

Limited Liability Partnership Registration No. OC319297 (England and Wales)

HOLLYPORT CAPITAL LLP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



HOLLYPORT CAPITAL LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

| | |
|---|---|
| Designated members | J Carter E Gay Hollyport Limited |
| Limited liability partnership number | OC319297 |
| Registered office | Devonshire House 1 Devonshire Street London W1W 5DR |
| Auditors | Citroen Wells Devonshire House 1 Devonshire Street London W1W 5DR |
| Business address | 15 Golden Square 4 th Floor London W1F 9JG |

HOLLYPORT CAPITAL LLP

CONTENTS

| | Page |
|---|---------|
| Members' report | 1 - 2 |
| Independent auditor's report | 3 - 5 |
| Consolidated statement of comprehensive income | 6 |
| Consolidated statement of financial position | 7 |
| Limited liability partnership statement of financial position | 8 |
| Statement of members' interests – group and limited liability partnership | 9 |
| Consolidated statement of cash flows | 10 |
| Limited liability partnership statement of cash flows | 11 |
| Notes to the financial statements | 12 - 22 |

HOLLYPORT CAPITAL 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 activities of Hollyport Capital LLP (the 'limited liability partnership') and its subsidiary undertakings (together the 'group') continued to be that of fund management, investment advisory services and acting as general partner and trustee to special purpose investment vehicles.

Fair review of the business

The group generated a profit before members' remuneration and profit shares of £14,580,518 (2020: £14,244,802), which has been allocated in full to the members in accordance with the Limited Liability Partnership Agreement dated 26 February 2018. The results of the year and the financial position at the year end were considered satisfactory by the members who expect continued growth in the foreseeable future.

Revenue and profit are considered to be the group's key performance indicators. The group achieved revenue of £19,939,620 (2020: £19,967,187), resulting in profits described above.

Members' drawings, contributions and repayments

The policy for members' drawings, subscriptions and repayment of members' capital is governed by the Limited Liability Partnership Agreement dated 26 February 2018 and its associated side letters.

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business, provided that there are sufficient resources retained to meet ongoing working capital and regulatory capital requirements.

The members' capital requirements are also governed by the Limited Liability Partnership Agreement. There is no opportunity for appreciation of capital subscribed. Just as incoming members introduce their capital at "par", so the retiring members are repaid their capital at "par".

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:

J Carter
E Gay
Hollyport Limited

HOLLYPORT CAPITAL LLP

MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Statement of members' responsibilities

The members are responsible for preparing the annual report and 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 group and limited liability partnership and of the profit or loss of the group 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 group and limited liability partnership will continue in business.

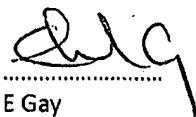
The members are responsible for keeping adequate accounting records that are sufficient to show and explain the group and limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the group and limited liability partnership and enable them 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 group and limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 is 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 is aware of that information.

Approved by the members on 29 June 21 and signed on behalf by:



E Gay
Designated Member

HOLLYPORT CAPITAL LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOLLYPORT CAPITAL LLP

Opinion

We have audited the financial statements of Hollyport Capital LLP ('the limited liability partnership') and its subsidiaries ('the group') for the year ended 31 March 2021 which comprise the consolidated statement of comprehensive income, the consolidated and partnership statement of financial position, the consolidated and partnership statement of members' interests, the consolidated and partnership statement of cash flows 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 FRS102 'The Financial Reporting Standard applicable to 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 group's and 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 doubt on the group's or the limited liability partnership's ability to continue as a going concern for a period of 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 members' 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.

HOLLYPORT CAPITAL LLP

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF HOLLYPORT CAPITAL LLP

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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 statement of members' responsibility, as set out on page 2, 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.

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the limited liability partnership and determined that the most significant are those that relate to the reporting framework (United Kingdom Generally Accepted Accounting Practice; including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland' and the Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008. In addition, the limited liability partnership is required to comply with relevant Financial Conduct Authority's (FCA) rules and regulations relating to its operations.
- We understood how the limited liability partnership is complying with those frameworks by making enquiries of management and seeking representations from those charged with governance to understand how management maintains and communicates its policies and procedures in these areas. We corroborated our understanding by reviewing supporting documentation including members' meeting minutes and correspondence with regulatory bodies.

HOLLYPORT CAPITAL LLP

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF HOLLYPORT CAPITAL LLP

The extent to which the audit was considered capable of detecting irregularities including fraud – (continued)

- We assessed the susceptibility of the limited liability partnership's financial statements to material misstatement, including how fraud might occur by considering the risk of management override of internal control and by designating revenue recognition as a fraud risk. We performed journal entry testing by specific risk criteria, with a focus on journals indicating large or unusual transactions based on our understanding of the business. We recalculated the revenue receivable for the year from the funds managed by the limited liability partnership and agreed the fee rate, any performance conditions and other inputs to agreements.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of legal and professional expenses, review of breaches and complaints register and review of members' meeting minutes.
- The limited liability partnership is a regulated entity under the supervision of the FCA. As such, the Senior Statutory Auditor considered the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters which we are required to address

The 2021 financial year is the first year that the limited liability partnership is required to prepare consolidated accounts, it having been exempt from the consolidation requirements previously. Accordingly, the comparative consolidated figures have not been audited. We audited the limited liability partnership's individual financial statements for the year ended 31 March 2020 and expressed an unmodified opinion on those financial statements. The subsidiaries' individual financial statements for the year ended 31 December 2019 were audited by an independent regulated auditor who expressed unmodified opinions on those financial statements.

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 to limited liability partnerships 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.

Citroen Wells

David Marks FCA (Senior Statutory Auditor)
For and on behalf of Citroen Wells

Chartered Accountants
Statutory Auditor

30 June 2021

Devonshire House
1 Devonshire Street
London
W1W 5DR

HOLLYPORT CAPITAL LLP

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | 2021 £ | 2020 £ |
|---|----------|-------------------|-------------------|
| Revenue | 3 | 19,939,620 | 19,967,187 |
| Administrative expenses | | (5,360,752) | (5,725,717) |
| Operating profit | 4 | 14,578,868 | 14,241,470 |
| Investment income | 8 | 1,650 | 3,332 |
| Profit on ordinary activities before taxation | | 14,580,518 | 14,244,802 |
| Tax on profit on ordinary activities | | - | - |
| Profit for the financial year before members' remuneration and profit shares | | 14,580,518 | 14,244,802 |
| Profit for the financial year before members' remuneration and profit shares | | 14,580,518 | 14,244,802 |
| Members' remuneration charged as an expense | | (14,580,518) | (14,244,802) |
| Profit for the financial year available for discretionary division among members | | - | - |

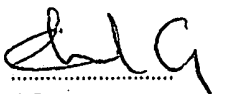
The consolidated statement of comprehensive income has been prepared on the basis that all operations are continuing operations. There are no recognised gains and losses other than those passing through the consolidated statement of comprehensive income.

HOLLYPORT CAPITAL LLP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

| | Notes | £ | 2021 £ | £ | 2020 £ |
|--|-------|-------------|-----------|-------------|-----------|
| Non-current assets | | | | | |
| Property, plant and equipment | 9 | | 93,532 | | 163,993 |
| Current assets | | | | | |
| Debtors falling due after more than one year | 12 | 169,074 | | 169,074 | |
| Debtors due falling within one year | 12 | 1,300,922 | | 705,153 | |
| Cash at bank and in hand | | 4,832,394 | | 6,029,586 | |
| | | 6,302,390 | | 6,903,813 | |
| Current liabilities | 13 | (5,227,257) | | (5,455,030) | |
| Net current assets | | | 1,075,133 | | 1,448,783 |
| Total assets less current liabilities | | | 1,168,665 | | 1,612,776 |
| Represented by: | | | | | |
| Loans and other debts due to members within one year | | | | | |
| Amounts due in respect of profits | 14 | | 1,041,565 | | 1,485,676 |
| Members' other interests: | | | | | |
| Members capital | | | 127,100 | | 127,100 |
| | | | 1,168,665 | | 1,612,776 |
| Total members' interests | | | | | |
| Loans and other debts due to members | | | 1,041,565 | | 1,485,676 |
| Members' other interests | | | 127,100 | | 127,100 |
| | | | 1,168,665 | | 1,612,776 |

The financial statements were approved by the members and authorised for issue on 29 June 21 and are signed on their behalf by:


E Gay
Designated Member

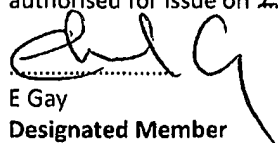
Limited Liability Partnership Registration No. OC319297

HOLLYPORT CAPITAL LLP

LIMITED LIABILITY PARTNERSHIP STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

| | Notes | £ | 2021 £ | £ | 2020 £ |
|---|-------|-------------|-----------|-------------|-----------|
| Non-current assets | | | | | |
| Property, plant and equipment | 9 | | 93,532 | | 163,993 |
| Investments | 10 | | 50,000 | | 50,000 |
| | | | <hr/> | | <hr/> |
| | | | 143,532 | | 213,993 |
| Current assets | | | | | |
| Debtors falling due after more than one year | 12 | 169,074 | | 169,074 | |
| Debtors falling due within one year | 12 | 814,377 | | 401,787 | |
| Cash and cash equivalents | | 4,807,535 | | 6,002,872 | |
| | | | <hr/> | <hr/> | |
| | | | 5,790,986 | 6,573,733 | |
| Current liabilities | 13 | (4,741,650) | | (5,152,387) | |
| | | | <hr/> | <hr/> | |
| Net current assets | | | 1,049,336 | | 1,421,346 |
| | | | <hr/> | | <hr/> |
| Total assets less current liabilities | | | 1,192,868 | | 1,635,339 |
| | | | <hr/> | | <hr/> |
| Represented by: | | | | | |
| Loans and other debts due to members within one year | | | | | |
| Amounts due in respect of profits | 14 | | 1,065,768 | | 1,508,239 |
| Members' other interests: | | | | | |
| Members' capital classified as equity | | | 127,100 | | 127,100 |
| | | | <hr/> | | <hr/> |
| | | | 1,192,868 | | 1,635,339 |
| | | | <hr/> | | <hr/> |
| Total members' interests | | | | | |
| Loans and other debts due to members | | | 1,065,768 | | 1,508,239 |
| Members' other interests | | | 127,100 | | 127,100 |
| | | | <hr/> | | <hr/> |
| | | | 1,192,868 | | 1,635,339 |
| | | | <hr/> | | <hr/> |

As permitted by the s408 Companies Act 2006, the limited liability partnership has not presented its own statement of comprehensive income and related notes. The limited liability partnership's profit for the year was £14,582,158 (2020: £14,268,557). These financial statements were approved by the members and authorised for issue on 29 June 2021 and are signed on its behalf by:


E Gay
Designated Member

Limited Liability Partnership Registration No. OC319297

HOLLYPORT CAPITAL LLP

STATEMENT OF MEMBERS' INTERESTS – GROUP AND LIMITED LIABILITY PARTNERSHIP FOR THE YEAR ENDED 31 MARCH 2021

Group

| | Members' capital £ | Loans and other debts £ | Total £ | 2020 £ |
|--|--------------------------|-------------------------------|--------------|--------------|
| Members' interests at 1 April 2020 | 127,100 | 1,485,676 | 1,612,776 | 550,746 |
| Members' remuneration charged as an expense | - | 14,580,518 | 14,580,518 | 14,244,802 |
| Members' interests after profit for the period | 127,100 | 16,066,194 | 16,193,294 | 14,795,548 |
| Drawings | - | (15,024,629) | (15,024,629) | (13,182,772) |
| Members' interests at 31 March 2021 | 127,100 | 1,041,565 | 1,168,665 | 1,612,776 |
| Amounts due to members | | 1,041,565 | | |

Partnership

| | Members' capital £ | Loans and other debts £ | Total £ | 2020 £ |
|--|--------------------------|-------------------------------|--------------|--------------|
| Members' interests at 1 April 2020 | 127,100 | 1,508,239 | 1,635,339 | 549,554 |
| Members' remuneration charged as an expense | - | 14,582,158 | 14,582,158 | 14,268,557 |
| Members' interests after profit for the period | 127,100 | 16,090,397 | 16,217,497 | 14,818,111 |
| Drawings | - | (15,024,629) | (15,024,629) | (13,182,772) |
| Members' interests at 31 March 2021 | 127,100 | 1,065,768 | 1,192,868 | 1,635,339 |
| Amounts due to members | | 1,065,768 | | |

HOLLYPORT CAPITAL LLP

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | £ | 2021 £ | £ | 2020 £ |
|---|-------|--------------|--------------|--------------|--------------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 18 | | 13,825,787 | | 16,965,751 |
| Investing activities | | | | | |
| Purchase of property, plant and equipment | 9 | - | | (4,983) | |
| Interest received | 8 | 1,650 | | 3,332 | |
| | | | | | |
| Net cash generated from/(used in) investing activities | | | 1,650 | | (1,651) |
| Financing activities | | | | | |
| Payments to members | | (15,024,629) | | (13,182,772) | |
| | | | | | |
| Net cash (used) in financing activities | | | (15,024,629) | | (13,182,772) |
| | | | | | |
| Net (decrease)/increase in cash and cash equivalents | | | (1,197,192) | | 3,781,328 |
| Cash and cash equivalents at beginning of year | | | 6,029,586 | | 2,248,258 |
| | | | | | |
| Cash and cash equivalents at end of year | | | 4,832,394 | | 6,029,586 |

HOLLYPORT CAPITAL LLP

LIMITED LIABILITY PARTNERSHIP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | £ | 2021 £ | £ | 2020 £ |
|---|-------|--------------|--------------|--------------|--------------|
| Cash flows from operating activities | | | | | |
| Cash generated from operations | 18 | | 13,827,642 | | 16,990,751 |
| Investing activities | | | | | |
| Payments to acquire tangible fixed assets | 9 | - | | (4,983) | |
| Purchase of subsidiary | 10 | - | | (25,000) | |
| Interest received | | 1,650 | | 3,332 | |
| Net cash generated/(used) in investing activities | | | 1,650 | | (26,651) |
| Financing activities | | | | | |
| Members' drawings | | (15,024,629) | | (13,182,772) | |
| Net cash (used) in financing activities | | | (15,024,629) | | (13,182,772) |
| Net (decrease)/increase in cash and cash equivalents | | | (1,195,337) | | 3,781,328 |
| Cash and cash equivalents at beginning of year | | | 6,002,872 | | 2,221,544 |
| Cash and cash equivalents at end of year | | | 4,807,535 | | 6,002,872 |

HOLLYPORT CAPITAL LLP

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

1. Accounting policies

Limited liability partnership information

Hollyport Capital LLP (the 'limited liability partnership') is a limited liability partnership incorporated in England and Wales. The registered office is Devonshire House, 1 Devonshire Street, London, W1W 5DR.

The business address of the limited liability partnership is 4th Floor, 15 Golden Square, London, W1F 9JG.

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

The group consists of Hollyport Capital LLP and all of its subsidiaries as shown in Note 11.

1.1 Accounting convention

The financial statements have been prepared in accordance with the applicable accounting standards including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ('FRS 102'), the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in December 2018, together with and the Companies Act 2006 (as applied to LLP's).

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

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

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Hollyport Capital LLP and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

A subsidiary is an entity controlled by the group. Control is the power govern financial and operating policies of the entity so as to obtain benefits from its activities.

The accounts of the subsidiaries, as shown in Note 11, are made up to 31 December 2020. Management accounts to 31 March 2021 were used for the purpose of consolidation. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group entities are eliminated on consolidation.

In the limited liability partnership's individual financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

HOLLYPORT CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies – (continued)

1.3 Revenue

Revenue represents general partner's profit share ('GPS') and investment and advisory fees receivable by the group.

GPS are amounts due from Limited Partnership's that the group acts as general partner for. The GPS is recognised in accordance with the applicable Limited Partnership Agreement.

Management and advisory fees receivable by the group are in accordance with the various investment management and advisory agreements in place. Management and advisory fees are recognised when the right to consideration in exchange for performance of services has been received.

If, at the reporting end date, completion of contractual obligations is dependent on external factors (and thus outside the control of the group) then revenue is recognised only when the event occurs. In such cases, costs incurred up to the reporting end date are carried forward as work in progress.

1.4 Members' participating interests

Members' participating rights are the right of a member against the limited liability partnership 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 limited liability partnership are analysed between those that are, from the limited liability partnership's perspective, either a financial liability or equity, in accordance with section 22 of FRS102. A members' participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the limited liability partnership has an unconditional right to refuse payment to members, in which case they are classified as equity.

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.

1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual value, over their expected useful lives, on the following basis:

| | |
|------------------------|----------------------------|
| Leasehold improvements | Over the life of the lease |
| Office 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 consolidated statement of comprehensive income.

HOLLYPORT CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies – (continued)

1.6 Non-current investments

Interests in subsidiaries are initially measured at cost and subsequently measured as cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the limited liability partnership's statement of comprehensive income.

1.7 Impairment of non-current assets

At each reporting end date, the group and limited liability partnership reviews the carrying amount of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

An impairment loss is recognised immediately in the consolidated statement of comprehensive income and such losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

1.9 Financial instruments

The limited liability partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' to all of its financial instruments and that of its group. The limited liability partnership and group only has basic financial assets and liabilities in the current and prior financial periods.

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

Basic financial assets

Basic financial assets, which include trade and other 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.

Impairment of financial assets

Financial assets 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 the consolidated statement of comprehensive income.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed.

HOLLYPORT CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies – (continued)

1.9 Financial instruments – (continued)

De-recognition 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 group 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 group after deducting all of its liabilities.

Basic financial liabilities, including trade and other creditors, 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.

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. Accounts 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.

De-recognition of financial liabilities

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

1.10 Taxation

The taxation payable on the limited liability partnership's profits is solely the personal liability of the individual members consequently neither the limited liability partnership taxation nor related deferred taxation arising in respect of the limited liability partnership are accounted for in these financial statements.

1.11 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight line basis over the term of the lease.

HOLLYPORT CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1. Accounting policies – (continued)

1.12 Foreign currency translation

The individual financial statements of the limited liability partnership and each of its subsidiary undertakings are prepared using the currency of the primary economic environment in which each entity operates ('the functional currency'). The consolidated financial statements are presented in pound sterling, which is the functional currency of the limited liability partnership, whilst its subsidiary undertakings have a functional currency of US Dollars.

Where the limited liability partnership has transactions in currencies other than pound sterling, they 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 translations are included in the consolidated statement of comprehensive income for the period.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the group's foreign operations are translated into pound sterling using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rate for the period, and where exchange differences arising, they are recognised within the group's reserves (within members' other interests).

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.

There were no key or significant estimates or assumptions at 31 March 2021.

3. Revenue

An analysis of the group's turnover is as follows:

| <i>Revenue analysed by class of business</i> | 2021 | 2020 |
|--|-------------|-------------|
| | £ | £ |
| General partner profit share | 19,315,829 | 19,071,237 |
| Management and advisory fees receivable | 623,791 | 895,950 |
| | <hr/> | <hr/> |
| | 19,939,620 | 19,967,187 |
| | <hr/> | <hr/> |

All revenue is generated in the United Kingdom.

HOLLYPORT CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4. Operating profit

| | | |
|---|-------------|-------------|
| Operating profit for the year is stated after charging: | 2021 | 2020 |
| | £ | £ |
| Foreign exchange (gains)/losses | (603,674) | 219,374 |
| Depreciation of owned property, plant and equipment | 70,461 | 70,323 |
| Operating lease charges | 226,098 | 241,612 |
| | <hr/> | <hr/> |

5. Auditor's remuneration

| | | |
|--|-------------|-------------|
| | 2021 | 2020 |
| | £ | £ |
| For audit services | | |
| Audit of the financial statements of the group and limited liability partnership | 21,500 | 16,500 |
| Other services | | |
| Taxation compliance and advisory services | 21,350 | 14,225 |
| | <hr/> | <hr/> |
| | 42,850 | 30,725 |
| | <hr/> | <hr/> |

6. Employees

The average number of persons (excluding members and directors) employed by the group and limited liability partnership during the year was 0 (2020: 0).

7. Members' remuneration

| | | |
|--|-------------|-------------|
| | 2021 | 2020 |
| | No. | No. |
| Average number of members during the year | 4 | 4 |
| | <hr/> | <hr/> |
| | 2021 | 2020 |
| | £ | £ |
| Profit attributable to the member with the highest entitlement | 5,010,719 | 4,906,186 |
| | <hr/> | <hr/> |

8. Investment income

| | | |
|---------------------------|-------------|-------------|
| | 2021 | 2020 |
| | £ | £ |
| Interest income | | |
| Interest on bank deposits | 1,650 | 3,332 |
| | <hr/> | <hr/> |

HOLLYPORT CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

9. Property, plant and equipment

Group

| | Leasehold land and buildings £ | Office equipment £ | Total £ |
|------------------------------------|---|--------------------------|------------|
| Cost | | | |
| At 1 April 2020 and 31 March 2021 | 269,466 | 18,595 | 288,061 |
| Depreciation and impairment | | | |
| At 1 April 2020 | 108,933 | 15,135 | 124,068 |
| Depreciation charged in the year | 68,800 | 1,661 | 70,461 |
| At 31 March 2021 | 177,733 | 16,796 | 194,529 |
| Carrying amount | | | |
| At 31 March 2021 | 91,733 | 1,799 | 93,532 |
| At 31 March 2020 | 160,533 | 3,460 | 163,993 |

Partnership

| | Leasehold land and buildings £ | Office equipment £ | Total £ |
|------------------------------------|---|--------------------------|------------|
| Cost | | | |
| At 1 April 2020 and 31 March 2021 | 269,466 | 18,595 | 288,061 |
| Depreciation and impairment | | | |
| At 1 April 2020 | 108,933 | 15,135 | 124,068 |
| Depreciation charged in the year | 68,800 | 1,661 | 70,461 |
| At 31 March 2021 | 177,733 | 16,796 | 194,529 |
| Carrying amount | | | |
| At 31 March 2021 | 91,733 | 1,799 | 93,532 |
| At 31 March 2020 | 160,533 | 3,460 | 163,993 |

HOLLYPORT CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10. Non-current asset investments

| | Group £ | 2021 LLP £ | Group £ | 2020 LLP £ |
|--------------------------------------|------------|------------------|------------|------------------|
| Investment in subsidiaries (Note 11) | - | 50,000 | - | 50,000 |

Movements in non-current investments

Cost

At 1 April 2020 and 31 March 2021

Shares in group undertakings £

50,000

Carrying amount

At 31 March 2021

50,000

At 31 March 2020

50,000

11. Subsidiary undertakings

Details of the limited liability partnership's subsidiaries at 31 March 2021 are as follows:

| Name of undertaking | Registered office | Nature of business | Class of shares held | % Held Direct |
|--|--|-----------------------|------------------------|---------------|
| Hollyport Secondary Opportunities Management Limited | IFC 5, St Helier, Jersey, Channel Islands, JE1 1ST | Investment management | Ordinary share capital | 100 |
| Hollyport Secondary Opportunities VII Management Limited | IFC 5, St Helier, Jersey, Channel Islands, JE1 1ST | Investment management | Ordinary share capital | 100 |
| Hollyport Secondary Opportunities V GP Limited | IFC 5, St Helier, Jersey, Channel Islands, JE1 1ST | Investment management | Ordinary share capital | 100 |

HOLLYPORT CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

12. Trade and other debtors

| | Group | 2021 LLP | Group | 2020 LLP |
|---|-------------------------|-----------------------|-----------------------|-----------------------|
| | £ | £ | £ | £ |
| Amounts falling due within one year: | | | | |
| Other debtors | 688,115 | 687,177 | 402,510 | 401,787 |
| Prepayments and accrued income | 612,807 | 127,200 | 302,643 | - |
| | <u>1,300,922</u> | <u>814,377</u> | <u>705,153</u> | <u>401,787</u> |
| Amounts falling due after more than one year: | | | | |
| Other debtors (rent deposit on operating lease) | 169,074 | 169,074 | 169,074 | 169,074 |
| | <u>169,074</u> | <u>169,074</u> | <u>169,074</u> | <u>169,074</u> |
| Total trade and other debtors | <u>1,469,996</u> | <u>983,451</u> | <u>874,227</u> | <u>570,861</u> |

13. Trade and other creditors

| | Group | 2021 LLP | Group | 2020 LLP |
|-----------------|------------------|------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Trade creditors | 102,038 | 102,038 | - | - |
| Deferred income | 4,432,748 | 3,947,141 | 4,955,038 | 4,652,395 |
| Other creditors | 692,471 | 692,471 | 499,992 | 499,992 |
| | <u>5,227,257</u> | <u>4,741,650</u> | <u>5,455,030</u> | <u>5,152,387</u> |

14. Loans and other debts due to members

| | Group | 2021 LLP | Group | 2020 LLP |
|---|------------------|------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Amounts owed to members in respect of profits | 1,041,565 | 1,065,768 | 1,485,676 | 1,508,239 |
| | <u>1,041,565</u> | <u>1,065,768</u> | <u>1,485,676</u> | <u>1,508,239</u> |

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

Amounts included above are in respect of the money owed to members in respect of profits. The members' ability to withdraw their profits is governed by the Limited Liability Partnership Agreement dated 26 February 2018, and its associated side letters.

HOLLYPORT CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15. Financial commitments

As at 31 March 2021, the group was committed to making the following payments, under non-cancellable operating leases:

| | 2021 £ | 2020 £ |
|--------------------------------|-----------|-----------|
| Operating leases which expire: | | |
| Within one year | 187,860 | 281,790 |
| In two to five years | 71,369 | 259,229 |
| | <hr/> | <hr/> |
| | 259,229 | 541,019 |
| | <hr/> | <hr/> |

16. Controlling party

The ultimate controlling party is considered to be John Carter.

17. Related party transactions

Partnership

During the year, management fees of £3,856,987 (2020: £3,769,206) were charged by Hollyport Limited (a member of the limited liability partnership) for the provision of goods and services, of which £556,941 (2020: £320,698) was outstanding at the year end.

At the year end, £516,351 (2020: £302,170) was owed by Hollyport Capital LLC, a subsidiary of Hollyport Limited. The balance is unsecured, interest-free and repayable on demand.

Group

All of the expenses of Hollyport Secondary Opportunities VII Management Limited ('HSO VII') are borne by Hollyport Secondary Opportunities VII LP ('HSO VII LP'), whom HSO VII acts as the general partner to, in accordance with the Limited Partnership Agreement. As the expenses are not refundable they are not recognised in these financial statements. The expenses paid by HSO VII LP in 2021 amounted to £82,502 (2020: £36,626).

All of the expenses of Hollyport Secondary Opportunities Management Limited ('HSO VI') are borne by Hollyport Secondary Opportunities VI Unit Trust ('HSO VI UT'), whom HSO VI act as a trustee to, in accordance with the Trust Deed. As the expenses are not refundable they are not recognised in these financial statements. The expenses paid by HSO VI UT in 2021 amounted to £56,016 (2020: £25,726).

All of the expenses of Hollyport Secondary Opportunities V GP Limited ('HSO V') are borne by Hollyport Secondary Opportunities V Unit Trust ('HSO V UT'), whom HSO V act as a trustee to, in accordance with the Trust Deed. As the expenses are not refundable they are not recognised in these financial statements. The expenses paid by HSO V UT in 2021 amounted to £25,750 (2020: £15,724).

The directors of HSO VII and HSO VI are David Hall, Oliver Morris and Ashley Vardon. Both Oliver Morris and Ashley Vardon are also directors of HSO V. The directors received director fees totalling £88,080 (2020: £84,035). The directors' fees are all paid for by HSO VII LP, HSO VI UT and HSO V UT respectively in accordance with the applicable agreements.

HOLLYPORT CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

17. Related party transactions – (continued)

Both Oliver Morris and Ashley Vardon are shareholders in Sanne Group plc ('Sanne'). A subsidiary of Sanne has been appointed administrator of HSO VII, HSO VI and HSO V. Sanne's fees for the year were £48,759 (2020: £58,681) which were paid for by HSO VII LP, HSO VI UT and HSO V UT respectively in accordance with the applicable agreements.

During the year the group paid investment management sub-advisory fees to Hollyport Capital LLC totalling £1,436,382 (2020: £489,558)

18. Cash generated from operations

| Group | 2021 £ | 2020 £ |
|--|-------------------|-------------------|
| Profit for the year | 14,580,518 | 14,244,802 |
| Adjustments for: | | |
| Investment income recognised in profit or loss | (1,650) | (3,332) |
| Depreciation of tangible fixed assets | 70,461 | 70,323 |
| Movements in working capital: | | |
| Increase in trade and other debtors | (595,769) | 82,048 |
| (Decrease)/increase in deferred income | (522,290) | 2,992,502 |
| Increase in trade and other creditors | 294,517 | (420,592) |
| | <u>13,825,787</u> | <u>16,965,751</u> |
| Partnership | 2021 £ | 2020 £ |
| Profit for the year | 14,582,158 | 14,268,557 |
| Adjustments for: | | |
| Investment income recognised in profit or loss | (1,650) | (3,332) |
| Depreciation of tangible fixed assets | 70,461 | 70,323 |
| Movements in working capital: | | |
| (Increase)/decrease in trade and other debtors | (412,590) | 82,048 |
| (Decrease)/increase in deferred income | (705,254) | 2,993,747 |
| Increase/(decrease) in trade and other creditors | 294,517 | (420,592) |
| | <u>13,827,642</u> | <u>16,990,751</u> |