

**Registration No. OC305899**

**CBPE CAPITAL LLP**

**Report and Consolidated Financial Statements**

**For the year ended 31 March 2020**

**Registered Office:**

**2 George Yard  
London  
EC3V 9DH**



**REPORT AND FINANCIAL STATEMENTS 2020**

<b>CONTENTS</b>	<b>Page</b>
<b>Members' report</b>	<b>1 - 2</b>
<b>Statement of members' responsibilities in respect of the members' report and financial statements</b>	<b>3</b>
<b>Independent auditor's report to the members of CBPE Capital LLP</b>	<b>4 - 5</b>
<b>Consolidated income statement</b>	<b>6</b>
<b>Consolidated balance sheet</b>	<b>7</b>
<b>Partnership balance sheet</b>	<b>8</b>
<b>Statement of reconciliation of members' interests</b>	<b>9 - 10</b>
<b>Consolidated cash flow statement</b>	<b>11</b>
<b>Notes to the financial statements</b>	<b>12 - 22</b>

**MEMBERS' REPORT**

The members present their report on the affairs of the Group, together with the audited financial statements for the year ended 31 March 2020.

**BUSINESS REVIEW AND PRINCIPAL ACTIVITIES**

The principal activities of the group comprise investment management and being the general partner in partnerships specialising in making investments in mainly unquoted companies on behalf of institutional investors. There have not been any significant changes in the group's principal activities during the year. The members are not aware of any likely major changes in the company's activities in the next year.

CBPE Capital LLP ('LLP') (company registration no. OC305899) is regulated by the Financial Conduct Authority.

As shown in the consolidated income statement on page 6, income for the year is £10.9m (2019 - £11.5m) a decrease of 5% over the prior year reflecting the reduction in income earned from CBPE Capital Fund VIII, profit before tax is £3.4m (2019 - £4.4m), a decrease of 23% over the prior year and members remuneration is £3.4m (2019 - £4.4m), a decrease of 23% over the prior year. The consolidated balance sheet on page 7 shows that the group's financial position at the year end remains strong, in both net asset and cash terms.

**POST BALANCE SHEET EVENTS**

On 11 March 2020, the World Health Organisation characterised Covid-19 as a pandemic. The responses to this virus from the various Governments in Europe and around the World has been changing on an almost daily basis. The members recognise that the effects of the pandemic and specifically the measures and restrictions on movements and activities being implemented by the European Governments may have a significant economic impact on the locations and industries in which the group invests and operates. Given the speed of change and unprecedented nature of the challenges faced it is not possible to quantify the effect on the partnership at this time.

**GOING CONCERN**

After making enquiries, the members have a reasonable expectation that the group 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.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Damage to our reputation is the main risk for the group. This is mitigated by a combination of thorough due diligence procedures and careful selection of investments as well as working closely with our portfolio companies.

**COVID-19**

The first quarter of 2020 has seen a sharp increase in the volatility of all financial markets due to the COVID-19 pandemic. The members are actively monitoring the situation and the ongoing risks to the group. The LLP will continue to manage the investments within investment and risk parameters that have been established. The members will continue to review the situation in order to navigate both the group and the portfolio companies through this period of heightened uncertainty.

The members have assessed all risks and performed stress testing to assess the potential impact on the group. Management considered a range of scenarios including a downside scenario as a result of the COVID-19 pandemic, which was zero revenue on funds in the process of fundraising and continued revenue on existing funds albeit at reduced levels in respect of certain assets. The outcome was that the group would have sufficient capital and reserves beyond 12 months (from the account signing date) to meet the ongoing obligations of the group. The group is debt free and has no plans to take on debt.

**Credit risk**

The group's principal financial assets are bank balances and cash, trade and other receivables and investments. Credit risk on bank balances is limited as the bank has a high credit-rating assigned by international credit-rating agencies. Risk relating to trade and other receivables is also minimal as they are all short-term balances held with credit worthy counterparties.

**Market risk**

Investments in equity instruments are held over a long-term period and hence values are not unduly affected by short-term market fluctuations.

## **MEMBERS' REPORT (continued)**

### **PRINCIPAL RISKS AND UNCERTAINTIES (continued)**

#### **Liquidity risk**

The unquoted nature of the investments in equity instruments does expose the company to liquidity risk. This is managed by review at monthly board meetings.

### **EMPLOYEES**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the group's policy that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

### **RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS**

The profit for the year for distribution to members is £3,392,349 (2019 - £4,386,106).

### **MEMBERS**

The members of the LLP throughout the year and to the date of this report are listed below:

S M Dinnen  
P Gissel  
M J E Hutchinson  
A J Jain  
K J Khaksar (appointed 6 April 2020)  
I R Moore

On 1 April 2020, P Gissel resigned as a designated member and I R Moore was appointed a designated member.

S M Dinnen and I R Moore are designated members.

### **MEMBERS' DRAWINGS AND THE SUBSCRIPTION AND REPAYMENT OF MEMBERS' CAPITAL**

Mr S M Dinnen contributed capital of £1,667 and Messrs P Gissel, M J E Hutchinson, A J Jain and I R Moore each contributed capital of £50. Each member is entitled to their capital contribution on liquidation and may be entitled to their capital contribution on them becoming a leaver. Members draw a proportion of their profit share in twelve monthly instalments during the year in which the profit is made. The balance of profits for all members is paid in the subsequent year, subject to the cash requirements of the business.

### **INSURANCE**

The group has directors and officers liability insurance in place.

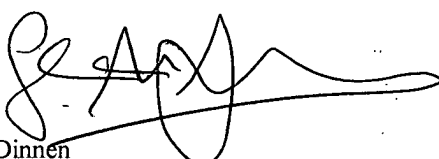
### **DISCLOSURE OF INFORMATION TO AUDITOR**

The members who held office at the date of approval of this members' report confirm that, so far as they are each aware, there is no relevant audit information of which the Partnership's auditor is unaware; and each member 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 that information.

### **AUDITOR**

KPMG LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the members  
and signed on their behalf by:

  
S Dinnen  
Member  
9 June 2020

## **STATEMENT OF MEMBERS' RESPONSIBILITIES IN RESPECT OF THE MEMBERS' REPORT AND FINANCIAL STATEMENTS**

The members are responsible for preparing the Members' Report and the group and LLP financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare group and LLP financial statements for each financial year. Under that law the members have elected to prepare the group and LLP financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and LLP and of the profit or loss of the group and LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and LLP and to prevent and detect fraud and other irregularities.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CBPE CAPITAL LLP**

## **Opinion**

We have audited the group and LLP financial statements ("the financial statements") of CBPE Capital LLP ("the LLP") for the year ended 31 March 2020 which comprise the consolidated Income Statement, the consolidated and partnership Balance Sheets, the Statement of Reconciliation of Member's interests, the consolidated cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the group and of the LLP as at 31 March 2020 and of the profit of the group for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 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 limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the LLP in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Going concern**

The members have prepared the financial statements on the going concern basis as they do not intend to liquidate the group or the LLP or to cease its operations, and as they have concluded that the group and the LLP's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the member's conclusions, we considered the inherent risks to the group's business model and analysed how those risks might affect the group and LLP's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the group or the LLP will continue in operation.

## **Other information**

The members are responsible for the other information, which comprises the members' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

## **Matters on which we are required to report by exception**

Under the Companies Act 2006 as applied to limited liability partnerships we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the LLP's individual 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.

We have nothing to report in these respects.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CBPE CAPITAL LLP (continued)**

### **Members' responsibilities**

As explained more fully in their statement set out on page 3, the members are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and the LLP'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 they either intend to liquidate the group or the LLP or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the members of the LLP, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Jonathan Martin (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL  
9 June 2020

**CONSOLIDATED INCOME STATEMENT**  
**Year ended 31 March 2020**

	Note	2020 £	2019 £
Turnover	1	10,879,700	11,450,550
Other operating income/(expense)	9	334,026	(15,668)
Administrative expenses		<u>(7,821,574)</u>	<u>(7,050,648)</u>
Operating profit	4	3,392,152	4,384,234
Interest receivable and similar income	5	214	1,894
Interest payable and similar charges		—	—
Profit before tax		3,392,366	4,386,128
Tax (charge)/credit on profit	6	—	—
Profit for the year before members' remuneration profit share		3,392,366	4,386,128
Members' minority interest		<u>(17)</u>	<u>(22)</u>
Profit for the year available for discretionary division among members		<u>3,392,349</u>	<u>4,386,106</u>

All activities derive from continuing operations.

The notes on pages 12 to 22 form part of these financial statements.



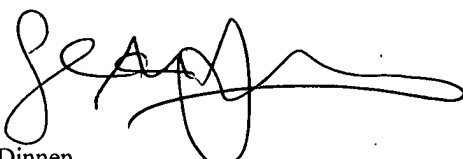
**CONSOLIDATED BALANCE SHEET**  
**As at 31 March 2020**

	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	8	62,922	32,561
Investments – equity investments	9	<u>1,110,383</u>	<u>1,419,168</u>
		1,173,305	1,451,729
<b>CURRENT ASSETS</b>			
Debtors	11	2,350,515	2,925,487
Cash at bank and in hand		<u>3,475,503</u>	<u>3,249,113</u>
		5,826,018	6,174,600
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(3,148,805)</u>	<u>(2,610,374)</u>
<b>NET CURRENT ASSETS</b>		<u>2,677,213</u>	<u>3,564,226</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,850,518	5,015,955
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	13	<u>(240,000)</u>	<u>(240,000)</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>3,610,518</u>	<u>4,775,955</u>
<b>REPRESENTED BY:</b>			
<b>LOANS AND OTHER DEBTS DUE TO MEMBERS WITHIN ONE YEAR</b>			
Members' capital – classified as a liability		-	-
Other amounts		1,069,798	2,114,802
<b>MEMBERS' OTHER INTERESTS</b>			
Members' capital - classified as equity		1,867	1,867
Members' other interests - other reserves classified as equity		2,538,831	2,659,281
Members' other interests - Members' minority interest		<u>22</u>	<u>5</u>
		<u>3,610,518</u>	<u>4,775,955</u>
<b>TOTAL MEMBERS' INTERESTS</b>			
Loans and other debts due to members		1,069,798	2,114,802
Members' other interests		<u>2,540,720</u>	<u>2,661,153</u>
		<u>3,610,518</u>	<u>4,775,955</u>

The notes on pages 12 to 22 form part of these financial statements.

These financial statements were approved by the Members and authorised for issue on 9 June 2020.

Signed on behalf of the Members by:

  
 S Dinnen  
 Member  
 9 June 2020

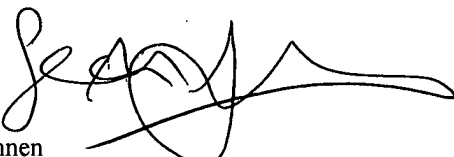
**PARTNERSHIP BALANCE SHEET**  
**As at 31 March 2020**

	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	8	62,922	32,561
Investments	10	<u>1,005</u>	<u>1,005</u>
		63,927	33,566
<b>CURRENT ASSETS</b>			
Debtors	11	2,001,572	2,814,114
Cash at bank and in hand		<u>3,375,515</u>	<u>3,129,303</u>
		5,377,087	5,943,417
<b>CREDITORS: amounts falling due within one year</b>	12	<u>(2,789,349)</u>	<u>(2,470,314)</u>
<b>NET CURRENT ASSETS</b>		<u>2,587,738</u>	<u>3,473,103</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		2,651,665	3,506,669
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	13	<u>(240,000)</u>	<u>(240,000)</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>2,411,665</u>	<u>3,266,669</u>
<b>REPRESENTED BY:</b>			
<b>LOANS AND OTHER DEBTS DUE TO MEMBERS WITHIN ONE YEAR</b>			
Members' capital – classified as a liability		-	-
Other amounts		1,069,798	2,114,802
<b>MEMBERS' OTHER INTERESTS</b>			
Members' capital - classified as equity		1,341,867	1,151,867
Members' other interests – other reserves classified as equity		-	-
		<u>2,411,665</u>	<u>3,266,669</u>
<b>TOTAL MEMBERS' INTERESTS</b>			
Loans and other debts due to members		1,069,798	2,114,802
Members' other interests		<u>1,341,867</u>	<u>1,151,867</u>
		<u>2,411,665</u>	<u>3,266,669</u>

The notes on pages 12 to 22 form part of these financial statements.

These financial statements were approved by the Members and authorised for issue on 9 June 2020.

Signed on behalf of the Members by:

  
 S Dinnen  
 Member  
 9 June 2020

**STATEMENT OF RECONCILIATION OF MEMBERS' INTERESTS**  
**Year ended 31 March 2020**

Group	Equity			Debt		Total
	Members' capital classified as equity £	Other reserves £	Members' minority interest £	Total £	Loans and other debts due to members £	Total £
Members' interests at 1 April 2019	1,867	2,659,281	5	2,661,153	2,114,802	4,775,955
Members' remuneration charged as an expense	-	-	-	-	-	-
Profit for the year available for discretionary division among members	-	3,392,349	-	3,392,349	-	3,392,349
Members' interests after profit for the year	1,867	6,051,630	5	6,053,502	2,114,802	8,168,304
Other divisions of profits	-	(3,512,799)	-	(3,512,799)	3,512,799	-
Members' minority interest	-	-	17	17	-	17
Drawings	-	-	-	-	(4,557,803)	(4,557,803)
Members' interests at 31 March 2020	<u>1,867</u>	<u>2,538,831</u>	<u>22</u>	<u>2,540,720</u>	<u>1,069,798</u>	<u>3,610,518</u>

Partnership	Equity			Debt		Total
	Members' capital classified as equity £	Other reserves £	Total £	Total £	Loans and other debts due to members £	Total £
Members' interests at 1 April 2019	1,151,867	-	1,151,867	2,114,802	3,266,669	
Members' remuneration charged as an expense	-	-	-	-	-	-
Profit for the year available for discretionary division among members	-	3,512,799	3,512,799	-	3,512,799	
Members' interests after profit for the year	1,151,867	3,512,799	4,664,666	2,114,802	6,779,468	
Other divisions of profits	-	(3,512,799)	(3,512,799)	3,512,799	-	
Introduced by members	190,000	-	190,000	-	190,000	
Drawings	-	-	-	(4,557,803)	(4,557,803)	
Members' interests at 31 March 2020	<u>1,341,867</u>	<u>-</u>	<u>1,341,867</u>	<u>1,069,798</u>	<u>2,411,665</u>	

In the event of a winding up of CBPE Capital LLP, monies due to creditors will be paid before any distribution of loans and other debts due to members.

**STATEMENT OF RECONCILIATION OF MEMBERS' INTERESTS**  
**Year ended 31 March 2019**

Group	Members' capital classified as equity £	Equity		Total £	Debt Loans and other debts due to members £	Total £
		Other reserves £	Members' minority interest £			
Members' interests at 1 April 2018	1,867	2,687,977	5	2,689,849	2,913,657	5,603,506
Members' remuneration charged as an expense	-	-	-	-	-	-
Profit for the year available for discretionary division among members	-	4,386,106	-	4,386,106	-	4,386,106
Members' interests after profit for the year	1,867	7,074,083	5	7,075,955	2,913,657	9,989,612
Other divisions of profits	-	(4,414,802)	-	(4,414,802)	4,414,802	-
Members' minority interest	-	-	22	22	-	22
Drawings	-	-	(22)	(22)	(5,213,657)	(5,213,679)
Members' interests at 31 March 2019	<u>1,867</u>	<u>2,659,281</u>	<u>5</u>	<u>2,661,153</u>	<u>2,114,802</u>	<u>4,775,955</u>

Partnership	Members' capital classified as equity £	Equity		Total £	Debt Loans and other debts due to members £	Total £
		Other reserves £	Members' minority interest £			
Members' interests at 1 April 2018	1,151,867	-	-	1,151,867	2,913,657	4,065,524
Members' remuneration charged as an expense	-	-	-	-	-	-
Profit for the year available for discretionary division among members	-	4,414,802	-	4,414,802	-	4,414,802
Members' interests after profit for the year	1,151,867	4,414,802	-	5,566,669	2,913,657	8,480,326
Other divisions of profits	-	(4,414,802)	-	(4,414,802)	4,414,802	-
Drawings	-	-	-	-	(5,213,657)	(5,213,657)
Members' interests at 31 March 2019	<u>1,151,867</u>	<u>-</u>	<u>-</u>	<u>1,151,867</u>	<u>2,114,802</u>	<u>3,266,669</u>

In the event of a winding up of CBPE Capital LLP, monies due to creditors will be paid before any distribution of loans and other debts due to members.

**CONSOLIDATED CASH FLOW STATEMENT**  
**Year ended 31 March 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the year before members' remuneration profit share	3,392,366	4,386,128
Adjustments for:		
Other operating (income)/expense	(334,026)	15,668
Interest receivable and similar income	(214)	(1,894)
Depreciation	31,882	35,905
Taxation	-	-
Decrease in debtors	842,197	659,985
Increase in creditors	<u>277,582</u>	<u>188,621</u>
<b>Net cash from operating activities</b>	<u>4,209,787</u>	<u>5,284,413</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(62,243)	(14,796)
Interest received	214	5,162
Net repayment received from Funds	<u>636,435</u>	<u>-</u>
<b>Net cash from investing activities</b>	<u>574,406</u>	<u>(9,634)</u>
<b>Cash flows from financing activities</b>		
Net capital repayment	<u>-</u>	<u>-</u>
<b>Net cash from financing activities</b>	<u>-</u>	<u>-</u>
<b>Members' drawings</b>		
Members' minority interest	-	(22)
Other drawings	<u>(4,557,803)</u>	<u>(5,213,657)</u>
<b>Net cash from members drawings</b>	<u>(4,557,803)</u>	<u>(5,213,679)</u>
 Net increase in cash and cash equivalents	 226,390	 61,100
Cash and cash equivalents at 1 April	<u>3,249,113</u>	<u>3,188,013</u>
<b>Cash and cash equivalents at 31 March</b>	<u><b>3,475,503</b></u>	<u><b>3,249,113</b></u>

The notes on pages 12 to 22 form part of these financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

### Year ended 31 March 2020

#### 1. ACCOUNTING POLICIES

CBPE Capital LLP is a limited liability partnership registered in England and Wales.

These group financial statements are prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") and the Limited Liability Partnerships Act 2000. The group financial statements have also been prepared in accordance with the Statement of Recommended Practice (SORP) for Limited Liability Partnerships (January 2018). The presentation currency of these financial statements is sterling.

##### Accounting convention

The group financial statements are prepared under the historical cost convention as modified for the inclusion of certain investments at valuation.

##### Basis of consolidation

The group financial statements consolidate the financial statements of the partnership and its subsidiary undertakings drawn up to 31 March for the current and prior year. The results of subsidiaries acquired are consolidated for the periods from the date on which control passed. Acquisitions are accounted for under the acquisition method.

The group has a minor economic interest in certain private equity limited partnerships which are controlled by the group's subsidiaries acting as general partner. Investments held by the limited partnerships are made with the express intent of capital appreciation. The group's investments in these limited partnerships are held at fair value through the profit or loss, classified in accordance with FRS 102.11 "Basic Financial Instruments".

Under the terms of the Companies Act 2006 these partnerships, together with certain of their portfolio company investments are subsidiary undertakings of the Group by virtue of the control exercised through the general partners and should be consolidated in full. However, the members consider this accounting treatment would not give a true and fair view since the group's interest in these assets is merely that of investment managers.

The approximate effect of this departure is to decrease both profit on ordinary activities before tax and the minority interest in the profit for the year by £133.0 million (2019 - £33.5 million) and to reduce investments in equity investments by £501.7 million (2019 - £464.1 million), other net assets by £5.7 million (2019 - £8.4 million) and the minority interest in the balance sheet by £507.4 million (2019 - £472.5 million).

##### Going concern

Following the global pandemic of COVID-19, the members have assessed going concern for the next 12 months. Having considered the financial risks to the group, it is the view of the members that there are no material uncertainties that may cast significant doubt over the ability of the group to continue as a going concern over the next 12 months, and as such, the financial statements have been prepared on that basis.

The members have assessed all risks and performed stress testing to fully assess the potential impact on the business. The members considered a range of scenarios including a downside scenario as a result of the COVID-19 pandemic, which was zero revenue on funds in the process of fundraising and continued revenue on existing funds albeit at reduced levels in respect of certain assets. The outcome was that the group would have sufficient capital and reserves beyond 12 months (from the account signing date) to meet the ongoing obligations of the group. The group is debt free and has no plans to take on debt. At the point of signing the accounts the group has received management fees from the limited partnerships for the quarter ending 30 June 2020, and the members are satisfied with the ability of the group to continue on a going concern basis.

The business activities and financial position of the group and its exposure to credit risk, market risk and liquidity risk are included in the Members' Report on page 1.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### Year ended 31 March 2020

#### 1. ACCOUNTING POLICIES (continued)

##### Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and provision for any impairment.

Depreciation is provided on the cost of the tangible fixed assets so as to write off their cost over the economic useful lives of the assets on a straight line basis. The annual rates of depreciation are as follows:

Computer and other equipment	- 33⅓% per annum
Leasehold improvements	- over the term of the lease
Furniture	- 20% per annum
Bicycles	- over 18 months

##### Investments

The unlisted financial assets are interests made in the limited partnerships managed by the group. Typically the investments made by the partnerships comprise equity shares and investor loans for which there is no quoted market price.

The basis of the valuation of the partnership interests is the most recent semi-annual valuations of the individual assets held by each partnership. In addition the valuation of the overall portfolio of partnership interests reflects the illiquid nature of the portfolio and the effect of the cash distributions, material changes in the business outlook or performance of the individual investments held by each partnership subsequent to the last semi-annual valuation.

The semi-annual valuations comply with the International Private Equity and Venture Capital Valuation guidelines (December 2018) endorsed by The British Private Equity and Venture Capital Association.

Valuations are typically based on an appropriate multiple of earnings before interest, tax and depreciation ("EBITDA") of each business being valued. If necessary we also adjust the EBITDA, in the last statutory or management accounts as appropriate, to what are considered maintainable levels based on forecast indicators. The multiple of a comparable quoted company, group of companies, sector or recent transactions is used and discounted for differences in size, operations, product mix and liquidity.

Investments are held at fair value through the profit or loss, classified in accordance with FRS 102.11 "Basic Financial Instruments".

Other investments are included in the balance sheet at cost less provision for impairment.

##### Debtors and creditors

All debtor balances have fixed or determinable payments that are not quoted in an active market and hence are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

All creditor amounts fall under 'other financial liabilities' and are initially measured at fair value, net of transaction costs. Subsequently they are measured at amortised cost using the effective interest method.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

##### Turnover

Turnover comprises entitlements of the group from the partnerships in which it is a general partner and are included in the income statement and recognised on an accruals basis. Turnover is shown exclusive of value added tax primarily within the UK.

##### Income from investments

Income from investments represents dividend income, interest income and capital gain from the group's equity investments and is accounted for on an accruals basis.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 March 2020**

**1. ACCOUNTING POLICIES (continued)**

**Members' remuneration**

The LLP agreement provides that an anticipated amount, determined for each member, be paid to members ahead of any residual profit share of the profits of the LLP and are accounted for as an allocation of profits. A member's share in the profit for the period is accounted for as an allocation of profits. The anticipated amounts and a members' share in the profit for the period can be amended under the terms of the LLP agreement.

**Pension costs**

Contributions within defined contribution schemes are charged to the profit or loss as they become payable, in accordance with the rules of the schemes.

**Leases**

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

**Taxation**

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.29 "Income Tax".

**2. INFORMATION REGARDING MEMBERS**

Further information regarding members and employees of the group is as follows:

	2020	2019
	No.	No.
The average number of members during the year	<u>6</u>	<u>6</u>

**3. EMPLOYEE INFORMATION**

The average number of employees (including executive members) of the group during the year was:

	2020	2019
	Number	Number
Professional	19	16
Support	7	7

	2020	2019
	£	£
<b>Employment costs for the above persons:</b>		
Wages and salaries	4,186,396	3,473,929
Social security costs	549,979	449,481
Other pension costs	<u>167,396</u>	<u>143,157</u>
	<u>4,903,771</u>	<u>4,066,567</u>

**Pension schemes**

The group contributes towards the cost of the personal pension plans that the majority of employees have taken out. The total pension costs of the group for the year ended 31 March 2020 were £167,396 (2019 - £143,157).



**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 March 2020**

**4. OPERATING PROFIT**

	2020 £	2019 £
Operating profit is stated after charging:		
Auditor's remuneration		
Audit of these financial statements	49,000	43,000
Amounts receivable by auditors and their associates in respect of:		
Audit of financial statements of subsidiaries pursuant to legislation	26,750	21,000
Other services relating to taxation	-	20,150
Depreciation (note 8)	31,882	35,905
Operating lease rentals – land and buildings	<u>328,640</u>	<u>284,854</u>

**5. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2020 £	2019 £
Bank interest receivable	214	932
Interest on income tax refund	<u>-</u>	<u>962</u>
	<u>214</u>	<u>1,894</u>

**6. TAXATION**

The taxation expense, which arises in the corporate entities included within these financial statements, comprises

	2020 £	2019 £
Total tax expense recognised in the consolidated income statement:		
Current tax		
Current tax on income for the year	-	-
Total current tax	-	-
Deferred tax	-	-
Total tax in corporate subsidiaries	<u>-</u>	<u>-</u>
Reconciliation of effective tax rate:		
Profit before tax	<u>3,392,366</u>	<u>4,386,128</u>
Tax using the UK corporation tax rate of 19% (2019 – 19%)	644,550	833,364
Effects of:		
Non-deductible expense	-	1,358
Non-taxable LLP income	(582,316)	(838,817)
Deferred income	(113,839)	3,524,913
Carried forward/(utilised) tax losses	99,243	(52,846)
Tax exempt revenues	<u>(47,638)</u>	<u>(3,467,972)</u>
Total current tax charge included in the income statement	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 March 2020**

**6. TAXATION (continued)**

A deferred tax asset, using a tax rate of 19%, amounting to £9,070,414 (2019 - £8,895,918) for taxable losses and fund income has not been recognised because in the opinion of the members there will be no taxable profits available in the foreseeable future.

**7. PROFIT ATTRIBUTABLE TO MEMBERS**

The profit for the financial year available for division among members in the financial statements of the parent partnership was £3,512,799 (2019 - £4,414,802). As permitted by section 408 of the Companies Act 2006, no separate income statement is presented in respect of the parent partnership.

**8. TANGIBLE FIXED ASSETS**

Group	Computer and other equipment £	Leasehold improvements £	Furniture £	Bicycles £	Total £
Cost:					
At 1 April 2019	124,608	552,972	132,577	5,811	815,968
Additions	14,054	26,254	21,935	-	62,243
Disposals	(18,345)	-	(21,800)	-	(40,145)
At 31 March 2020	<u>120,317</u>	<u>579,226</u>	<u>132,712</u>	<u>5,811</u>	<u>838,066</u>
Accumulated depreciation:					
At 1 April 2019	96,931	552,972	127,693	5,811	783,407
Charge for year	21,925	4,140	5,817	-	31,882
Disposals	(18,345)	-	(21,800)	-	(40,145)
At 31 March 2020	<u>100,511</u>	<u>557,112</u>	<u>111,710</u>	<u>5,811</u>	<u>775,144</u>
Net book value:					
At 31 March 2020	<u>19,806</u>	<u>22,114</u>	<u>21,002</u>	<u>-</u>	<u>62,922</u>
At 31 March 2019	<u>27,677</u>	<u>-</u>	<u>4,884</u>	<u>-</u>	<u>32,561</u>

Partnership	Computer and other equipment £	Leasehold improvements £	Furniture £	Bicycles £	Total £
Cost:					
At 1 April 2019	124,608	552,972	132,577	3,944	814,101
Additions	14,054	26,254	21,935	-	62,243
Disposals	(18,345)	-	(21,800)	-	(40,145)
At 31 March 2020	<u>120,317</u>	<u>579,226</u>	<u>132,712</u>	<u>3,944</u>	<u>836,199</u>
Accumulated depreciation:					
At 1 April 2019	96,931	552,972	127,693	3,944	781,540
Charge for year	21,925	4,140	5,817	-	31,882
Disposals	(18,345)	-	(21,800)	-	(40,145)
At 31 March 2020	<u>100,511</u>	<u>557,112</u>	<u>111,710</u>	<u>3,944</u>	<u>773,277</u>
Net book value:					
At 31 March 2020	<u>19,806</u>	<u>22,114</u>	<u>21,002</u>	<u>-</u>	<u>62,922</u>
At 31 March 2019	<u>27,677</u>	<u>-</u>	<u>4,884</u>	<u>-</u>	<u>32,561</u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 March 2020**

**9. INVESTMENTS – EQUITY INVESTMENTS**

Group	Unlisted investments
	Valuation £
At 1 April 2019	1,419,168
Amounts repaid by Funds	(636,435)
Charge to profit and loss on revaluation of investments measured at fair value	<u>327,650</u>
At 31 March 2020	<u>1,110,383</u>

The unlisted investments are interests in limited partnerships. Holding comprises 0.8% carried interest in CBPE Capital Fund VIII with a cost of £39 (2019 – £39).

The equity investments are considered Level 3 investments in the fair value hierarchy as the valuations are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

**10. FIXED ASSET INVESTMENTS**

Partnership	Shares in group undertaking £
Cost and Net Book Value	
At 1 April 2019 and 31 March 2020	<u>1,005</u>

The parent partnership's subsidiaries at 31 March 2020 are:

<u>Name of company</u>	<u>Principal activity</u>	<u>Percentage of ordinary shares held and voting rights</u>	
		<u>2020</u> %	<u>2019</u> %
CBPE Holdings Limited	Holding company	100	100
CBPE GP Limited (formerly CBPE Capital VIII GP Limited)	General Partner of CBPE Capital VIII GP LP	100	100
CBPE Capital VIII GP LP	General Partner of the CBPE Capital Fund VIII	95*	95*
CBPE Nominees Limited	Nominee company	100	100
CBPE Capital GP LLP	General Partner to partnerships	100	100
CBPE Founders Limited	Founder Partner of the funds managed by CBPE Capital LLP	100	100
CBPE Limited	Participating member of CBPE Capital LLP	100	100
CBPE Capital Feeder Fund GP Limited	General Partner of CBPE Capital VIII Special Investors LP	100	100
CBPE Capital IX GP LLP	General Partner of the CBPE Capital Fund IX	100	100
CBPE Capital X GP LLP	General Partner of the CBPE Capital Fund X	100	-
CBPE Capital GP Limited	General Partner to a partnership	100	100

\* Although CBPE Capital LLP holds 95% of the capital contribution, it effectively has 100% of the voting rights.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 March 2020**

**10. FIXED ASSET INVESTMENTS (continued)**

The subsidiaries which are incorporated in England are:

CBPE Holdings Limited  
 CBPE Nominees Limited  
 CBPE Capital GP LLP  
 CBPE Founders Limited  
 CBPE Limited  
 CBPE Capital IX GP LLP  
 CBPE Capital X GP LLP

The registered address of the above entities is 2 George Yard, London. EC3V 9DH.

The subsidiaries which are incorporated in Scotland are:

CBPE GP Limited (formerly CBPE Capital VIII GP Limited)  
 CBPE Capital VIII GP LP  
 CBPE Capital Feeder Fund GP Limited

The registered address of the above entities is 50 Lothian Road, Festival Square, Edinburgh. EH3 9WJ.

CBPE Capital GP Limited is incorporated in Guernsey and its registered address is Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey. GY1 2HT.

**11. DEBTORS**

	Group		Partnership	
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	538,455	608,452	538,455	608,452
Amounts owed by group undertakings	-	-	13,715	-
Income tax recoverable	343,040	82,191	-	-
Other debtors	278,475	301,795	258,857	272,613
Prepayments	<u>1,190,545</u>	<u>1,933,049</u>	<u>1,190,545</u>	<u>1,933,049</u>
	<u>2,350,515</u>	<u>2,925,487</u>	<u>2,001,572</u>	<u>2,814,114</u>

Included in the trade debtors is £389,906 (2019 - £389,906) which is past due at 31 March 2020 and for which the group has not provided as these are considered recoverable. £389,906 is greater than one year old. Credit risk is minimal as the balances are short-term and are held with credit worthy counterparties.

The carrying values of all debtor balances are a close approximation to the fair value.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 March 2020**

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Partnership</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	76,165	291,523	76,165	291,523
Amounts due to group undertakings	-	-	6	6
Other taxation and social security	180,930	97,262	180,930	97,262
Other creditors	343,040	82,191	-	-
Accruals and deferred income	<u>2,548,670</u>	<u>2,139,398</u>	<u>2,532,248</u>	<u>2,081,523</u>
	<u><b>3,148,805</b></u>	<u><b>2,610,374</b></u>	<u><b>2,789,349</b></u>	<u><b>2,470,314</b></u>

Trade creditors and accruals principally comprise amounts outstanding for ongoing costs. The average credit period taken is 5 days and all amounts are repayable on demand.

The carrying values of all creditor balances are a close approximation to the fair value.

**13. PROVISION FOR LIABILITIES AND CHARGES**

<b>Group and partnership</b>	<b>Dilapidations</b>
	<b>£</b>
At 1 April 2019 and 31 March 2020	<u><b>240,000</b></u>

**Dilapidations**

The provision for dilapidations will become payable when the group vacates the premises at the end of the lease.

**14. COMMITMENTS AND CONTINGENT LIABILITIES**

Minimum lease payments under non-cancellable operating leases:

	<b>Land and Buildings</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
- within one year	234,000	317,891
- between two and five years	1,661,079	1,620,690
- over five years	-	<u>274,389</u>
	<u><b>1,895,079</b></u>	<u><b>2,212,970</b></u>

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 March 2020**

**14. COMMITMENTS AND CONTINGENT LIABILITIES (continued)**

Other commitments and contingent liabilities are as follows:

- (a) The CBPE Capital Fund VIII A LP and CBPE Capital Fund VIII B LP are limited partnerships registered under the Limited Partnerships Act 1907. The two partnerships are structured as a UK development capital fund managed by the group. As at 31 March 2020, the CBPE Capital Fund VIII A LP and CBPE Capital Fund VIII B LP had positive net assets.

The group is a general partner of the aforementioned partnerships and, as a founding partner, was not required to make any capital contribution to the partnerships' capital. If, at any time, the partnership cannot meet its financial obligations (after including the outstanding balances of the limited partners' £404.98 million loan commitments), then the group will be liable to contribute any shortfall, provided that any such contribution shall subsequently be repayable to the group with interest when the partnerships' cash funds become available for the purpose.

- (b) The CBPE Capital Fund IX A LP and CBPE Capital Fund IX B LP are limited partnerships registered under the Limited Partnerships Act 1907. The two partnerships are structured as a UK development capital fund managed by the group. As at 31 March 2020, the CBPE Capital Fund IX A LP and CBPE Capital Fund IX B LP had positive net assets.

The group is a general partner of the aforementioned partnerships and, as a founding partner, was not required to make any capital contribution to the partnerships' capital. If, at any time, the partnership cannot meet its financial obligations (after including the outstanding balances of the limited partners' £459.00 million loan commitments), then the group will be liable to contribute any shortfall, provided that any such contribution shall subsequently be repayable to the group with interest when the partnerships' cash funds become available for the purpose.

**15. FINANCIAL RISKS**

**Credit risk**

The group's principal financial assets are bank balances and cash, trade and other receivables and investments. Credit risk on bank balances is limited as the bank has a high credit-rating assigned by international credit-rating agencies. Risk relating to trade and other receivables is also minimal as they are all short-term balances held with credit worthy counterparties.

**Market risk**

Investments in equity instruments are held over a long-term period and hence values are not affected by short-term market fluctuations. The members also believe that there is no exposure to exchange rate and interest rate fluctuations.

**Liquidity risk**

The unquoted nature of the investments in equity instruments does expose the company to liquidity risk, as the nature of the investments are such that they do not have a fixed maturity date. This is managed by discussion at monthly board meetings.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 March 2020**

**16. RELATED PARTY TRANSACTIONS**

The CBPE Capital LLP is the manager of the following limited partnerships registered in England:

CBPE Capital Fund VIII A LP  
 CBPE Capital Fund VIII B LP  
 CBPE Capital Fund IX A LP  
 CBPE Capital Fund IX B LP

The registered address of the above entities is 2 George Yard, London. EC3V 9DH.

The LLP is the manager of the following limited partnerships registered in Scotland:

CBPE Capital VIII Special Investors LP  
 CBPE Capital IX Founders LP  
 CBPE Capital X Founders LP

The registered address of the above entities is 50 Lothian Road, Festival Square, Edinburgh. EH3 9WJ.

The group is the general partner of CBPE Capital Fund X LP, a limited partnership registered in England and its registered address is 2 George Yard, London. EC3V 9DH.

The group is the general partner of George Yard LP, a limited partnership registered in Guernsey and its registered address is Sarnia House, Le Truchot, St Peter Port, Guernsey. GY1 4NA.

The group is the general partner of Aldwych Equity Partners LP Incorporated, a limited partnership registered in Guernsey and its registered address is Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey. GY1 2HT.

The group was entitled to General Partner Share/Management fees of £10,257,032 (2019 - £10,916,227) during the year from the partnerships in which it is a general partner. There were no amounts outstanding at 31 March 2020.

As at 31 March 2020, the group was owed £17,028 (2019 - £8,183) from CBPE Capital Fund VIII, £nil (2019 - £2,598) from CBPE Capital Fund VIII Co-invest II, £21,063 (2019 - £229,832) from CBPE Capital Fund IX and £108,595 (2019 - £nil) from CBPE Capital Fund X representing expenses paid on their behalf.

**(a) CBPE Capital Fund VIII**

On 1 October 2009 the group borrowed £1,012 from certain executives. The amounts received were paid as the group's capital contribution to the limited partnerships, CBPE Capital Fund VIII A LP and CBPE Capital Fund VIII B LP. On 1 October 2009 the group assigned its share in the partnership's profits to the above parties, the consideration being the amount of the loans made by each of them.

During the year carried interest of £6,252,183 was paid to the Members of the partnership (2019 - £nil).

**(b) CBPE Capital Fund IX**

Between 30 December 2015 and 18 August 2016 the group borrowed £1,147 from certain executives. The amounts received were paid as the group's capital contribution to the limited partnerships, CBPE Capital Fund IX A LP and CBPE Capital Fund IX B LP. Between 30 December 2015 and 18 August 2016 the group assigned its share in the partnership's profits to the above parties, the consideration being the amount of the loans made by each of them.

There are no other related party transactions requiring disclosure.

**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**Year ended 31 March 2020****17. SUBSEQUENT EVENT**

On 11 March 2020, the World Health Organisation characterised Covid-19 as a pandemic. The responses to this virus from the various Governments in Europe and around the World has been changing on an almost daily basis. The members recognise that the effects of the pandemic and specifically the measures and restrictions on movements and activities being implemented by the European Governments may have a significant economic impact on the locations and industries in which the group invests and operates. Given the speed of change and unprecedented nature of the challenges faced it is not possible to quantify the effect on the partnership at this time.