

**Company Registration No. 05706513**

**PRIMARY CAPITAL MLP LIMITED**

**Annual Report and Financial Statements  
for the year ended 31 December 2020**



**PRIMARY CAPITAL MLP LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS 2020**

<b>CONTENTS</b>	<b>PAGE</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Directors' responsibilities statement</b>	<b>4</b>
<b>Independent auditor's report</b>	<b>5</b>
<b>Profit and loss account</b>	<b>8</b>
<b>Balance sheet</b>	<b>9</b>
<b>Notes to the accounts</b>	<b>10</b>

## **PRIMARY CAPITAL MLP LIMITED**

### **OFFICERS AND PROFESSIONAL ADVISERS**

#### **DIRECTORS**

N A Wallace  
G Heddle  
S Lloyd  
R Foreman (resigned 31 December 2020)

#### **COMPANY SECRETARY**

S Lloyd

#### **BUSINESS ADDRESS**

Augustine House  
Austin Friars  
London  
EC2N 2HA

#### **REGISTERED OFFICE**

Augustine House  
Austin Friars  
London  
EC2N 2HA

#### **BANKER**

Lloyds TSB Bank Plc  
25 Gresham Street  
London  
EC2V 7HN

#### **AUDITOR**

Deloitte LLP  
Statutory Auditor  
1 New Street Square  
London  
EC4A 3HQ

## **PRIMARY CAPITAL MLP LIMITED**

### **DIRECTORS' REPORT**

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

This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

### **ACTIVITIES AND BUSINESS REVIEW**

The primary role of Primary Capital MLP Limited (the "Company") is to consult and advise Primary III GP LLP, the General Partner, with respect to the business of P.C. III B LP, one of the two Limited Partnerships forming Primary III ("the Fund").

### **GOING CONCERN**

The Fund had a termination date of 30th March 2018. The Fund is therefore in liquidation phase and has prepared its financial statements on a basis other than going concern. The Directors have concluded that the Company should no longer be considered as a going concern and therefore should also produce its financial statements on a basis other than going concern.

In the early part of 2020 COVID-19 spread rapidly around the globe and was declared a global pandemic by the WHO on 11 March 2020. Aside from the human cost of the virus, which is sadly expected to hit the majority of households around the world, the economic impact and fallout across many industries could be equally far reaching. The directors have been monitoring and reviewing the COVID-19 outbreak and are confident the Company will remain a going concern.

### **RESULTS AND DIVIDEND**

The results for the period are shown in the profit and loss account on page 7. The directors do not recommend the payment of a dividend in the year (2019: £nil).

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risk to the Company is financial risk which it is exposed to through its financial assets and financial liabilities. In particular the key financial risks are that the debtors may not be able to pay the amounts in full when they become due and that the value of the Primary III fund falls significantly. The most important components of its financial risk are credit risk and liquidity risk. The Company does not use financial derivatives.

#### **Credit Risk**

Credit risk is the risk that the counterparty will be unable to pay amounts in full when due. Management monitors exposure to credit risk through regular review of credit exposure, assessing creditworthiness of counter parties and true and fair estimates of provision for doubtful debts. Due to the nature of its financial assets, the Company believes it is not exposed to any major concentration of credit risk.

#### **Liquidity risk**

Liquidity risk is the risk that the Company will be unable to meet its financial requirements. To guard against this risk, assets are managed with liquidity in mind maintaining a balance of cash and cash equivalents. The maturity profile is monitored to ensure adequate liquidity is maintained.

## **PRIMARY CAPITAL MLP LIMITED**

### **DIRECTORS' REPORT (Continued)**

#### **DIRECTORS**

The Directors of the Company throughout the year and up to the date of this report were as follows:

N A Wallace  
G Heddle  
S Lloyd  
R Foreman (resigned 31 December 2020)

#### **AUDITOR**

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Pursuant to section 485-488 of Companies Act 2006, the Company has passed an elective resolution to dispense with the requirement to appoint auditors annually. Therefore Deloitte LLP are deemed to continue as auditor.

The Company has not prepared a strategic report in accordance with the small companies exemption.

Approved by the Board of Directors  
and signed on behalf of the Board



S Lloyd  
Director  
05 August 2021

## **PRIMARY CAPITAL MLP LIMITED**

### **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 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 and apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIMARY CAPITAL MLP LIMITED**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Primary Capital MLP Limited (the "company") :

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its result 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 profit and loss account;
- the balance sheet; and
- the related notes 1 to 11.

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

#### **Basis of 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 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.

#### **Emphasis of matter - Financial statements prepared other than on a going concern basis**

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

#### **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 respect of these matters.

#### **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 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIMARY CAPITAL MLP LIMITED (CONTINUED)**

### **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **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 company's industry and its control environment, and reviewed the company'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 frameworks that the company 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
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These include breaches of the Money Laundering Regulations, and contractual agreements whose effects should be considered when preparing financial statements.

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.

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.

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 and legal counsel 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the directors' report.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIMARY CAPITAL MLP LIMITED (CONTINUED)**

### **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, 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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

### **Use of our report**

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Yasir Aziz (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
05 August 2021

**PRIMARY CAPITAL MLP LIMITED**

**PROFIT AND LOSS ACCOUNT  
for the year ended 31 December 2020**

	Notes	2020 £	2019 £
<b>TURNOVER</b>	4	-	-
<b>OPERATING PROFIT</b>		<u>-</u>	<u>-</u>
<b>RESULT BEFORE TAXATION</b>		<u>-</u>	<u>-</u>
<b>TAX ON RESULT</b>		-	-
<b>RESULT FOR THE FINANCIAL YEAR ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY</b>		<u>-</u>	<u>-</u>

The accompanying notes on pages 10 to 12 are an integral part of these accounts.

The results of the company relate solely to discontinued operations.

There were no recognised gains and losses in the current period other than the result shown above and therefore a statement of other comprehensive income has not been prepared.

**PRIMARY CAPITAL MLP LIMITED**

**BALANCE SHEET**  
**As at 31 December 2020**

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Investments at fair value through profit and loss	5	10	10
		<u>10</u>	<u>10</u>
<b>CURRENT ASSETS</b>			
Debtors	6	13	13
		<u>13</u>	<u>13</u>
<b>CREDITORS: amounts falling due within one year</b>	7	(10)	(10)
<b>NET CURRENT ASSETS</b>		<u>3</u>	<u>3</u>
<b>TOTAL NET ASSETS</b>		<u>13</u>	<u>13</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	1	1
Profit and loss account		12	12
<b>SHAREHOLDERS' FUNDS</b>		<u>13</u>	<u>13</u>

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The accompanying notes on pages 10 to 12 are an integral part of these accounts.

The financial statements of Primary Capital MLP Limited (registered number: 05706513) were approved and authorised for issue by the Board of Directors on 5 August 2021.

Signed on behalf of the Board of Directors

*simon lloyd*

S Lloyd  
Director

## **PRIMARY CAPITAL MLP LIMITED**

### **NOTES TO THE ACCOUNTS for the year ended 31 December 2020**

#### **1. ACCOUNTING POLICIES**

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards and under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

As permitted by section 1A of FRS 102, the Company has elected not to prepare either a statement of cash flows or a statement of changes in equity.

##### **Company Information**

Primary Capital MLP Limited is a limited company incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The Company is a private company limited by shares. The registered office and number are noted on page 1 and the cover respectively.

##### **Going Concern**

Primary III had a termination date of 30th March 2018. The Fund is therefore in liquidation phase and has prepared its financial statements on a basis other than going concern. The Directors have concluded that the Company should no longer be considered as a going concern and therefore should also produce its financial statements on a basis other than going concern. No adjustments arose as a result of ceasing to apply the going concern basis.

##### **Debtors**

A debtor is recognised, excluding balances relating to income, when future economic benefits are expected to flow to the Company and it can be measured reliably.

##### **Investments**

Investments comprise investments in unquoted equity instruments which are measured at fair value. Changes in fair value are recognised in profit or loss.

#### **2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of the assets and liabilities that are not readily apparent from other sources. In particular the directors are required to make judgement regarding the fair value of the Company's holding value in the investment in the Fund. The Company has determined that the fair value of its investment in the Fund is deemed to be the investment cost. The directors are satisfied that investment cost materially reflects fair value.

#### **3. PROFIT AND LOSS ACCOUNT**

The Company did not employ any staff during the year (2019: none) and no director received remuneration in respect of services to the company (2019: £nil). Audit costs for the period of £3,200 (2019: £3,080) relating to the audit of the Company's annual accounts were borne by Primary III.

#### **4. TURNOVER**

Turnover represented a priority profit share in an amount equal to 10% of its capital contribution per annum payable by P.C. III B LP and is accounted for on an accruals basis. Following the termination of the Fund no further priority profit share is payable by the Fund.

## PRIMARY CAPITAL MLP LIMITED

### NOTES TO THE ACCOUNTS for the year ended 31 December 2020

#### 5. INVESTMENTS

The Company is the Managing Limited Partner of P.C III B LP. The Company is also a Limited Partner in the fund. The Company has committed a capital contribution to the fund on which it receives a priority share determined by the General Partner but limited to 1% of the General Partner's Management Profit Share. The Company has not made, or is required to make, any loans to the fund.

The investment is accounted for at fair value through profit and loss. The fair value is deemed to be the investment cost. Fair Value at 31 December 2020 was *£Nil* (2019: *£10*).

	2020 £	2019 £
Primary III - Capital	10	10
	<u>10</u>	<u>10</u>

#### 6. DEBTORS

	2020 £	2019 £
Amounts owed from associated companies	12	12
Unpaid share capital	1	1
	<u>13</u>	<u>13</u>

#### 7. CREDITORS

	2020 £	2019 £
Amounts owed to Primary III	10	10
	<u>10</u>	<u>10</u>

#### 8. SHARE CAPITAL

	2020 £	2019 £
<b>Authorised share capital</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Called up, allotted and unpaid</b>		
1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

#### 9. MOVEMENTS IN SHAREHOLDERS' FUNDS

	2020 £	2019 £
At 1 January	12	12
Result for year	-	-
At 31 December	<u>12</u>	<u>12</u>

## **PRIMARY CAPITAL MLP LIMITED**

### **NOTES TO THE ACCOUNTS for the year ended 31 December 2020**

#### **10. IMMEDIATE AND ULTIMATE CONTROLLING PARTIES**

The company's immediate parent company is Primary Capital Limited, whose ultimate controlling party is Primary Capital Partners LLP. The registered office address of Primary Capital Partners LLP is Augustine House, 6a Austin Friars, London, EC2N 2HA. The results of Primary Capital Limited are consolidated into the results of Primary Capital Partners LLP which is the smallest and largest group in which Primary Capital Limited is consolidated.

At 31 December 2020, unpaid share capital in the sum of £1 was owed by Primary Capital Limited as stated in note 6. There are no other related party transactions other than those noted in notes 3 and 4.

#### **11. SUBSEQUENT EVENTS**

There were no subsequent events.