

Rothmann & Cie. TEP UK 3 Limited

Annual Report and Audited Financial Statements

Year ended 31 December 2019

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Rothmann & Cie. TEP UK 3 Limited

Report and financial statements for the year ended 31 December 2019

Contents

	Page
Company information	2
Report of the Directors	3
Statement of Directors' responsibilities	4
Report of the Independent Auditor	5 – 6
Statement of total comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10 - 14

Rothmann & Cie. TEP UK 3 Limited

Company information

Directors

David Brown
GFS Corporate Director Limited

Secretary and registered office

David Brown
2 Station Court
Borough Green
Kent
TN15 8AP

Company number

06288650

Auditor

MHA MacIntyre Hudson
2 London Wall Place
London
EC2Y 5AU

Rothmann & Cie. TEP UK 3 Limited

Report of the Directors for the year ended 31 December 2019

The Directors present their annual report and audited financial statements of Rothmann & Cie. TEP UK 3 Limited ("the Company") for the year ended 31 December 2019. This report is prepared under the small companies regime.

Results and dividends

The Statement of comprehensive income on page 7 shows a profit after tax of £2,467 (2018: £7,200).

The Directors do not recommend the payment of a dividend for the year (2018: £nil).

Principal activities

The Company's principal activity is to act as the General Partner to Rothmann & Cie. TEP UK 3 Limited Partnership (the "Partnership").

Going concern

The Partnership has reached the end of its period of investment and has been actively realising its remaining life policies during 2019. A few policies remain at 31 December 2019 which will either mature or be surrendered or sold in the period to 31 March 2019. Thereafter, the Partnership will be wound up after making a final distribution in the first half of 2020. The Company will also be wound down during 2020 and the Directors consider it appropriate to prepare these financial statements on a termination basis.

Directors

The Directors of the Company during the year were:

David Brown
GFS Corporate Director Limited

By order of the Board



David Brown
Secretary

26 March 2020

Statement of Directors' responsibilities

The Directors are responsible for preparing 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the 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 at the year end and of the results of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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, in which case the financial statements will be prepared on a termination basis.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

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.

Independent auditor's report to the members of Rothmann & Cie TEP UK 3 Limited

Opinion

We have audited the financial statements of Rothmann & Cie TEP UK 3 Limited ("the Company") for the year ended 31 December 2019, which comprise the Statement of total comprehensive income, the Statement of financial position, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 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 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 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 - going concern

As set out in note 1.2 of the financial statements, due to the proposed winding up of the Company, the use of the going concern basis of accounting is not appropriate and the financial statements have been prepared on a termination basis. In our opinion this basis is appropriate in the circumstances.

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 auditor's report thereon. The Directors are responsible for the other information. 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.

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.



Independent auditor's report to the members of Rothmann & Cie TEP UK 3 Limited (continued)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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 the 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 the Directors

As explained more fully in the Directors' responsibilities statement as set out on page 4, 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.

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 Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

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.

Deborah Weston (Senior Statutory Auditor)
For and on behalf of MHA MacIntyre Hudson, Statutory Auditor
2 London Wall Place
London
EC2Y 5AU

26 March 2020

Rothmann & Cie. TEP UK 3 Limited

Statement of total comprehensive income for the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	1	5,530	9,070
Administrative expenses		<u>(1,946)</u>	<u>(181)</u>
Operating profit	2	<u>3,584</u>	<u>8,889</u>
Profit on ordinary activities before taxation		3,584	8,889
Taxation	4	<u>(1,117)</u>	<u>(1,689)</u>
Profit on ordinary activities after taxation		<u>2,467</u>	<u>7,200</u>

All amounts relate to continuing activities.

There is no comprehensive income for the year or the prior year other than the profit shown above.

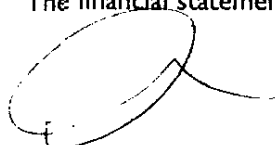
The notes on pages 10 to 14 form part of these financial statements.

Rothmann & Cie. TEP UK 3 Limited**Statement of financial position as at 31 December 2019**

		Year ended 31 December 2019		Year ended 31 December 2018	
	Note	£	£	£	£
Fixed assets					
Investments	5		10		10
Current assets					
Debtors	6	-	-	-	-
Cash at bank		70,165		69,100	
Creditors: amounts falling within one year	7	(755)		(2,157)	
Net current assets			69,410		66,943
Net assets			69,420		66,953
Capital and reserves					
Called up share capital	8		1		1
Profit and loss account			69,419		66,952
Equity shareholder's funds			69,420		66,953

The financial statements have been prepared in accordance with the Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, Section 1A small entities, and the Companies Act 2006.

The financial statements were approved by the Board on 26 March 2020



David Brown
Director

The notes on pages 10 to 14 form part of these financial statements.

Rothmann & Cie. TEP UK 3 Limited

Statement of changes in equity as at 31 December 2019

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 January 2019	<u>1</u>	<u>66,952</u>	<u>66,953</u>
Comprehensive income for the year			
Profit for the year	-	2,467	2,467
Dividends		<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>-</u>	<u>2,467</u>	<u>2,467</u>
At 31 December 2019	<u><u>1</u></u>	<u><u>69,419</u></u>	<u><u>69,420</u></u>
 Balance at 1 January 2018	 <u>1</u>	 <u>59,752</u>	 <u>59,753</u>
Comprehensive income for the year			
Profit for the year	-	7,200	7,200
Dividends		<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>-</u>	<u>7,200</u>	<u>7,200</u>
At 31 December 2018	<u><u>1</u></u>	<u><u>66,952</u></u>	<u><u>66,953</u></u>

The notes on pages 10 to 14 form part of these financial statements.

I Accounting policies

I.1 Company information

Rothmann & Cie. TEP UK 3 Limited is a limited liability company incorporated and domiciled in England and Wales. The business address and registered office is 2 Station Court, Borough Green, Kent, TN15 8AP.

I.2 Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the requirements for small entities of Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, section 1A small entities and with the Companies Act 2006. In prior years the financial statements have been prepared on the going concern basis but as the Partnership to which the Company is general partner, Rothmann & Cie. TEP UK 3 Limited Partnership, will be wound up in 2020, the Company will also be wound up and the 2019 financial statements are prepared on a termination basis.

Preparation of the financial statements on the termination basis requires that all assets are measured at realisable value and that provision is made for costs to the date of termination to the extent that they will not be covered by future profits. The Company's assets are cash balances which are recorded at realisable value and, as the Company is expected to make a profit in the period to the date of termination, no provision for future costs has been made.

The following principal accounting policies have been applied:

I.3 Consolidated financial statements

Rothmann & Cie. TEP UK 3 Limited Partnership is a subsidiary of the Company but the Company is exempt under section 399 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as the group it heads qualifies as a small group. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

I.4 Turnover

Turnover represents fees receivable in respect of the Company's principal activity as General Partner to Rothmann & Cie. TEP UK 3 Limited Partnership (the "Partnership").

Turnover is recognised on an accruals basis when the services have been performed and all the following conditions are satisfied:

- the amount of revenue can be reliably measured; and
- it is probable that the Company will receive the consideration due under contractual entitlement.

1.5 Taxation

Current tax is the amount of income tax payable in respect of the taxable profit for the year. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Deferred taxation is provided on all timing differences that have originated but not reversed by the balance sheet date other than those differences regarded as permanent and subject to an asset not being recognised to the extent that the transfer of economic benefits in the future is uncertain. Any deferred tax assets and liabilities recognised are provided at the rate of tax expected to apply when the asset or liability crystallise and are not discounted.

1.6 Financial instruments

Financial assets

Financial assets are basic financial instruments and comprise investment in subsidiary, trade and other receivables and cash at bank.

The investment in Rothmann & Cie. TEP UK 3 Limited Partnership (the "Partnership") is measured at cost less impairment.

Cash is represented by cash deposits with financial institutions repayable without penalty on notice of no more than 24 hours.

Trade and other receivables are measured initially at transaction price and thereafter at the amount expected to be received.

Financial assets are derecognised when contractual rights to the cash flows from the financial asset expire or are settled, or when substantially all the risks and rewards of ownership have been transferred.

Impairment

An impairment loss is measured as the difference between an asset's carrying amounts and best estimate of the amount that the Company would receive for the assets if it were to be sold at the reporting date.

Financial liabilities

Financial liabilities are basic financial instruments and comprise trade and other payables. These are measured initially at transaction price and thereafter at the amount of cash or other consideration expected to be paid.

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

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis and to realise the asset and settle the liability.

2 Operating profit

The audit fees for the Company of £3,600 (2018: £3,960) have been borne by the Partnership for the year ended 31 December 2019. Tax services are provided by Duff and Phelps Ltd.

3 Directors' remuneration

No remuneration was paid for the directors' services to the Company or its subsidiary (2018: nil).

4 Taxation on profit on ordinary activities

	2019	2018
	£	£
UK Corporation tax		
Profits for the year	1,117	1,689
	1,117	1,689
Reconciliation of current tax charge for the year:		
Profit on ordinary activities before taxation	3,584	8,889
Profit on ordinary activities at the standard rate of Corporation tax in the UK of 19% (2017: 19%)	755	1,689
Effects of:		
Prior year adjustment	362	-
Current tax charge for the year	1,117	1,689

5 Investments

	2019	2018
	£	£
Investments in Group Undertaking	10	10

The investment represents less than 0.001% of the partners' capital in Rothmann & Cie. TEP UK 3 Limited Partnership, whose principal place of business is 2, Station Court, Borough Green, Kent TN15 8AP. As its General Partner, the Company controls the Partnership and it is a subsidiary. The Partnership reported a (loss) for the financial year ended 31 December 2019 of (£35,913) (2018: profit £189,338), and the aggregate of the balances on the partners' accounts at that date was £765,254 (2018: £4,264,438).

Rothmann & Cie. TEP UK 3 Limited

Notes to the financial statements for the year ended 31 December 2019

6 Debtors: amounts falling due within one year

	2019	2018
	£	£
Debtors	-	-

7 Creditors: amounts falling due within one year

	2019	2018
	£	£
Other creditors	755	1,327
Amounts due to Partnership	-	830
	<u>755</u>	<u>2,157</u>

8 Share capital

	Authorised		Allotted, Called up and Fully Paid	
	2019	2018	2019	2018
Ordinary shares of £1 each	100,000	100,000	1	1

9 Controlling party

The Company's immediate and ultimate parent undertaking and controlling party is Rothmann Trustfonds UK 3 Verwaltung GmbH, whose registered office is Hammerbrookstrasse 69, 20097 Hamburg, Germany.

10 Related party disclosures

In the year, the Company provided General Partner services to Rothmann & Cie. TEP UK 3 Limited Partnership, its subsidiary. The value of the services provided in the year was £5,530 (2018: £9,070).

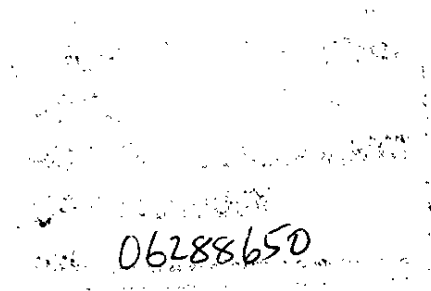
At the year end, £0 was due to Rothmann & Cie. TEP UK 3 Limited Partnership (2018: £830).

The Directors are David Brown and GFS Corporate Director Limited. As disclosed in note 3, directors' remuneration is nil. Key management personnel are David Brown and Mr Anthony Norris, a director of GFS Corporate Director Limited. Mr Anthony Norris is also a director of Gallium Fund Solutions Limited and Gallium Fund Solutions Limited is manager to Rothmann & Cie TEP UK 3 Limited Partnership. The Partnership incurred fees payable to Gallium Fund Solutions Limited in respect of manager and operator services of £56,570, including VAT (2018: £54,816). Mr Brown provides services to Gallium Fund Solutions Limited under a consultancy agreement and both gentlemen are remunerated for their services to Gallium Fund Solutions Limited and not for services to the Company or the Partnership.

**Rothmann & Cie. TEP UK 3 Limited
Partnership**

Annual Report and Audited Financial Statements

Year ended 31 December 2019



Rothmann & Cie. TEP UK 3 Limited Partnership

Report and financial statements for the year ended 31 December 2019

Contents

	Page
General Partner's report	2 - 3
Report of the Independent Auditor	4 - 5
Statement of Total Comprehensive Income	6
Appropriation account	7
Statement of financial position	8
Statement of cash flows	9
Statement of changes in equity	10
Notes to the financial statements	11 - 18

Rothmann & Cie. TEP UK 3 Limited Partnership

General Partner's Report

Rothmann & Cie. TEP UK 3 Limited, as the General Partner, presents its annual report and audited financial statements of Rothmann & Cie. TEP UK 3 Limited Partnership ("the Partnership") for the year ended 31 December 2019.

Business review and future developments

In the year ended 31 December 2019, the Partnership continued to hold UK endowment life policies for trading purposes. The results for the year are shown in the Statement of Comprehensive Income on page 6.

The Partnership made a loss for the year of £35,913 (2018: profit £189,338).

The Statement of Financial Position as detailed on page 8 shows a satisfactory position. Net assets amount to £765,254 (2018: £4,247,596).

The Partnership is funded by capital contributions in accordance with the Limited Partnership agreement dated 9 November 2007.

Going concern

The Partnership has reached the end of its period of investment and has been actively realising its remaining life policies during 2019. A few policies remain at 31 December 2019 which will either mature or be surrendered or sold in the period to 31 March 2020. Thereafter, the Partnership will be wound up after making a final distribution in the first half of 2020. Accordingly, the General Partner considers it appropriate to prepare the financial statements on a termination basis. The Partnership has sufficient liquid resources to meet its liabilities as they fall due and the winddown will be on a solvent basis.

Advisors

During the year ended 31 December 2019, Gallium Fund Solutions Limited continued to act as Manager to the Partnership. In addition, Teppco Limited continued as administrators and Lane Clark & Peacock Ireland Limited as advising actuary to the General Partner in relation to the Partnership.

General Partner's responsibilities

The General Partner is responsible for ensuring that an annual report and financial statements are prepared in accordance with the Limited Partnership Agreement and The Partnerships (Accounts) Regulations 2008 and United Kingdom Generally Accepted Accounting Practice.

In accordance with the above requirements the General Partner prepares financial statements for each financial year which give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that year. In preparing those financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;

Rothmann & Cie. TEP UK 3 Limited Partnership

General Partner's Report

General Partner's responsibilities (continued)

- state whether applicable 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 Partnership will continue in business, in which case the financial statements will be prepared on a termination basis.

The Directors of the General Partner confirm that they have complied with the above requirements during the year.

The Directors of the General Partner acknowledge responsibility for keeping proper accounting records which reflect the financial position of the Partnership and enable it to produce financial statements that comply with The Partnerships (Accounts) Regulations 2008. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditor

The Directors of the General Partner who held office at the date of approval of this General Partner's report confirm that, as far as they are aware, there is no relevant audit information of which the auditor is unaware and that each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.



Director

On behalf of Rothmann & Cie. TEP UK 3 Limited

26 March 2020

Independent auditor's report to the members of Rothmann & Cie. TEP UK 3 Limited Partnership

Opinion

We have audited the financial statements of Rothmann & Cie. TEP UK 3 Limited Partnership ("the Partnership") for the year ended 31 December 2019, which comprise the Statement of Total Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Partnership's affairs as at 31 December 2019 and of its loss 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 provisions of The Partnerships (Accounts) Regulations 2008.

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

Emphasis of matter - going concern

As set out in note 1.2 of the financial statements, due to the proposed winding up of the Partnership, the use of the going concern basis of accounting is not appropriate and the financial statements have been prepared on a termination basis. In our opinion this basis is appropriate in the circumstances.

Other information

The members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The General Partner is responsible for the other information. Our opinion on the financial statements does not cover the other information and 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.





Independent auditor's report to the members of Rothmann & Cie. TEP UK 3 Limited Partnership (continued)

Matters on which we are required to report by exception

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

Responsibilities of the General Partner

As explained more fully in the General Partner's responsibilities statement as set out on page 2, the General Partner is 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 General Partner determines 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 General Partner is responsible for assessing the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the General Partner either intends to liquidate the Partnership 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 Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Partnership'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 Partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Partnership and the Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Deborah Weston (Senior Statutory Auditor)
For and on behalf of MHA MacIntyre Hudson, Statutory Auditor
2 London Wall Place
London
EC2Y 5AU
26 March 2020

Rothmann & Cie. TEP UK 3 Limited Partnership

Statement of Total Comprehensive Income for the year ended 31 December 2019

		Year ended 31 December 2019		Year ended 31 December 2018	
	Note	£	£	£	£
Turnover	3		4,156,443		4,128,977
Cost of sales	4		(3,247,921)		(3,484,980)
			<u>908,523</u>		<u>643,996</u>
Movement in unrealised gain on endowment life policies measured at fair value through profit and loss			(770,545)		(219,751)
			<u>137,978</u>		<u>424,245</u>
Gross profit					
Administrative expenses		173,891		178,169	
Interest payable		<u>-</u>		<u>56,738</u>	
			(173,891)		(234,907)
(Loss)/Profit for the year	5		<u>(35,913)</u>		<u>189,338</u>

All amounts relate to continuing activities.

There is no other comprehensive income for the year or the prior year other than the profit for the year shown above.

The notes on pages 11 to 18 form part of these financial statements.

Rothmann & Cie. TEP UK 3 Limited Partnership**Appropriation account for the year ended 31 December 2019**

	Year ended 31 December 2019		Year ended 31 December 2018	
	Profit	Profit Share	Profit	Profit share
	%	£	%	£
Rothmann & Cie. TEP UK 3 Limited	0.00008	-	0.00008	-
Rothmann & Cie. Trustfonds UK 3 GmbH & Co KG	99.99992	(35,913)	99.99992	189,338
	100	(35,913)	100	189,338

The notes on pages 11 to 18 form part of these financial statements.

Rothmann & Cie. TEP UK 3 Limited Partnership

Statement of Financial Position for the year ended 31 December 2019

Registered number: LP012267

		Year ended 31 December 2019		Year ended 31 December 2018	
	Note	£	£	£	£
Current assets					
Financial assets held for trading	6	524,877		3,942,877	
Cash at bank		310,303		343,679	
Debtors – due from related party	11	-		830	
		835,180		4,287,389	
Current liabilities					
Creditors due within one year	7	(69,926)		(39,790)	
Net current assets					
		765,254		4,247,596	
Total assets less current liabilities					
		765,254		4,247,596	
Represented by					
Partners' Accounts					
Partners' Current Accounts	8	(8,689,141)		(5,206,799)	
Partners' Capital Accounts	9	9,454,395		9,454,395	
		765,254		4,264,438	

The financial statements were approved by the General Partner on 26 March 2020


David Brown
Director
Rothmann & Cie TEP UK Limited


Richard Cooney
Director
GFS Corporate Director Limited

The notes on pages 11 to 18 form part of these financial statements.

Rothmann & Cie. TEP UK 3 Limited Partnership**Statement of Cash Flows for the year ended 31 December 2019**

	Year ended 31 December 2019	Year ended 31 December 2018
Cash flows from operating activities		
(Loss)/profit for the year	(35,913)	189,338
Adjustments for:		
Increase/(decrease) in trade creditors	30,136	2,915
(Increase)/decrease in current asset investments	3,418,830	3,581,115
Net cash generated from operating activities	3,413,053	3,773,368
Cash flows from financing activities		
Distributions	(3,446,429)	(206,180)
Bank loan	-	(3,500,000)
Net cash flows used in financing activities	(3,446,429)	(3,706,180)
Net increase/(decrease) in cash and cash equivalents	(33,376)	67,188
Opening cash and cash equivalents	343,679	276,491
Closing cash and cash equivalents	310,303	343,679
Cash and cash equivalents at 31 December comprise:		
Cash at bank	310,303	343,679

The notes on pages 11 to 18 form part of these financial statements.

Rothmann & Cie. TEP UK 3 Limited Partnership**Statement of Changes in Equity as at 31 December 2019**

	Capital	Current account	Total
	£	£	£
At 1 January 2019	9,454,395	(5,206,796)	4,247,599
(Loss) for the year	-	(35,913)	(35,913)
Distributions	-	(3,446,429)	(3,446,429)
At 31 December 2019	<u>9,454,395</u>	<u>(8,689,138)</u>	<u>765,257</u>
At 1 January 2018	9,454,395	(5,189,954)	4,264,438
Profit for the year	-	189,338	189,338
Distributions	-	(206,180)	(206,180)
At 31 December 2018	<u>9,454,395</u>	<u>(5,206,796)</u>	<u>4,247,599</u>

The notes on pages 11 to 18 form part of these financial statements.

Rothmann & Cie. TEP UK 3 Limited Partnership

Notes to the financial statements for the year ended 31 December 2019

1. Accounting policies

1.1 General information

Rothmann & Cie. TEP UK 3 Limited Partnership is a limited partnership registered and domiciled in England and Wales. The address of the registered office and place of business is 2 Station Court, Borough Green, Kent, TN15 8AP.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with United Kingdom accounting standards, incorporating Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and with the Companies Act 2006 as applied by the Partnership (Accounts) Regulations 2008. In prior years the financial statements have been prepared on the going concern basis but as the Partnership will pay a final distribution and be wound up in the first half of 2020, the 2019 financial statements are prepared on a termination basis.

Preparation of the financial statements on the termination basis requires that all assets are measured at their realisable value and that provision is made for costs to the date of termination, to the extent that they will not be covered by future profits. The Partnership's assets are principally life endowment policies that are measured at the expected maturity, surrender or sales value as appropriate. A provision for future costs has been made.

The following principal accounting policies have been applied:

1.3 Turnover

Turnover represents proceeds from the maturities, surrenders and sales of endowment life policies.

1.4 Financial instruments

Financial assets

Financial assets are basic financial instruments and comprise cash and endowment life policies.

Cash is represented by cash on deposit with financial institutions repayable without penalty on notice of no more than 24 hours.

The Partnership's endowment life policies are initially recorded at transaction price and thereafter at fair value through profit and loss. Costs of acquisition are not included in transaction price but are charged as an expense in the Statement of Comprehensive Income.

Financial assets are derecognised when contractual rights to the cash flows from the financial asset expire or are settled, or when substantially all the risks and rewards of ownership have been transferred.

Impairment

An impairment loss is measured as the difference between an asset's carrying amount and best estimate of the amount that the Partnership would receive for the assets if it were to be sold at the reporting date.

Financial liabilities

The Partnership's financial liabilities comprise basic financial instruments and are trade creditors and accruals, bank loans and interest and balances with related parties. These are initially recognised at transaction price and thereafter at the amount of cash expected to be paid.

I Accounting policies (continued)

1.4 Financial instruments (continued)

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

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis and to realise the asset and settle the liability.

1.5 Interest

Interest payable, which accrues at variable rates on the bank loan, is recognised on an accruals basis.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions about future outcomes that affect the amounts reported.

The estimates and assumptions that have a significant risk of causing material misstatement relate to the carrying values of investments in endowment life policies. These policies are held at fair value through profit and loss and measured at their expected maturity, surrender or sales value at the year-end date. Management make estimates and assumptions concerning their surrender value using information provided by the underlying life offices. Note 10 contains details of the valuation risks.

3. Turnover

Turnover represents the proceeds of maturities and sales of endowment life policies. For the year ended 31 December 2019, matured and sold endowment policies totalled £4,156,443 (2018: £4,128,977).

4. Cost of sales

Cost of sales is the carrying value of endowment life policies matured, sold or surrendered, plus premiums paid.

5 Profit for the year

	2019 £	2018 £
Profit for the year is stated after charging/(crediting):		
Auditor's remuneration - audit services	15,600	17,160
Taxation services	9,120	9,400
Provision for termination costs	41,299	-
Foreign exchange (gain)/loss	(4)	(3)

2019 auditor's remuneration includes fees for the audit of the financial statements of the Partnership's General Partner, Rothmann & Cie. TEP UK 3 Limited, as these are borne by the Partnership. Taxation services were provided by Duff and Phelps Ltd.

Rothmann & Cie. TEP UK 3 Limited Partnership

Notes to the financial statements for the year ended 31 December 2019

6 Financial assets held for trading

	2019	2018
	£	£
Endowment life policies	524,877	3,942,877
	<u>524,877</u>	<u>3,942,877</u>

7 Creditors due within one year

	2019	2018
	£	£
Accruals	28,627	39,790
Provision for termination costs	41,299	-
	<u>69,926</u>	<u>39,790</u>

8 Partners' current accounts

	Rothmann & Cie. TEP UK I Limited £	Rothmann & Cie. Trustfonds UK I GmbH & Co KG £	Total £
At 1 January 2019	<u>(3)</u>	<u>(5,206,796)</u>	<u>(5,206,799)</u>
Share of (loss) for the year	-	(35,913)	(35,913)
Distribution	<u>-</u>	<u>(3,446,429)</u>	<u>(3,446,429)</u>
Movements in the financial year	<u>-</u>	<u>(3,482,342)</u>	<u>(3,482,342)</u>
At 31 December 2019	<u>(3)</u>	<u>(8,689,138)</u>	<u>(8,689,141)</u>

Rothmann & Cie. TEP UK 3 Limited Partnership

Notes to the financial statements for the year ended 31 December 2019

9 Partners' capital accounts

	Rothmann & Cie. TEP UK I Limited £	Rothmann & Cie. Trustfonds UK I GmbH & Co KG £	Total £
Capital at 1 January 2019	10	9,454,385	9,454,395
Capital introduced in the year	-	-	-
At 31 December 2019	<u>10</u>	<u>9,454,385</u>	<u>9,454,395</u>

10 Financial risk management

The Partnership has financial assets that are not traded in an active market which are measured at fair value determined using valuation techniques. These assets are endowment life policies and valuations are monitored by the General Partner in consultation with the administrator, Teppco Limited, and qualified actuaries on a six-monthly basis.

For financial instruments held at fair value in the Statement of Financial Position, the Partnership measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as active market data) or indirectly (that is, derived from active market data) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement of each class of financial instrument.

The determination of what constitutes 'observable' and assessing the significance of a particular input to the fair value measurement in its entirety requires significant judgement by the General Partner considering factors specific to the asset or liability. The Partnership considers observable to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The estimated fair value of investments in endowment life policies is measured at the expected maturity, surrender or sales value at the statement of financial position date. As the value is based on inputs other than quoted prices, the endowment life policies fall within the level 2 classification.

The following table analyses within the fair value hierarchy the Partnership's financial assets and liabilities by level.

Rothmann & Cie. TEP UK 3 Limited Partnership

Notes to the financial statements for the year ended 31 December 2019

10 Financial risk management (continued)

Financial assets

As at 31 December 2019

	Level 1	Level 2	Level 3	Total
Assets				
Endowment life policies	-	524,877	-	524,877
Related party	-	-	-	-
Cash	310,303	-	-	310,303
	310,303	524,877	-	835,180

As at 31 December 2018

	Level 1	Level 2	Level 3	Total
Assets				
Endowment life policies	-	3,942,877	-	3,942,877
Related party	-	-	-	830
Cash	343,679	-	-	343,679
	344,509	3,942,877	-	4,287,386

Financial liabilities

As at 31 December 2019

	Level 1	Level 2	Level 3	Total
Liabilities				
Bank loans	-	-	-	-
Accruals	69,926	-	-	69,926
	69,926	-	-	69,926

As at 31 December 2018

	Level 1	Level 2	Level 3	Total
Assets				
Bank loans	-	-	-	-
Accruals	39,790	-	-	39,790
	39,790	-	-	39,790

10 Financial risk management (continued)

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. This includes counterparty risk in relation to cash at bank and counterparty and issuer risk which arises from exposure to life houses as issuer of endowment policies held by the Partnership. The General Partner aims to mitigate exposure to credit risk through use of a reputable bank and purchase of policies issued by reputable life houses. This is monitored by the General Partner in consultation with the administrator and qualified actuaries, with the review performed on a six-monthly basis. The maximum exposure to credit risk at the Statement of financial position date is equal to the amounts included in the statement of financial position.

Market price risk

The values of the underlying endowment policies are sourced from the issuing life houses and the Partnership is exposed to price risk. These valuations are in part dependent on the market performance and credit ratings of each associated life house. This is monitored by the General Partner in consultation with the administrator to the Partnership and qualified actuaries, with the review performed on a six-monthly basis.

A 10% decline in the valuation of current asset investments held by the Limited Partnership would give rise to a loss of £52,488 or 6.9% of the equity of the Partnership.

Foreign exchange risk

The Partnership is not exposed to significant foreign exchange risk.

Interest rate risk

The Partnership has been exposed to interest rate risk as a result of its bank borrowings at variable rate. These borrowings were repaid in the prior year.

Liquidity risk

The Partnership holds investments in endowment life policies, having a range of maturity dates. A risk arises that the Partnership may not be able to meet its obligations from cash flows on the maturity of endowment life policies. This is monitored by the General Partner in consultation with the administrator to the Partnership and qualified actuaries, with the review performed on a six-monthly basis. This risk is mitigated by the Partnership being closed ended, such that investors cannot require redemption, and funding arrangements secured with UniCredit AG being renewable annually. In addition, the Partnership may generate liquidity through sale or surrender of policies in advance of maturity. The General Partner would expect to be able to effect sales at surrender value, being the basis of fair value measurement adopted in the financial statements.

10 Financial risk management (continued)

Maturity analysis of financial assets at fair value through profit and loss

As at 31 December 2019

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Endowment life policies	524,877	-	-	-	524,877

As at 31 December 2018

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Endowment life policies	113,878	2,014,167	1,725,273	89,559	3,942,877

**Maturity analysis of financial liabilities
as at 31 December 2019**

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Bank loans	-	-	-	-	-
Accruals	69,926	-	-	-	69,926
	69,926	-	-	-	69,926

**Maturity analysis of financial liabilities
As at 31 December 2018**

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Bank loans	-	-	-	-	-
Accruals	39,790	-	-	-	39,790
	39,790	-	-	-	39,790

Overall risk policy

The General Partner's review of the market, credit and liquidity risks on a six-monthly basis has aimed to ensure the Partnership's sustainability in the years to 31 December 2019 and an orderly wind down in 2020.

II Related party disclosures

The Partnership is controlled by its General Partner, Rothmann & Cie. TEP UK 3 Limited, and the Partnership's ultimate parent company is Rothmann Trustfonds UK 3 Verwaltung GmbH, a company incorporated in Germany.

During the year ended 31 December 2019, the Partnership incurred fees payable to Rothmann & Cie. TEP UK 3 Limited of £5,530 (2018: £9,070) in respect of its services as General Partner. At 31 December 2019, the Partnership was owed £nil by the General Partner (2018: £830 owed by the General Partner).

GFS Corporate Director Limited is a Director of the General Partner and of Gallium Fund Solutions Limited. During 2019 the Partnership incurred fees payable to Gallium Fund Solutions Limited in respect of manager and operator services of £56,570 including VAT (2018: £54,816). No amount was due to/from Gallium Fund Solutions Limited at 31 December 2019 (2018: £nil).

The Directors are David Brown and GFS Corporate Director Limited. As disclosed in note 3, Directors remuneration is £nil. Key management personnel are David Brown and Anthony Norris, a Director of GFS Corporate Director Limited. Anthony Norris is also a Director of Gallium Fund Solutions Limited and Gallium Fund Solutions Limited is manager to Rothmann & Cie TEP UK3 Limited Partnership. Mr Brown provides services to Gallium Fund Solutions Limited under a consultancy agreement and both gentlemen are remunerated for their services to Gallium Fund Solutions Limited and not for services to the General Partner or the Partnership.