

VIRTUS AVIATION LIMITED

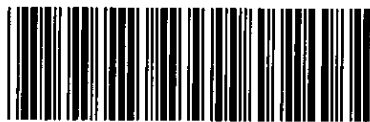
Report and Financial Statements Year ended 31 March 2021

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VIRTUS AVIATION LIMITED

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OFFICERS AND REGISTERED OFFICE

Directors

C S Fradley

H F Jaquiss

M R Preston

Company secretary

S H Carss

Registered office

Eaton Estate Office

Eccleston

Chester

CH4 9ET

DIRECTORS' REPORT

The directors present their annual report on the affairs of the company together with the financial statements of the company for the year ended 31 March 2021.

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

Activities and review of developments

The company's principal activity is to act as general partner to the Virtus Limited Partnership, a limited partnership registered in England and Wales on 19 June 2017.

Results and dividends

The loss for the year was £14,255 (2020: £15,609). The directors do not recommend the payment of a dividend.

The state of affairs at 31 March 2021 is as set out in the balance sheet on page 5.

Going concern

During 2020 global financial markets have experienced significant volatility resulting from the spread of a novel coronavirus known as COVID-19. The outbreak of the COVID-19 virus continues to give rise to material economic and financial uncertainties. The Company is continuing to monitor developments of the COVID-19 virus and the associated near-term uncertainty on the global economic outlook to understand the potential impact for the underlying asset. After making enquiries, including consideration of the impact of COVID-19, the directors have a reasonable expectation that the partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors of the company who served during the year and at the date of signing were:

C S Fradley

H F Jaquiss

M R Preston

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



S H Carss
Company Secretary

24 August 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). 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:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgements and accounting estimates that are reasonable and prudent; and
- (c) 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.

VIRTUS AVIATION LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021	2020
		£	£
Fair value movement of investment	4	(14,255)	(15,609)
Loss for the year		<u>(14,255)</u>	<u>(15,609)</u>

There is no income or expenses for the current or preceding year other than the loss shown above. Accordingly, a separate statement of other comprehensive income has not been prepared.

All results derive from continuing operations.

**BALANCE SHEET
AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
Fixed assets			
Investments	4	51,531	65,786
Current assets			
Debtors: amounts falling due within one year	5	99	99
Net assets		<u>51,630</u>	<u>65,885</u>
Capital and reserves			
Called up share capital	6	110,099	110,099
Profit and loss account		(58,469)	(44,214)
Shareholders' funds		<u>51,630</u>	<u>65,885</u>

For the year ending 31 March 2021, the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

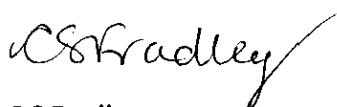
The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

These financial statements of Virtus Aviation Limited, company registration number 10814229, were approved and authorised for issue by the Board of Directors on 24 August 2021.

Signed on behalf of the Board of Directors



C S Fradley
Director

VIRTUS AVIATION LIMITED

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2021**

	Called-up share capital £	Profit and loss account £	Total £
At 1 April 2019	110,099	(28,605)	81,494
Total comprehensive income:			
Loss for the financial year	-	(15,609)	(15,609)
At 31 March 2020	110,099	(44,214)	65,885
Total comprehensive income:			
Loss for the financial year	-	(14,255)	(14,255)
At 31 March 2021	110,099	(58,469)	51,630

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. Accounting policies

The principal accounting policies adopted are described below. They have all been applied consistently throughout the current and prior year.

a) General information and basis of accounting

Virtus Aviation Limited is a company incorporated in the United Kingdom under the Companies Act. The company is a private company limited by shares and is registered in England and Wales. The address of the registered office is given on page 1.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council.

b) Going concern

The financial statements have been prepared using the going concern basis of accounting. An assessment of going concern is contained within the Directors' Report.

c) Investments

Fixed asset investments are stated at cost less provision for impairment.

d) Financial Instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit and loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Investments

Investments are measured at cost less impairment.

(iii) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**
2. Critical accounting judgements

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 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 revision and future periods if the revision affects both current and future periods.

The directors consider there to be no critical accounting estimates and judgements.

3. Particulars of employees

No fees or other emoluments were paid to the directors of the company during the current or prior year in respect of their services to the company. There were no other employees of the company during the current or prior year.

4. Fixed asset investments

	2021	2020
	£	£
At 1 April 2020	65,786	81,395
Provision for impairment	<u>(14,255)</u>	<u>(15,609)</u>
At 31 March 2021	<u>51,531</u>	<u>65,786</u>

The above investment represents a capital contribution of £110,000 paid to Virtus Limited Partnership, a limited partnership registered in England and Wales. Virtus Aviation Limited is entitled to a share of the profit, loss and net assets of the partnership calculated in accordance with the partnership agreement dated 19 June 2017. The carrying value of the investment has been impaired by £14,255 (2020: £15,609), being the company's share of the partnership's losses for the year ended 31 March 2021.

5. Debtors

	2021	2020
	£	£
Other debtors	<u>99</u>	<u>99</u>

6. Share capital

	2021	2020
	£	£
Allotted and called up		
110,099 ordinary shares of £1 each	<u>110,099</u>	<u>110,099</u>

7. Ultimate controlling party

The company is wholly owned by a Grosvenor Estate Trust.

VIRTUS LIMITED PARTNERSHIP

General Partner's Report and Financial Statements

Year ended 31 March 2021

Partnership Registration No: 18151

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VIRTUS LIMITED PARTNERSHIP

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VIRTUS LIMITED PARTNERSHIP

GENERAL INFORMATION

Registered Office

Eaton Estate Office
Eccleston
Chester
CH4 9ET

General Partner and Manager

Virtus Aviation Limited
Eaton Estate Office
Eccleston
Chester
CH4 9ET

Solicitors

Boodle Hatfield LLP
240 Blackfriars Road
London
SE1 8NW

Bankers

The Royal Bank of Scotland
Parklands, 3 De Havilland Way
Horwich
Bolton
BL6 4YU

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

VIRTUS LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT

The General Partner presents its report together with the audited accounts of the Virtus Limited Partnership ("the Partnership") for the year ended 31 March 2021.

In preparing this report, the General Partner has taken advantage of the small companies' exemption provided by section 415A of the Companies Act 2006, together with the exemption from preparing a Strategic Report provided by section 414B.

Registration

The Partnership was registered as a limited partnership in England and Wales under the Limited Partnerships Act, 1907 on 19 June 2017.

Principal activity

The principal activity of the Partnership is to own and maintain an aeroplane.

Results

The results for the year and financial position of the company are shown in the financial statements. The loss before and after tax for the year was £1,580k (2020: loss £1,670k) and the Net assets attributable to the partners was £6,170k (2020: £7,300k).

The General Partner did not make any distributions to the Limited Partner during the current or prior year.

Post balance sheet events

There have been no significant events affecting the Partnership since 31 March 2021.

Going concern

The Partnership is reliant on the funding provided by its shareholder in order to continue as a going concern. This shareholder has provided evidence that it is their intention to continue to support Virtus Limited Partnership for a period of at least 12 months from the date of these accounts being signed, and also that they are financially able to do so. In addition to this the General Partner has made appropriate enquiries (including considering the potential impact of COVID-19) and therefore have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future.

As a result, the going concern basis of accounting remains appropriate.

Valuation

The main asset of the partnership is a Cessna Citation XLS aeroplane, which was acquired in June 2017. As stated in the accounting policies note this is recognised at cost less depreciation. The General Partner has overall responsibility for the valuation.

Provision of information to auditor

In the case of each of the members who are members of the partnership at the date when this report is approved:

- so far as they are individually aware, there is no relevant audit information of which the partnership's auditor is unaware; and
- each of the members has taken all the steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that the partnership's auditor is aware of the information.

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

Auditor

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

VIRTUS LIMITED PARTNERSHIP

GENERAL PARTNER'S REPORT (continued)

Statement of General Partner's responsibilities

The General Partner presents its report and the financial statements for the year ended 31 March 2021. The General Partner who served during the year was Virtus Aviation Limited.

The General Partner is responsible for preparing the General Partner's Report and the financial statements in accordance with the Limited Partnership Agreement, United Kingdom Financial Reporting Standards and the Companies Act 2006 as applied to Limited Partnerships by Statutory Instrument 'The Partnership (Accounts) Regulations 2008 (SI 2008/569)'.

Company law requires the General Partner to prepare financial statements for each financial year. Under that law the General Partner has 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 general partner must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business.

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable it to ensure that the financial statements comply with the Companies Act 2006. The General Partner is 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.

This report was approved by the Board on 24 August 2021 and signed on its behalf.



S H Carss
For and on behalf of Virtus Aviation Limited

VIRTUS LIMITED PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIRTUS LIMITED PARTNERSHIP

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Wheatsheaf Private Equity Limited Partnership (the 'qualifying partnership'):

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice 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 as applied to qualifying partnerships.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in partnership funds;
- the related notes 1 to 9.

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 qualifying 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the General Partner's 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 qualifying partnership'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 members with respect to going concern are described in the relevant sections of this report.

Other information

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

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

VIRTUS LIMITED PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIRTUS LIMITED PARTNERSHIP (continued)

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 respect of these matters.

Responsibilities of partners

As explained more fully in the General Partner's responsibilities statement, 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 partners 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 partners are responsible for assessing the qualifying 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 partners either intend to liquidate the qualifying 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: 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 qualifying partnership's industry and its control environment, and reviewed the qualifying partnership'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 qualifying partnership 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, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the qualifying partnership's ability to operate or to avoid a material penalty.

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.

VIRTUS LIMITED PARTNERSHIP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VIRTUS LIMITED PARTNERSHIP (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 General Partner's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the General Partner's report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we have not identified any material misstatements in the General Partner's report.

Matters on which we are required to report by exception

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

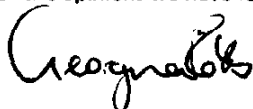
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of General Partner's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

The General Partner was not entitled to take advantage of the small qualifying partnership's exemption in preparing the General Partner's Report or 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 qualifying partnership's partners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships. Our audit work has been undertaken so that we might state to the qualifying partnership's partners 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 qualifying partnership and the qualifying partnership's partners as a body, for our audit work, for this report, or for the opinions we have formed.



Georgina Robb FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

.....26 August..... 2021

VIRTUS LIMITED PARTNERSHIP

STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Expenses			
Depreciation		(1,243,479)	(1,241,641)
Other operating expenses		(336,391)	(428,718)
Operating loss	4	<u>(1,579,870)</u>	<u>(1,670,359)</u>
Loss attributable to partners for the year and total comprehensive income		<u>(1,579,870)</u>	<u>(1,670,359)</u>

All activities relate to continuing operations.

VIRTUS LIMITED PARTNERSHIP

BALANCE SHEET AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible fixed assets	5	<u>5,849,796</u>	<u>7,078,572</u>
Current assets			
Debtors	6	28,570	62,433
Cash at bank and in hand		<u>310,616</u>	<u>228,985</u>
		339,186	291,418
Creditors: amounts falling due within one year	7	<u>(18,526)</u>	<u>(69,664)</u>
Net current assets		<u>320,660</u>	<u>221,754</u>
Net assets attributable to the partners		<u>6,170,456</u>	<u>7,300,326</u>
Represented by:			
General Partner's accounts			
Capital account		110,000	110,000
Current account		(58,469)	(44,214)
Limited Partner's accounts			
Capital account		12,220,000	11,770,000
Current account		<u>(6,101,075)</u>	<u>(4,535,460)</u>
Partnership funds		<u>6,170,456</u>	<u>7,300,326</u>

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

The General Partner in accordance with the Limited Partnership Agreement approved these financial statements of Virtus Limited Partnership, partnership registration LP18151, on 24 August 2021.


 Signed on behalf of the General Partner, Virtus Aviation Limited

VIRTUS LIMITED PARTNERSHIP

STATEMENT OF CHANGES IN PARTNERSHIP FUNDS AT 31 MARCH 2021

	Limited Partner		General Partner		Total
	Capital Account £	Current Account £	Capital Account £	Current Account £	£
As at 1 April 2019	11,290,000	(2,880,710)	110,000	(28,605)	8,490,685
Contribution by partners:					
Capital contribution	480,000	-	-	-	480,000
Total comprehensive loss:					
Loss for the year	-	(1,654,750)	-	(15,609)	(1,670,359)
As at 31 March 2020	11,770,000	(4,535,460)	110,000	(44,214)	7,300,326
Contribution by partners:					
Capital contribution	450,000	-	-	-	450,000
Total comprehensive loss:					
Loss for the year	-	(1,565,615)	-	(14,255)	(1,579,870)
As at 31 March 2021	<u>12,220,000</u>	<u>(6,101,075)</u>	<u>110,000</u>	<u>(58,469)</u>	<u>6,170,456</u>

VIRTUS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 MARCH 2021

1. Partnership agreement

Virtus Limited Partnership was registered as a limited partnership in England and Wales under the Limited Partnership Act 1907 on 19 June 2017. The General Partner is Virtus Aviation Limited, a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office for Virtus Limited Partnership and Virtus Aviation Limited is given on page 1. The operation of the partnership is governed by the Partnership Agreement dated 19 June 2017. Under the terms of the Partnership Agreement:

- (a) The partnership shall distribute to the General Partner, in priority to any other distributions, an amount equal to all costs and expenses that the General Partner has incurred in operating the partnership.
- (b) As soon as practicable after, and within 60 Business Days of, the end of each Financial Year, the General Partner shall determine the profits available for distribution to the Partners or the losses (after deducting or making such provisions as it thinks fit for liabilities of the Partnership) and as soon as reasonably practical after determination of such profits, the General Partner shall distribute those profits (or allocate the losses as the case may be).
- (c) Profits shall be distributed or losses allocated in the following order of priority (and where the sums are insufficient to make a full payment within a category, distribution shall be on a pro rata basis), namely
 - Profits to be paid firstly to the Partners by way of repayment of their Partnership Loans in the respective Partnership proportions and secondly, any excess to be distributed to the Partners in their Partnership proportions.
 - Losses to be firstly allocated to the Capital Account of the Partners in their Partnership Proportions, and then where the Capital Accounts are insufficient to absorb the whole of the losses, the Partners shall make good the losses with Capital Contributions up to an upper limit of £14.85m (in addition to the initial Capital Contribution) as set out in the Partnership Agreement.
- (d) Following the preparation of the financial statements for each financial year, the General Partner shall determine whether the aggregate of the sums paid to each Partner for that financial year is shown by the financial statements as having exceeded or (as the case may be) fallen short of that Partner's entitlement under the Partnership Agreement. Any adjustments shall be reflected in the distributions to the Partners for the first quarter (and subsequent quarters if necessary) of the following financial year.

2. Accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted have been applied consistently in the current and prior year and are described below.

(a) Basis of accounting

The financial statements have been prepared under the historical cost convention modified to include certain items at fair value, on a going concern basis and in accordance with Section 1A Financial Reporting Standard 102 (FRS 102), issued by the Financial Reporting Council. Virtus Limited Partnership meets the definition of a small entity under FRS102 and has therefore taken advantage of the exemption to present a cashflow statement.

The functional currency of the partnership is considered to be pounds sterling because that is the currency of the primary economic environment in which it operates.

(b) Tangible fixed assets

The aircraft is stated at cost, net of depreciation. Depreciation is provided on the aircraft to write off the cost less estimated residual value, on a straight line basis over its expected useful life which is determined to be five years. Plant and machinery is also depreciated on a straight line basis of between five years and eight years.

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

2 Accounting policies (continued)

(c) Financial instruments

Financial assets and financial liabilities are recognised when the partnership becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through the statement of comprehensive income, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the partnership intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(ii) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

(d) Taxation

As a partnership, taxable income and chargeable gains and losses are borne by the individual partners and are not reflected in these accounts.

(e) Going Concern

The Partnership is reliant on the funding provided by its shareholder in order to continue as a going concern. This shareholder has provided evidence that it is their intention to continue to support Virtus Limited Partnership for a period of at least 12 months from the date of the accounts being signed, and also that they are financially able to do so. In addition to this the General Partner has made appropriate enquiries (including considering the potential impact of COVID-19) and therefore have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future.

As a result, the going concern basis of accounting remains appropriate.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the partnerships accounting policies, which are described in note 2, the manager is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. 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.

The key accounting estimate is in respect of the determination of the useful economic life of the aircraft which is carried at historical cost less depreciation as noted at 2(b) above.

VIRTUS LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

4. Operating loss

Operating loss is stated after charging:

	2021 £	2020 £
Fees payable to the partnership's auditor for the audit of the partnership's annual accounts	6,079	5,490
Depreciation	<u>1,243,479</u>	<u>1,241,641</u>

The partnership had no employees in the year (2020: none).

There were no non-audit services provided by the partnership's auditor in the current year and preceding period.

5. Tangible fixed assets

	Aircraft £	Plant & Machinery £	Total £
Cost or valuation			
At 1 April 2020	10,466,100	24,335	10,490,435
Additions	-	14,703	14,703
At 31 March 2021	<u>10,466,100</u>	<u>39,038</u>	<u>10,505,138</u>
Depreciation			
At 1 April 2020	3,401,129	10,734	3,411,863
Charge for year	1,236,774	6,705	1,243,479
At 31 March 2021	<u>4,637,903</u>	<u>17,439</u>	<u>4,655,342</u>
Net book value			
31 March 2021	<u>5,828,197</u>	<u>21,599</u>	<u>5,849,796</u>
31 March 2020	<u>7,064,971</u>	<u>13,601</u>	<u>7,078,572</u>

6. Debtors

	2021 £	2020 £
Prepayments	<u>28,570</u>	<u>62,433</u>

7. Creditors: amounts falling due within one year

	2021 £	2020 £
Accruals	8,285	17,790
Other creditors	<u>10,241</u>	<u>51,874</u>
	<u>18,526</u>	<u>69,664</u>

8. Transactions with related parties

No fees have been payable to the General Partner (Virtus Aviation Limited) in either the current or previous year.

9. Controlling party

The General Partner and controlling party, Virtus Aviation Limited, is a company registered in England and Wales which is wholly-owned by a Grosvenor Estate Trust.