

Registered Number: OC318397

CABOT SQUARE CAPITAL LLP
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2018



Cabot Square Capital LLP

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Cabot Square Capital LLP**Members**

John Van Deventer	Designated
James Clark	Designated
Keith Maddin	
Edward McNeill	
Jay Derrett	
Lawrence Small	Designated
Richard McDougall	
Tarun Sharma	
Frederick Athill	
Stephanie Wilde	
Thomas Onslow	
James Page	
Andrew Bromfield	
John Stein	
Cabot Square Partners Holding Limited	Designated

Registered Office

One Connaught Place
London
W2 2ET

Independent Auditors

BDO LLP
150 Aldersgate Street
London
EC1A 4AB

Legal Advisers

Herbert Smith Freehills LLP
Exchange House
Primrose Street
London
EC2A 2HS

Bankers

Barclays Bank PLC
1 Churchill Place
London
E14 5HP

Cabot Square Capital LLP

Report of the Members

The members present their report and the audited financial statements for the year ended 31 December 2018.

Principal Activities

The principal activity of the limited liability partnership is to manage unregulated collective investment vehicles specialising in venture capital and private equity transactions.

Cabot Square Capital LLP is regulated and authorised for the conduct of business by the Financial Conduct Authority in the UK.

Results and Business Review

Both the level of business and the year-end financial position were satisfactory and the members expect that the present level of activity will be sustained for the foreseeable future.

The policies of Cabot Square Capital LLP regarding the allocation of profits to members, interim drawings and on account distributions and the subscription and the repayment of members' capital are disclosed in the accounting policies.

Registration Number

Cabot Square Capital LLP is registered in England and Wales with the registration number OC318397.

Members

The following were members of the limited liability partnership during the year and, unless otherwise stated, continued to be members after that date:

John Van Deventer	Designated
James Clark	Designated
Keith Maddin	
Edward McNeill	
Jay Derrett	
Lawrence Small	Designated
Richard McDougall	
Sophie Orgueil	(Resigned 31 December 2018)
Tarun Sharma	
Frederick Athill	
Stephanie Wilde	
Thomas Onslow	
Lindsay Clark	(Resigned 8 August 2018)
James Page	
Andrew Bromfield	
John Stein	
Cabot Square Partners Holding Limited	Designated

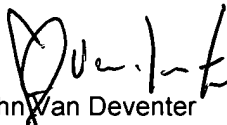
The report has been prepared in accordance with the provisions of the Limited Liability Partnerships Regulation 2001 made under the Limited Liability Partnerships Act 2000.

Cabot Square Capital LLP
Report of the Members (Continued)

Auditors

On 1 February 2019, Moore Stephens LLP merged its practice with BDO LLP and so resigned as auditors with effect from that date. BDO were appointed as auditors in accordance with s.485 of the Companies Act 2006

On Behalf of the Members on 8 April 2019


John Van Deventer
Designated Member

Cabot Square Capital LLP

Statement of Members' Responsibilities

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

Company law, as applicable to LLPs, 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 (United Kingdom Standards and applicable law). Under company law, as applicable to LLPs, 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 LLP and of the profit or loss of the 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 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 statement; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

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 the financial statements comply with the Companies Act 2006, as applicable to LLPs. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditor's Report to the Members of Cabot Square Capital LLP

Opinion

We have audited the financial statements of Cabot Square Capital LLP (the 'partnership') for the year ended 31 December 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 December 2018 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 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 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 audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Members' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the members' report.

We have nothing to report in respect of the following matters where the 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
- certain disclosures of members' remuneration specified by law are not made; 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 set out on page 4, 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 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 partnership or to cease operations, or have no realistic alternative but to do so.

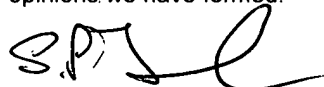
Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance; but is not a guarantee that an audit conducted in accordance with ISAs(UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: 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 partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the partnership and the partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



Senior Statutory Auditor, *Simon Fowles*

For and on behalf of BDO LLP, Statutory Auditor

150 Aldersgate Street
London
EC1A 4AB

Date: 8 April 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Cabot Square Capital LLP

**Statement of Comprehensive Income
for the year ended 31 December 2018**

	<u>Note</u> £	<u>2018</u> £	<u>2017</u>
Turnover	1(e)	4,360,982	6,932,030
Administrative expenses		(1,213,770)	(949,401)
Operating Profit	5	3,147,212	5,982,629
Interest Receivable		4,519	3,586
Profit for the year before members' remuneration and profit share		3,151,731	5,986,215
Members' remuneration charged as an expense		(1,725,000)	(1,725,000)
Profit for the year available for discretionary division among members		1,426,731	4,261,215
Other comprehensive income		-	-
Total comprehensive income for the year attributable to the members		1,426,731	4,261,215

The notes on pages 12 to 19 form a part of these financial statements.

Cabot Square Capital LLP
Registered Number: OC318397

Statement of Financial Position at 31 December 2018

	<u>Note</u>	<u>2018</u> £	<u>2017</u> £
Fixed Assets			
Tangible assets	6	85,664	118,100
Investments	7	1	1
		<u>85,665</u>	<u>118,101</u>
Current Assets			
Debtors	8	2,253,642	2,941,753
Cash and cash equivalents		1,885,213	2,752,779
		<u>4,138,855</u>	<u>5,694,532</u>
Creditors: Amounts falling due within one year	9	(150,462)	(127,200)
Net current assets		<u>3,988,393</u>	<u>5,567,332</u>
Total assets less current liabilities		4,074,058	5,685,433
Creditors: Amounts falling due after more than one year	10	(133,000)	(119,019)
Net assets attributable to members		<u><u>3,941,058</u></u>	<u><u>5,566,414</u></u>
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability		524,395	637,395
Members' other interests			
Members' capital		255,000	255,000
Other reserves		3,161,663	4,674,019
		<u>3,416,663</u>	<u>4,929,019</u>
		<u>3,941,058</u>	<u>5,566,414</u>
Total Members' Interests			
Loans and other debts due from members		(2,148,222)	(2,747,575)
Loans and other debts due to members		524,395	637,395
Members' other interests		3,416,663	4,929,019
		<u>1,792,836</u>	<u>2,818,839</u>

The notes on pages 12 to 19 form a part of these financial statements.

These financial statements were approved by the Board of Members on **8 April 2019**
and signed on its behalf by


John Van Deventer
Designated Member

Cabot Square Capital LLP
Statement of Changes in Equity
for the year ended 31 December 2018

	Members' Capital £	Other Reserves £	Total £	Loans and Other Debts to/(from) Members £	Total £
Amounts due to members				637,395	
Amounts due from members				(2,747,575)	
At 1 January 2018	255,000	4,674,019	4,929,019	(2,110,180)	2,818,839
Members' remuneration expensed	-	-	-	1,725,000	1,725,000
Profit available for members' profit share distribution	-	1,426,731	1,426,731	-	1,426,731
Members' capital paid	-	-	-	-	-
Members' interests after profit for the year	255,000	6,100,750	6,355,750	(385,180)	5,970,570
Allocated profits	-	(2,939,087)	(2,939,087)	2,939,087	-
Drawings	-	-	-	(4,177,734)	(4,177,734)
Amounts due to members				524,395	
Amounts due from members				(2,148,222)	
At 31 December 2018	<u>255,000</u>	<u>3,161,663</u>	<u>3,416,663</u>	<u>(1,623,827)</u>	<u>1,792,836</u>

Members' capital may be repaid to leaving members subject to the condition, within the LLP Agreement, that following such payment the total members' capital remains greater than the LLP's FCA financial resources requirement at the relevant time.

Members' other interests rank after unsecured creditors, with loans and other debts due to members ranking pari passu with unsecured creditors in the event of a winding up.

The notes on pages 12 to 19 form a part of these financial statements.

Cabot Square Capital LLP
Statement of Changes in Equity
for the year ended 31 December 2017

	Members' Capital £	Other Reserves £	Total £	Loans and Other Debts to/(from) Members £	Total £
Amounts due to members				1,905,038	
Amounts due from members				(6,721,421)	
At 1 January 2017	205,000	7,291,465	7,496,465	(4,816,383)	2,680,082
Members' remuneration expensed	-	-	-	1,725,000	1,725,000
Profit available for members' profit share distribution	-	4,261,215	4,261,215	-	4,261,215
Members' capital paid	50,000	-	50,000	-	50,000
Members' interests after profit for the year	255,000	11,552,680	11,807,680	(3,091,383)	8,716,297
Allocated profits	-	(6,878,661)	(6,878,661)	6,878,661	-
Drawings	-	-	-	(5,897,458)	(5,897,458)
Amounts due to members				637,395	
Amounts due from members				(2,747,575)	
At 31 December 2017	<u>255,000</u>	<u>4,674,019</u>	<u>4,929,019</u>	<u>(2,110,180)</u>	<u>2,818,839</u>

Cabot Square Capital LLP

Statement of Cash Flows for the year ended 31 December 2018

	<u>Note</u>	<u>2018</u> £	<u>2017</u> £
Cash inflow from operating activities			
Cash generated from operations	11	3,314,767	6,062,091
Net cash generated from operating activities		<u>3,314,767</u>	<u>6,062,091</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(9,118)	(10,661)
Interest received		4,519	3,586
Net cash used in investing activities		<u>(4,599)</u>	<u>(7,075)</u>
Cash flows from financing activities			
Members' drawings paid		(4,177,734)	(5,897,458)
Net cash used in financing activities		<u>(4,177,734)</u>	<u>(5,847,458)</u>
(Decrease)/Increase in cash and cash equivalents in the year		(867,566)	157,558
Cash and cash equivalents at beginning of year		2,752,779	2,595,221
Cash and cash equivalents at end of year		<u>1,885,213</u>	<u>2,752,779</u>

The notes on pages 12 to 19 form a part of these financial statements.

Cabot Square Capital LLP

Financial Statements for the year ended 31 December 2018

Notes

1. Significant Accounting Policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

(a) General information, statement of compliance and basis of accounting

Cabot Square Capital LLP is a limited liability partnership incorporated in the United Kingdom on 14 March 2006 under the Limited Liability Partnership Act 2000. The address of the registered office is given on page 1. The nature of the Partnership's operations and its principal activities are set out in the members' report on page 2.

The Partnership financial statements are prepared in compliance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council, the Statement of Recommended Practice: Accounting by Limited Liability Partnerships (effective 1 January 2016), and the terms of the LLP's Membership Agreement, unless otherwise disclosed in the financial statements.

The financial statements have been prepared on the historical cost basis and presented in pound sterling which is the functional currency of the Partnership.

(b) Consolidation

Group financial statements have not been prepared as the company's subsidiary is permitted to be excluded from group financial statements by virtue of sections 402 and 405 of the Companies Act 2006. These financial statements therefore present information about the LLP as an individual undertaking and not about its group.

(c) Property, plant and equipment

The cost of property, plant and equipment is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is provided on property, plant and equipment so that the cost, less estimated residual value, is written off on a straight line basis over the estimated useful lives of the assets as follows:

Computer equipment	50%
Furniture, fixtures, fittings & office equipment	10%

(d) Foreign Currencies

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange on the day on which the transaction took place. Assets and liabilities expressed in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. All foreign exchange differences are taken to the statement of comprehensive income in the period in which they arise.

(e) Revenue recognition

Turnover comprises management fees earned and are earned entirely in the United Kingdom. Fees recognised in turnover as the investment management services are in accordance with the underlying agreements.

(f) Expenses

All expenses have been accounted for on an accruals basis.

Cabot Square Capital LLP

Financial Statements for the year ended 31 December 2018

Notes (Continued)

1. Significant Accounting Policies (continued)

(g) Allocation of Profits and Drawings

The allocation of profits to those who were members during the financial period occurs following the finalisation of the annual financial statements. During the period members receive monthly drawings and, from time to time, additional profit distributions.

Both the monthly drawings and profit distributions represent payments on account of current period profits and are reclaimable from members until profits have been allocated. Any over distribution of profits during the period is also recoverable from members.

Member's remuneration charged as an expense in the statement of comprehensive income, relates to basic profit share distributions made to Members who hold 'B' Units, as in accordance with clause 10.2 of the LLP's Partnership Agreement.

(h) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and short term deposits with original maturities of three months or less and that are subject to an insignificant risk of changes in value.

(i) Financial assets and liabilities

Financial instruments are recognised on the statement of financial position when the Partnership becomes party to the contractual provisions of the instrument. Financial instruments are initially measured at transaction price.

Trade debtors are amounts due from Funds managed by the Partnership for services performed in the ordinary course of business. Trade debtors are recognised at the undiscounted amount of cash receivable, which is normally the invoice price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as creditors falling due within one year if payment is due within one year or less. If not, they are presented as creditors falling due after one year. Trade creditors are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

(j) Taxation

The financial statements do not incorporate any charge or liability for taxation on the results of the limited liability partnership as the relevant income tax is the responsibility of the individual members.

(k) Operating leases

Rentals paid under operating lease agreements are charged to profit or loss on a straight line basis over the term of the lease.

Cabot Square Capital LLP

Financial Statements for the year ended 31 December 2018

Notes (Continued)

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Partnership's accounting policies, which are described in note 1, the members are required to make judgements, estimates and assumptions which affect the amounts reported for assets and liabilities as at the year-end date and the amounts reported for revenues and expenses during the year. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. However, the nature of the estimation means that actual outcomes could differ from these estimates.

Due to the simplicity of the Partnership's transaction streams and year-end financial position, the members consider there to be no critical judgements, estimates and assumptions used in the preparation of these financial statements.

3. Financial risk management

The members have overall responsibility for the establishment and oversight of the Partnership's risk management framework. The risk management committee is responsible for developing and monitoring Partnership's risk management strategy and policies. The committee reports regularly to members on its activity. There have been no changes to the Partnership's exposures and risks or methods used to measure and manage these risks during the year.

The Partnership is exposed to a variety of financial risks from its use of financial instruments measured at fair value through profit or loss. The Partnership monitors and manages the financial risks which include market, credit and liquidity risk. The Partnership does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Partnership seeks to minimise these risks as detailed below:

Market Price Risk

Market price risk arises from uncertainty about future prices of financial instruments held. It represents the potential loss the Partnership might suffer through holding market positions in the face of price movements. The potential impact is not material to the members of the Partnership and the Partnership has taken no steps to control market price risk.

Credit Risk Management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses. The Partnership's principal credit exposure relates to the balance of its financial assets.

There is limited credit exposure from balances due from the Funds managed by the Partnership.

The Partnership manages credit risk with respect to cash by holding such assets in AA rated global financial institutions; the credit risk on these balances is considered to be limited.

The carrying amount of financial assets recorded in the financial statements, represents the Partnership's maximum exposure to credit risk as no collateral or other credit enhancements are held.

Cabot Square Capital LLP

Financial Statements for the year ended 31 December 2018

Notes (Continued)

3. Financial risk management (continued)

Liquidity risk management

The Partnership has built an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements.

The Partnership manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities.

The Partnership has not made any significant guarantees to third parties of actual or potential obligations.

4. Employee Information

	<u>2018</u> £	<u>2017</u> £
Staff Costs		
Wages and Salaries	123,431	81,450
Social Security Costs	10,538	5,356
	<u>133,969</u>	<u>86,806</u>

The average weekly number of persons in the limited liability partnership during the year was:

	<u>2018</u>	<u>2017</u>
Members	15	16
Support	3	3
	<u>18</u>	<u>19</u>

The profit attributable to the member with the largest entitlement was £895,584 (2017: £1,182,260).

Cabot Square Capital LLP

Financial Statements for the year ended 31 December 2018

Notes (Continued)

5. Operating Profit

	<u>2018</u> £	<u>2017</u> £
Operating profit is stated after charging:		
Depreciation of tangible fixed assets	41,554	48,866
Auditors' remuneration:		
- audit services	17,140	16,644
- taxation & compliance services	6,325	8,675
- services to group entities	27,729	33,980
Net exchange (gain)/loss on foreign currency	(2,310)	870
Operating lease charges	<u>211,833</u>	<u>211,833</u>

6. Property, Plant and Equipment

	<u>Computer Equipment</u> £	<u>Furniture, Fixtures, Fittings & Office Equipment</u> £	<u>Total</u> £
Cost			
At 1 January 2018	132,292	346,012	478,304
Additions	8,060	1,058	9,118
Disposals	-	-	-
At 31 December 2018	<u>140,352</u>	<u>347,070</u>	<u>487,422</u>
Depreciation			
At 1 January 2018	125,378	234,826	360,204
Charge for the year	6,871	34,683	41,554
Disposals	-	-	-
At 31 December 2018	<u>132,249</u>	<u>269,509</u>	<u>401,758</u>
Net book value			
At 31 December 2018	<u>8,103</u>	<u>77,561</u>	<u>85,664</u>
At 31 December 2017	<u>6,914</u>	<u>111,186</u>	<u>118,100</u>

7. Fixed Asset Investments

	<u>Total</u> £
At 1 January 2018	1
Additions	-
At 31 December 2018	<u>1</u>

In 2017 the partnership acquired the entire issued share capital of CS Real Estate Director Ltd (UK), a company registered in England. CS Real Estate Director Limited manages investments in leasehold Properties.

Cabot Square Capital LLP

Financial Statements for the year ended 31 December 2018

Notes (Continued)

8. Debtors

	<u>2018</u>	<u>2017</u>
	£	£
Other debtors	58,159	142,390
Prepayments	47,261	51,788
Amounts due from members	2,148,222	2,747,575
	<u>2,253,642</u>	<u>2,941,753</u>

9. Creditors: amounts falling due within one year

	<u>2018</u>	<u>2017</u>
	£	£
Trade creditors	25,594	5,757
Other creditors	34,630	19,310
Accruals	88,718	59,766
Rent free creditor	1,519	42,366
Unpaid share capital	1	1
	<u>150,462</u>	<u>127,200</u>

10. Creditors: amounts falling due after more than one year

	<u>2018</u>	<u>2017</u>
	£	£
Rent free creditor	-	1,519
Accruals	133,000	117,500
	<u>133,000</u>	<u>119,019</u>

11. Cash generated from operations

	<u>2018</u>	<u>2017</u>
	£	£
Profit for the year	3,151,731	5,986,215
Depreciation	41,554	48,866
Decrease in debtors	88,758	21,899
Increase/(Decrease) in creditors	23,262	(14,435)
(Decrease) in non-cash rent provisions	(1,519)	(42,366)
Increase in non-cash dilapidation provisions	15,500	15,498
Regulatory Capital : profits capitalised	-	50,000
Interest received	(4,519)	(3,586)
Net cash inflow from operating activities	<u>3,314,767</u>	<u>6,062,091</u>

Cabot Square Capital LLP

Financial Statements for the year ended 31 December 2018

Notes (Continued)

12. Commitments

Operating leases on which payments are due are as follows:

	<u>2018</u>	<u>2017</u>
	£	£
<u>Land and buildings</u>		
Within 1 year	254,200	254,200
Within 2-5 years	105,917	360,117
Greater than 5 years	-	-
	<u>360,117</u>	<u>614,317</u>

13. Parent Company and Ultimate Controlling Party

The members regard Cabot Square Partners Holding Limited, a company incorporated in Guernsey, as the ultimate parent company. The ultimate controlling party is considered to be Mr. John Van Deventer.

14. Related Party Transactions

Cabot Square Capital GP III Limited is the general partner of CS Capital Partners III, LP. Cabot Square Capital GP III Limited is a wholly owned subsidiary of Cabot Square Partners Holding Limited.

Cabot Square Capital GP IV LLP is the general partner of CS Capital Partners IV, LP. Cabot Square Partners Holding Limited and Cabot Square Capital Nominee Limited are members of Cabot Square Capital GP IV LLP.

Cabot Square Capital Marble GP LLP is the general partner of CS Capital Partners Marble, LP. Cabot Square Partners Holding Limited and Cabot Square Capital Nominee Limited are members of Cabot Square Capital Marble GP LLP.

Cabot Square Capital GP V LLP is the general partner of CS Capital Partners V, LP. Cabot Square Partners Holding Limited and Cabot Square Capital Nominee Limited are members of Cabot Square Capital GP V LLP.

Cabot Square Capital GP VI LLP is the general partner of CS Capital Partners VI, LP. Cabot Square Partners Holding Limited and Cabot Square Capital Nominee Limited are members of Cabot Square Capital GP VI LLP.

Cabot Square Capital Real Estate GP LLP is the general partner of CS Capital Partners Real Estate Fund. Cabot Square Partners Holding Limited and Cabot Square Capital Nominee Limited are members of Cabot Square Capital Real Estate GP LLP.

Cabot Square Partners Holding Limited has a 75% (2017: 75%) voting and capital interest only in Cabot Square Capital LLP. It has no basic profit share or excess profit share interest.

During the year, Cabot Square Capital LLP incurred expenses on behalf of CS Capital Partners III, LP, CS Capital Partners IV, LP, CS Capital Partners Marble, LP, CS Capital Partners V, LP, CS Capital Partners VI, LP and CS Capital Partners Real Estate Fund whose partnership funds are managed by Cabot Square Capital LLP. Amounts outstanding at the year end and included in Other Debtors (Note 8) were as follows:

Cabot Square Capital LLP

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Notes (Continued)

14. Related Party Transactions (continued)

	<u>2018</u>	<u>2017</u>
	£	£
CS Capital Partners III, LP	3,423	86,120
CS Capital Partners IV, LP	17,518	14,779
CS Capital Partners Marble, LP	(1,572)	4,780
CS Capital Partners V, LP	30,871	21,096
CS Capital Partners VI, LP	3,917	-
CS Capital Partners Real Estate Fund	1,516	15,615
	<u>55,673</u>	<u>142,390</u>

15. Related Party Transactions (Continued)

These outstanding amounts were reimbursed in January 2019

CS Capital Partners III LP's ten year life ended on 7 August 2016. In accordance with the LPA, the fund manager extended the partnership life by one year to 7 August 2017. Following this, the manager received consent from all Limited Partners to extend the partnership for a further two years to 7 August 2019. Beyond this date, the Partnership will enter liquidation and will continue to exist until such time as all the Partnership Assets have been realised and / or distributed to the Limited Partners.

Cabot Square Capital LLP received management fees from the general partners during the year amounting to £Nil, £1,527,700, £2,807,700, £7,500 and £18,082 (2017: £1,962,390, £1,158,140, £3,811,500, £Nil and £Nil) from Cabot Square Capital GP III Limited, Cabot Square Capital GP IV LLP, Cabot Square Capital GP V LLP, Cabot Square Capital Marble GP LLP and Cabot Square Capital Real Estate GP LLP respectively.