Consistent with prior years, it is anticipated that further capital contributions will be required to meet ongoing liabilities as they fall due.

The directors have also considered the impact of COVID-19 on TFHL including a review of the cash requirements should TFHL be adversely impacted. To date, all income and associated revenues have been unaffected and the day to day operations of TFHL have not been materially impacted. As such, the directors continue to adopt the going concern basis of preparation for the financial statements.

TERRA FIRMA CAPITAL PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

c. Basis of consolidation

The group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings together with the Group's share of the results of associates made up to 31 March.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Where the Group owns less than 50% of the voting powers of an entity but controls the entity by virtue of an agreement with other investors which give it control of the financial and operating policies of the entity, it accounts for that entity as a subsidiary.

All intra-group transactions, balances, income and expenses are eliminated on consolidation. Adjustments are made to eliminate the profit or loss arising on transactions with associates to the extent of the Group's interest in the entity.

d. Foreign currency

(i) Functional and presentation currency

The group financial statements are presented in pound sterling and rounded to thousands.

The Company's functional and presentation currency is the pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses are presented in the profit and loss account within 'administrative expenses'.

(iii) Translation

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year €1.12 to £1 (2020: €1.15 to £1). The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year-end €1.17 to £1 (2020: €1.13 to £1). Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income'.

TERRA FIRMA CAPITAL PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

e. Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of discounts and rebates allowed by the Group. Revenue is recognised in the period in which the services are provided when the outcome can be estimated reliably.

f. Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined benefit and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Group operates a number of country-specific defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

(iii) Annual bonus plan

The Group operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the Group has a legal or constructive obligation to make payments under the plans as a result of past events and a reliable estimate of the obligation can be made.

(iv) Long term incentive plans

Certain employees are entitled to bonuses on the satisfaction of various conditions. Such arrangements are accrued for only once it is deemed probable that the contractual conditions for payment may be satisfied and the amount of the future payment can be reliably measured.

The amount recognised as an accrual is the best estimate of the consideration required to settle the employee bonuses at the statement of financial position date, taking into account the risk and uncertainties surrounding the obligation.

TERRA FIRMA CAPITAL PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

g. Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax, including UK corporation tax and foreign tax, is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

h. Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

Computer equipment and software	-	3 years
Fixtures and fittings	-	3-5 years
Leasehold improvements	-	the shorter of 10 years and the lease term

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating (losses)/gains'.

TERRA FIRMA CAPITAL PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

i. Leased assets

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the arrangement is, or contains, a lease based on the substance of the arrangement.

(i) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

(ii) Lease incentives

Incentives received to enter into a finance lease reduce the fair value of the asset and are included in the calculation of present value of minimum lease payments.

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

j. Impairment of non-financial assets

At each reporting date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

TERRA FIRMA CAPITAL PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

k. Investments – Company

Investment in a subsidiary company is held at cost less accumulated impairment losses.

l. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

m. Provisions and contingencies

(i) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

(ii) Contingencies

Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

TERRA FIRMA CAPITAL PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

n. Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment. Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled; or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party; or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

TERRA FIRMA CAPITAL PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

n. Financial instruments (continued)

(iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

o. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

p. Distributions to equity holders

Dividends and other distributions to the Group's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the directors. These amounts are recognised in the statement of changes in equity.

q. Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

r. Exemptions for qualifying entities

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions.

The Company has taken advantage of the following exemption in its individual financial statements from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows.

TERRA FIRMA CAPITAL PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 2, the directors are required to make judgements, 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 the revision and future periods if the revision affects both current and future periods.

a. Critical judgements in applying the group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

In the opinion of the directors there are no material critical accounting judgements.

b. Key sources of estimation uncertainty

Employee bonuses

As at 31 March 2021, there was an accrual in relation to employee bonuses which are based on the satisfaction of various conditions. In order to determine the value of the accrual, the directors took into account the minimum contractual payments expected and the likelihood of the conditions being satisfied. For the year ending 31 March 2021 £2,465,000 (2020: £1,379,000) has been accrued in respect of these arrangements.

In the opinion of the directors there are no material sources of estimation uncertainty other than stated above.

4. Turnover

Analysis of turnover by geography	2021	2020
	£'000	£'000
Guernsey	15,026	15,669
United Kingdom	165	43
Australia	78	178
	15,269	15,890
Analysis of turnover by category	2021	2020
	£'000	£'000
Advisory fees	15,026	15,669
Insurance claim proceeds	165	43
Seconded fees	78	178
	15,269	15,890

TERRA FIRMA CAPITAL PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

5. Operating profit

	2021 £'000	2020 £'000
GROUP		
Wages and salaries	8,890	8,361
Social security costs	783	936
Other pensions costs	312	370
Total staff costs	<u>9,985</u>	<u>9,667</u>
Loss on disposal of tangible assets	36	-
Operating lease charges	803	801
Foreign exchange (gains)/losses	<u>(2)</u>	<u>2</u>
Fees payable to the company's auditor and its associates for the audit of the parent company and the group's consolidated financial statements		
Fees payable to the company's auditor and its associates for other services:		
– Audit of the company's subsidiaries	42	58
– Tax compliance services	55	18
Total amount payable to the company's auditor	<u>97</u>	<u>76</u>

Certain employees are entitled to bonuses on the satisfaction of various conditions. Such arrangements are accrued for only once it is deemed probable that the contractual conditions for payment may be satisfied and the amount of the future payment can be reliably measured. For the year ending 31 March 2021 £2,465,000 (2020: £1,379,000) has been accrued in respect of these arrangements.

6. Employees and directors

Group and Company

The average monthly number of persons (including executive directors) employed by the Group during the year was 48 (2020: 52).

Directors

The directors' emoluments were as follows:

	2021 £'000	2020 £'000
Fees	7	17
Emoluments paid	2,000	1,566
Company contributions to money purchase pension schemes	20	16
Benefits in kind	9	6
	<u>2,036</u>	<u>1,605</u>

TERRA FIRMA CAPITAL PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

6. Employees and directors (continued)

The highest paid director's emoluments were as follows:

	2021	2020
	£'000	£'000
Emoluments paid	1,000	1,140
Pension contributions	10	10
Benefits in kind	6	5
	<u>1,016</u>	<u>1,155</u>

In accordance with FRS 102, it has been concluded that key management personnel comprise directors only and, therefore, the required FRS 102 disclosures are satisfied by the above Companies Act disclosures.

7. Income tax

(i) Tax expense included in profit or loss

	2021	2020
	£'000	£'000
Current tax:		
- UK Corporation tax on profit for the year	258	223
- Foreign corporation tax on profits for the year	-	-
Total current tax	<u>258</u>	<u>223</u>
Deferred tax		
- Origination and reversal of timing differences	85	214
Total deferred tax	<u>85</u>	<u>214</u>
Tax of profit	<u>343</u>	<u>437</u>

TERRA FIRMA CAPITAL PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

7. Income tax (continued)

(ii) Reconciliation of tax charge

Tax assessed for the year is higher (2020: higher) than the standard rate of corporation tax in the UK for the year ended 31 March 2021 of 19% (2020: 19%). The differences are explained below:

	2021 £'000	2020 £'000
Profit before tax	1,759	1,604
	334	305
Profit multiplied by the standard rate of tax in the UK of 19%		
Effects of:		
- Expenses not deductible for tax purposes	9	149
- Movement in short term timing differences	-	18
- Impact of overseas tax rates	-	-
- Adjustments in respect of prior years	-	(35)
Tax charge for the year	<u>343</u>	<u>437</u>

(iii) Tax rate changes

Finance Act 2021 enacted an increase in the UK corporation tax rate from 19% to 25% with effect from 1 April 2023. This increase in the tax rate was substantively enacted on 24 May 2021 and is therefore not reflected in the tax balances and charges included in these financial statements.

TERRA FIRMA CAPITAL PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

8. Tangible assets

GROUP & COMPANY	<i>Leasehold improvements</i>	<i>Fixtures and fittings</i>	<i>Computer equipment and software</i>	<i>Total</i>
	£'000	£'000	£'000	£'000
Cost				
At 1 April 2020	2,475	1,291	917	4,683
Additions	401	91	120	612
Disposals	(42)	(47)	(10)	(99)
At 31 March 2021	2,834	1,336	1,026	5,196
Depreciation				
At 1 April 2020	(2,407)	(1,256)	(878)	(4,541)
Charge for the year	(75)	(27)	(44)	(146)
Disposals	22	35	7	63
At 31 March 2021	(2,460)	(1,249)	(915)	(4,624)
Net book value				
At 31 March 2021	373	87	111	571
At 1 April 2020	68	35	39	142

9. Subsidiaries and related undertakings

The list of subsidiaries and other related is as follows:

Name	Address of the registered office	Nature of business	Interest
Terra Firma GmbH	Garden Towers, Neue Mainzer Strasse 46-50, Frankfurt am Main, Hessen 60311	Investment advisor	100%

The above subsidiary is included in the consolidation. The Company's investment in Terra Firma GmbH is direct ownership. Investment in the subsidiary is held at cost as there is no indication that the investment is impaired.

TERRA FIRMA CAPITAL PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

10. Financial instruments

	GROUP		COMPANY	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Financial assets that are measured at amortised cost	<u>6,958</u>	<u>9,817</u>	<u>6,958</u>	<u>9,789</u>
Financial liabilities measured at amortised cost	<u>504</u>	<u>1,354</u>	<u>956</u>	<u>1,777</u>

11. Debtors

	GROUP		COMPANY	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts falling due within one year				
Trade debtors	2,408	5,267	2,408	5,239
Other debtors	124	103	123	104
Prepayments and accrued income	606	556	606	556
Corporation tax asset	68	-	68	-
Deferred tax asset	23	108	23	108
Loan interest receivable	<u>50</u>	<u>50</u>	<u>50</u>	<u>50</u>
	<u>3,279</u>	<u>6,084</u>	<u>3,278</u>	<u>6,057</u>
Amounts falling due more than one year				
Secured loan	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>
	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>	<u>4,500</u>

Loan receivable transactions include a brought forward secured loan including interest totalling £4,550,000 (2020: £4,550,000) which attracted interest of 4% and is expected to be settled in cash. As at 31 March 2021, £50,000 (2020: £50,000) is due within one year, with the remaining amounts due in more than one year.

The deferred tax asset consists of the following assets/(liabilities):

	GROUP		COMPANY	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Capital allowances	(29)	73	(29)	73
Pension contributions	6	6	6	6
Charitable donations	<u>46</u>	<u>29</u>	<u>46</u>	<u>29</u>
	<u>23</u>	<u>108</u>	<u>23</u>	<u>108</u>

The net deferred tax asset expected to reverse in 2021 is £77,000. This primarily relates to the reversal of timing differences capital allowances and the payment of charitable donations.

TERRA FIRMA CAPITAL PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

12. Creditors: amounts falling due within one year

	GROUP		COMPANY	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade creditors	203	555	198	555
Accruals and deferred income	2,835	1,830	2,830	1,827
Corporation tax	-	62	-	62
Other payables	301	798	758	1,223
	<u>3,339</u>	<u>3,245</u>	<u>3,786</u>	<u>3,667</u>

13. Share capital and other reserves

Share capital

	Number	Group and Company £'000
Allotted and fully paid		
At 1 April 2020	5,402	5
At 31 March 2021	<u>5,402</u>	<u>5</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

Profit and loss account includes all current and prior years' retained profits and losses inclusive of other comprehensive income.

Dividends

	2021 £'000	2020 £'000
Equity – Ordinary	-	5,000
Total dividends paid	<u>-</u>	<u>5,000</u>

TERRA FIRMA CAPITAL PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

14. Reconciliation of operating profit to operating cashflows

GROUP	2021 £'000	2020 £'000
Operating profit	1,582	1,446
Depreciation of tangible assets	146	67
Loss on disposal of tangible assets	36	-
Decrease/(increase) in debtors	2,792	(4,596)
Increase/(decrease) in creditors	156	(6,269)
Taxation paid	(389)	(103)
Net cash flows from operating activities	4,323	(9,455)

15. Financial commitments

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2021		2020	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
GROUP & COMPANY				
Up to one year	790	-	710	8
Greater than one year and less than five years	1,437	-	-	-
	2,227	-	710	8

TERRA FIRMA CAPITAL PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

16. Related party transactions

The ultimate controlling party, Mr G Hands, is the ultimate controlling party of Terra Firma Holdings Limited, a Guernsey registered company. Terra Firma Holdings Limited controls various other Guernsey registered companies from whom the company generates turnover. These entities are predominantly the General Partners of Terra Firma Limited Partnerships whom the company advises in conducting its principal activity. Due to their common control, the directors consider these entities to be related parties. The table below shows details of turnover generated during the year as well as year-end debtor and creditor balances.

	GROUP TURNOVER		DEBTOR / (CREDITOR)	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Terra Firma Investments (GP) 2 Limited	376	392	(50)	(425)
Terra Firma Investments (GP) 3 Limited	3,306	6,111	(360)	1,958
Terra Firma Investments (GP) DA Limited	68	71	4	(46)
Terra Firma Investments (GP) DA II Limited	8	8	-	(5)
Terra Firma Investments (Special Opportunities Fund I) Limited	2,254	1,567	128	502
Terra Firma Investments (Special Opportunities Fund IV) Limited	2,254	783	658	283
Terra Firma Investments Limited	6,762	5,954	1,778	1,928
Terra Firma Investments (Support Capital) Limited	-	783	-	252

See note 6 for disclosure of the directors' remuneration and key management compensation

17. Controlling parties

The immediate parent undertaking is London 58 Limited, a Guernsey registered company. The ultimate parent undertaking is Julian Holdings Limited, a Guernsey registered company. The ultimate controlling party is Mr G Hands.