Limited Liability Partnership Registration No. OC315350 (England and Wales)

ARTEFACT PARTNERS LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

ARTEFACT PARTNERS LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members	B N Gay
Limited liability partnership number	OC315350
Registered office	Marston Hill Farm Greatworth Banbury Oxfordshire OX17 2HF
Auditors	Fisher, Sassoon & Marks 43 - 45 Dorset Street London W1U 7NA

ARTEFACT PARTNERS LLP

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ARTEFACT PARTNERS LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The members present their annual report and financial statements for the year ended 31 March 2021.

Principal activities
The principal activity of the LLP was investment advisory services and the LLP is the investment advisor to Artefact Partners (Cayman) Limited. The members do not see any changes in the nature of these services.

Key performance indicators
The LLP measures its performance by reference to fees receivable from undertaking investment management and in particular fees from investment performance.

Designated members
The designated members who held office during the year and up to the date of signature of the financial statements were as follows:

Mr R Boon	(Resigned 22 December 2020)
Artefact Partners (Holding) Limited	(Resigned 22 December 2020)
B N Gay	

Post reporting date events
There are no matters to report.

Future developments
There are no matters to report.

Auditor
The auditor, Fisher, Sassoon & Marks, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor
Each of the members in office at the date of approval of this annual report confirms that:

- so far as the members are aware, there is no relevant audit information of which the limited liability partnership's auditor are unaware, and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditor are aware of that information.

On behalf of the members

B N Gay
Designated Member

20 December 2021

ARTEFACT PARTNERS LLP

MEMBERS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law (as applied by 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 limited liability partnership and of the profit or loss of the limited liability partnership 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ARTEFACT PARTNERS LLP

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ARTEFACT PARTNERS LLP

Opinion

We have audited the financial statements of Artefact Partners LLP (the 'limited liability partnership') for the year ended 31 March 2021 which comprise the statement of comprehensive income, the balance sheet, the reconciliation of members' interests, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 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 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 limited liability 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 members' 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 limited liability 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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members 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 members are responsible for assessing the limited liability 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 members either intend to liquidate the limited liability 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.

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

·the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
·we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the financial services sector;
·we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Financial Conduct Authority (FCA), Companies Act 2006, taxation legislation, data protection, anti-bribery, anti-money-laundering, employment, environmental and health and safety legislation;
·we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
·identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

·making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
·considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
·understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

·performed analytical procedures to identify any unusual or unexpected relationships;
·tested journal entries to identify unusual transactions;
·assessed whether judgements and assumptions made in determining the accounting estimates as set out in note 2 were indicative of potential bias; and
·investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

·agreeing financial statement disclosures to underlying supporting documentation;
·reading the minutes of meetings of those charged with governance;
·enquiring of management as to actual and potential litigation and claims; and
·reviewing correspondence with HMRC, relevant regulators including the FCA and reviewing the LLP's compliance monitoring procedures and findings.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or through collusion.
A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by 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 limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Marks (Senior Statutory Auditor)
For and on behalf of Fisher, Sassoon & Marks

20 December 2021

Chartered Accountants
Statutory Auditor

43 - 45 Dorset Street
London
W1U 7NA

ARTEFACT PARTNERS LLP

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	**3**	-	655
Cost of sales		-	(1,728)
Gross profit/(loss)		-	(1,073)
Administrative expenses		(3,008)	(13,383)
Other operating income		3,008	-
Loss for the financial year before members' remuneration and profit shares available for discretionary division among members		-	(14,456)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ARTEFACT PARTNERS LLP

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Current assets					
Debtors	**8**	49,827		60,980	
Cash at bank and in hand		46		196	
		49,873		61,176	
Creditors: amounts falling due within one year	**10**	(1,522)		(12,825)	
Net current assets and net assets attributable to members			48,351		48,351
Represented by:					
Members' other interests					
Members' capital classified as equity			62,807		62,807
Other reserves classified as equity			(14,456)		(14,456)
			48,351		48,351

The financial statements were approved by the members and authorised for issue on 20 December 2021 and are signed on their behalf by:

B N Gay
Designated member

Limited Liability Partnership Registration No. OC315350

RECONCILIATION OF MEMBERS' INTERESTS

FOR THE YEAR ENDED 31 MARCH 2021

Current financial year	EQUITY Members' other interests		TOTAL MEMBERS' INTERESTS
	Members' capital	Other reserves	Total 2021
	£	£	£
Members' interests at 1 April 2020	62,807	(14,456)	48,351
Result for the financial year available for discretionary division among members	-	-	-
Members' interests after loss for the year	62,807	(14,456)	48,351
Members' interests at 31 March 2021	62,807	(14,456)	48,351

ARTEFACT PARTNERS LLP

RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Prior financial year	EQUITY Members' other interests		TOTAL MEMBERS' INTERESTS
	Members' capital	Other reserves	Total 2020
	£	£	£
Members' interests at 1 April 2019	77,714	-	77,714
Loss for the financial year available for discretionary division among members	-	(14,456)	(14,456)
Members' interests after loss for the year	77,714	(14,456)	63,258
Repayments of capital	(14,907)	-	(14,907)
Members' interests at 31 March 2020	62,807	(14,456)	48,351

ARTEFACT PARTNERS LLP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	**14**		(150)		12,627
Financing activities					
Repayment of capital or debt to members		-		(14,908)	
Net cash used in financing activities			-		(14,908)
Net decrease in cash and cash equivalents			(150)		(2,281)
Cash and cash equivalents at beginning of year			174		2,455
Cash and cash equivalents at end of year			24		174
Relating to:					
Cash at bank and in hand			46		196
Bank overdrafts included in creditors payable within one year			(22)		(22)

1 Accounting policies

Limited liability partnership information

Artefact Partners LLP is a limited liability partnership incorporated in England and Wales. The registered office is Marston Hill Farm, Greatworth, Banbury, Oxfordshire, OX17 2HF.

The limited liability partnership's principal activities are disclosed in the Members' Report.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in December 2018, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the members have a reasonable expectation that the limited liability partnership has adequate resources to continue in operational existence for the foreseeable future. Thus the members continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

The turnover shown in the profit and loss account represents management and performance fees amounts due for investment advisory services, exclusive of Value Added Tax.

Monthly management fees are recognised on an accruals basis.

Performance fees generally linked to fund performance on a calendar year basis and are recognised when they become due and payable, after the end of the calendar year.

1.4 Members' participating interests

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

1 Accounting policies **(Continued)**

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

Once an unavoidable obligation has been created in favour of members through allocation of profits or other means, any undrawn profits remaining at the reporting date are shown as 'Loans and other debts due to members' to the extent they exceed debts due from a specific member.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	3 years straight line
Computer equipment	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.6 Cash and cash equivalents

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

1.7 Financial instruments

The limited liability partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the limited liability partnership's statement of financial position when the limited liability partnership becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the limited liability partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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 limited liability partnership after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

1 Accounting policies **(Continued)**

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

1.8 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.9 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.10 Members' remuneration and interest

Members' rights to participate in the profits or losses, or assets of an LLP are analysed between those that give rise to, from the LLP's perspective, either a financial liability or equity, in accordance with FRS 25, 'Financial Instruments Disclosure and Presentation' ("FRS 25") and UITF Abstract 39, 'Members' Shares in Co-operative Entities and Similar Instruments' Members' different participation rights are analysed separately into liability and equity elements.

1.11 Members' remuneration

Non - discretionary amounts becoming due to members in respect of participation rights in the profits of the LLP for an accounting period that give rise to liabilities are presented as an expense within the profit and loss account (within the heading 'Members' remuneration charged as an expense').

Amounts becoming due to members in respect of equity participation rights, following a discretionary division of profits, are debited to equity in the accounting period in which the division occurs. Such amounts are not presented as an expense within the profit and loss account. A discretionary division of profits that take place after the balance sheet date is non-adjusting event under FRS 21, 'Events after the balance sheet date'.

1 Accounting policies **(Continued)**

1.12 Members' Interest

Members' capital is accounted for in accordance with FRS 25. Where the LLP has a contractual obligation to deliver cash or another financial asset to the member, the capital is treated as debt. Where the LLP has an unconditional right to avoid delivering cash or other financial assets to a member in respect of such amounts (i.e. repayment of the members' capital is discretionary) it is treated as equity.

2 Judgements and key sources of estimation uncertainty

In the application of the limited liability partnership's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover

An analysis of the limited liability partnership's turnover is as follows:

	2021	2020
	£	£
Turnover		
Other income	-	655

4 Operating profit/(loss)

	2021	2020
Operating profit/(loss) for the year is stated after charging/(crediting):	£	£
Fees payable to the LLP's auditor for the audit of the LLP's annual accounts	1,500	2,000
Depreciation of owned tangible fixed assets	-	280

5 Employees

The average number of persons (excluding members) employed by the partnership during the year was:

	2021	2020
	Number	Number
Total	-	-

6 Information in relation to members

	2021 Number	2020 Number
Average number of members during the year	2	2

7 Tangible fixed assets

	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£
Cost			
At 1 April 2020 and 31 March 2021	4,134	11,313	15,447
Depreciation and impairment			
At 1 April 2020 and 31 March 2021	4,134	11,313	15,447
Carrying amount			
At 31 March 2021	-	-	-
At 31 March 2020	-	-	-

8 Debtors

	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	-	60,980
Other debtors	49,827	-
	49,827	60,980

The LLP is party to a legal action by an investor in the Artefact Partners Global Opportunities Fund Limited, who has claimed the LLP is in breach of its investment management agreement. The LLP strongly denies any wrongdoing and is confident of a successful outcome and is seeking to recover all related costs. Therefore, included within other debtors is a provision in the sum of £110,710 in relation to the indemnity claim by the LLP.

9 Loans and overdrafts

	2021	2020
	£	£
Bank overdrafts	22	22
Payable within one year	22	22

10 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	9	22	22
Trade creditors		-	10,981
Other taxation and social security		-	1,822
Accruals and deferred income		1,500	-
		1,522	12,825

11 Loans and other debts due to members

	2021 £	2020 £
Analysis of loans		

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

12 Events after the reporting date

There are no matters to report.

13 Ultimate controlling party

B N Gay has a controlling interest in the LLP

14 Cash (absorbed by)/generated from operations

	2021 £	2020 £
Loss for the year	-	(14,456)
Adjustments for:		
Depreciation and impairment of tangible fixed assets	-	280
Movements in working capital:		
Decrease in debtors	11,153	316,195
Decrease in creditors	(11,303)	(289,392)
Cash (absorbed by)/generated from operations	(150)	12,627

15 Analysis of changes in net funds

	1 April 2020	Cash flows	31 March 2021
	£	£	£
Cash at bank and in hand	196	(150)	46
Bank overdrafts	(22)	-	(22)
	174	(150)	24

ARTEFACT PARTNERS LLP

PILLAR 3 DISLCOSURE

FOR THE YEAR ENDED 31 MARCH 2021

Disclosure under Pillar 3 of Capital Requirements Directive

Introduction

Artefact Partners LLP ("the Firm") is authorised and regulated by the Financial Conduct Authority and is categorised as a BIPRU €50,000 Limited Licence Firm for regulatory purposes. The disclosure has been prepared by the firm in accordance with BIPRU 11 and summarises the material disclosures the firm is required to make under Pillar 3 of the Capital Requirements Directive.

Risk Management

The management of the risks of the firm is carried out by one partner of the firm: Richard Boon. Richard Boon is responsible for the oversight of the firm's compliance and financial arrangements.

The firm is supported in its compliance and accounting arrangements by two independent providers. The firm receives monthly management accounts from which it is able to monitor and project its capital resources. It has a compliance manual, a compliance monitoring programme and an ICAAP process that ensures it is able to manage the risks that it faces.

Given the nature and activities of the firm, its risk appetite is low. It does not deal in a principal capacity and therefore does not have a trading book. The key risks that it faces are as follows:

Market risk

The main market risk of the firm is foreign exchange risk as a result of its management fees being calculated in US dollars whilst the firm's operating and reporting currency is sterling. This risk is monitored by the partner and is either converted at the time that the fees are calculated or hedged against the operating currency of the firm.

As at 31 March 2021, the firm did not incur market risk.

Interest rate risk

The firm is not exposed to interest rate risk as it does not rely on borrowings to meet operating expenditure and does not make loans to clients.

Credit risk

The main credit risk of the firm is a defaulting debtor. As noted above, the firm does not extend credit to its clients. The key credit exposures that the firm has are cash balances maintained with its UK clearer and management fees receivable from its clients. Cash balances are held in overnight deposit accounts and readily available. Management fees are payable within 10 days of their calculation.

Under Pillar 1, cash balances are risk weighted at 1.6% and management fees receivable at 8%. The partners believe that the Pillar 1 risk weight is adequate and that a Pillar 2 adjustment is not required.

As at 31 March 2021 the credit risk was £3,986.

Liquidity risk

The liquidity risk that the firm faces is the inability to settle its liabilities as they fall due. Part of the risk management structure noted above monitors the liquidity position of the firm at all times. Bank reconciliations and cash flows are prepared on a regular basis to ensure that all liabilities are understood and able to be settled as they fall due.

Cash resources of the firm are maintained in accounts with instant access as noted above.

Disclosure under Pillar 3 of Capital Requirements Directive **(Continued)**

Operational risk

As a BIPRU €50,000 Limited Licence firm, the firm is not subject to operational risk under Pillar 1. However the firm is aware of the reputational damage that could result from a failure in operating procedures. The firm's key policy and procedures are documented in the compliance manual and monitored via the compliance monitoring programme.

Changes to procedures are communicated to partners and staff as they occur and if significant all individuals will provide a written confirmation of their understanding and acknowledgement of the changes.

Partners and staff remain aware of the policies and procedures and periodically confirm their compliance via a biannual compliance declaration.

Remuneration risk

As a €50,000 Limited Licence firm, "the firm " falls within Tier 3 of the proportionality guidance notes issued by the Financial Conduct Authority in December 2010. The firm has applied the principles of proportionality in the disclosures made within this statement.

All decisions in relation to remuneration are made by the managing executive member of the firm. Remuneration is based on the performance of the firm as a whole and not on a single investment strategy. The firm is comprised of one business area: investment management and the remuneration relating to that business area for the financial year ended 31 March 2018 was Nil. One member took drawings of £109,182 whose actions could have a material impact on the risk profile of the firm.

Capital Resources

As the firm is a BIPRU €50,000 Limited Licence Firm. It has calculated its capital resources in accordance with GENPRU 2.2. The firm's capital resources Tier 1 £45,296.

Capital Resource Requirements

The Firm's Pillar 1 requirement is calculated as the higher of:

1. The Base Capital Requirement (€50k)

2. The sum of :
   The Credit Risk Capital Requirement; and
   The Market Risk Capital Requirement.

3. The Fixed Overheads Requirement (3 months expenditure of the firm), £752.

In the opinion of the partners the higher of these three is always likely to be the Fixed Overhead Requirement and therefore none of the Base Capital Requirement, the Credit Risk Capital Requirement or the Market Risk Capital Requirement are material to the Firm as set out above.

Pillar 1 and Pillar 2

Disclosure under Pillar 3 of Capital Requirements Directive **(Continued)**

As at the date of this report the Firm has a surplus of capital resources over its Pillar 1 capital resources requirement.

The Firm has undertaken an Internal Capital Adequacy Assessment Process (ICAAP) to determine whether it needs any further regulatory capital due to the risks it faces as set out above.

As a result of this the Firm has concluded that it does not need any further regulatory capital to meet its requirements under Pillar 2.