

FIRSTavenue.

Registered number: OC319893

FIRST AVENUE PARTNERS LLP

Annual report and financial statements
For the year ended 31 March 2022

THURSDAY



ABJDWTC1

A39

22/12/2022

#297

COMPANIES HOUSE

FIRST AVENUE PARTNERS LLP

Financial Statements

31 March 2022

Table of Contents

	<u>Page</u>
Officers and Professional Advisers	1
Members' Report	2 - 3
Statement of Members' responsibilities in respect of the Members' Report and Financial Statements	4
Independent Auditor's Report to the Members of First Avenue Partners LLP	5 - 7
Consolidated Income Statement for the year ended 31 March 2022	8
Consolidated Statement of Comprehensive Income for the year ended 31 March 2022	9
Consolidated Balance Sheet as at 31 March 2022	10
LLP Balance Sheet as at 31 March 2022	11
Consolidated Cash Flow Statement for the year ended 31 March 2022	12
LLP Cash Flow Statement for the year ended 31 March 2022	13
Consolidated Statement of Changes in Members' Equity for the year ended 31 March 2022	14
LLP Statement of Changes in Members' Equity for the year ended 31 March 2022	15
Notes to the Financial Statements for the year ended 31 March 2022	16 - 33

FIRST AVENUE PARTNERS LLP

Officers and Professional Advisers

Designated Members

P D Buckley
A C Norton

Members

T Bakshi
C Benigni
J R Davie
M Donnelly
A Findlay Shirras
M Henningsen
C Leach
FAP CB Limited
FAP PDB Limited
FAP JRD Limited
FAP AFS Limited

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Bankers

Barclays Bank PLC
Level 27
1 Churchill Place
Canary Wharf
London
E14 5HP

Registered Office

Swan House
17-19 Stratford Place
London
W1C 1BQ

FIRST AVENUE PARTNERS LLP

Members' Report

The Members present their report and financial statements of the Group for the year ended 31 March 2022.

PRINCIPAL ACTIVITIES AND REVIEW

The principal activity of the Group during the year was that of capital placement agent, specialising in alternative investments including infrastructure & real assets, private equity and credit strategies. Activity was focused on three areas: fund raising (broad global fund raises, top-offs and niche assignments), direct investments (raising capital for companies and projects) and advisory services (guidance to firms regarding their capital raising strategies).

During the year, the Group globally marketed a range of private equity, private credit, real assets and real estate mandates in addition to taking on new mandates for the coming year.

RESULTS

In the year to 31 March 2022 the Group made a profit, before appropriations to other Members of subsidiary entities, of £819,061 (2021: £2,711,117). The trading results for the year and the Group's financial position at 31 March 2022 are shown in the attached financial statements.

The LLP made a profit in the year of £4,581,249 (2021: loss of £475,591). As disclosed in note 9 of these financial statements, the LLP allocated £2,368,514 of profit amongst Members of the LLP. The allocation of the remaining profit of £2,212,735 amongst the Members has not yet been agreed by the LLP.

During the year the LLP allocated net profits to Members of £1,892,923 (2021: profit of £854,199), comprising current year profits of £2,368,514 and prior year losses of £475,591.

DEBT FUNDING

As disclosed in note 19 of these financial statements, the LLP and Group meet their day to day working capital requirements through a working capital loan. The LLP commenced the financial year with a loan of £4.5m and made repayments of £1.0m during the year, thus reducing the loan capital to £3.5m by 31 March 2022.

GOING CONCERN

Based on current projections the LLP is projected to generate sufficient revenue and cashflows for at least the next 12 months to allow the LLP to continue and for the LLP to provide financial support to all subsidiary undertakings. This will allow all group entities to maintain sufficient liquidity to pay creditors as and when they fall due.

On the basis of the assessment of the LLP's financial position the members have a reasonable expectation that the LLP will continue as a going concern for the foreseeable future. Consequently, these financial statements are prepared on a going concern basis.

DESIGNATED MEMBERS

The Designated Members who served the Group during the year were as follows:

- P D Buckley
- A C Norton - appointed 17 May 2022
- T Bakshi - resigned 17 May 2022

FIRST AVENUE PARTNERS LLP

Members' Report

POLICY REGARDING MEMBERS' DRAWINGS AND THE SUBSCRIPTION AND REPAYMENT OF MEMBERS' CAPITAL

The Amended and Restated LLP Members' Agreement ("the Agreement") dated 2 December 2019, and agreements between the Members, set out the basis for Members' drawings and the subscription and repayment of amounts subscribed or otherwise contributed by Members.

The allocation of profits and losses amongst Members are discretionary and payments to Members are only allowed after the satisfaction of regulatory capital and other working capital requirements.

The overall policy in relation to amounts subscribed or otherwise contributed by Members is that it should be sufficient for the day-to-day running of the business of the LLP and to meet the LLP's regulatory capital requirements and working capital requirements. The policy adopted by the Group also determines the order in which partners get paid amounts due to them. In accordance with the terms of the Agreement, when a Member ceases to be a Member, capital may only be repaid at the discretion of the remaining Members, and as determined by Special Decision.

Members' capital is presented as equity in the financial statements.

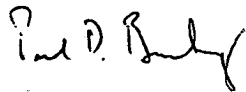
AUDITOR

The auditor, BDO LLP, have indicated their willingness to accept reappointment.

In so far as the Members are aware:

- There is no relevant audit information of which the Group and the LLP's auditor is unaware; and
- The Members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

ON BEHALF OF THE MEMBERS



Paul D Buckley

Designated Member

20 December 2022

FIRST AVENUE PARTNERS LLP

Statement of Members' Responsibilities in Respect of the Members' Report and Financial Statements

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

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare group and LLP financial statements for each financial year. Under that law the members have elected to prepare both the group and LLP financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, and applicable law.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the Group and LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the LLP or to cease operations, or have no realistic alternative but to do so.

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

FIRST AVENUE PARTNERS LLP

Independent Auditor's Report to the Members of First Avenue Partners LLP

Opinion on the financial statements

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 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- the Group financial statements have been prepared in accordance with the requirements of the Companies Act 2006 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

We have audited the financial statements of First Avenue Partners LLP ("the Limited Liability Partnership") for the year ended 31 March 2022 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the LLP balance sheet, the consolidated cash flow statement, the LLP cash flow statement, the consolidated statement of changes in members' equity, the LLP statement of changes in members' 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 international accounting standards in conformity with the requirements of the Companies Act 2006.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and 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.

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 Group's or 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 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.

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

Independent Auditor's Report to the Members of First Avenue Partners LLP

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.

Other Companies Act 2006 reporting as applied to limited liability partnerships

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' Responsibilities, 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 Group's and 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 Group or 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Group and the Limited Liability Partnership and the industry in which they operate, and considered the risk of acts by the Group and the Limited Liability Partnership which are contrary to applicable laws and regulations, including fraud. These included but were not limited to, compliance with the Companies Act 2006, the accounting standards and the Financial Conduct Authority's (FCA) regulations.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to supporting documentation
- enquiries of management regarding instances of non-compliance with applicable laws and regulations, including those arising from being FCA regulated
- review of minutes of members' meetings throughout the period

FIRST AVENUE PARTNERS LLP

Independent Auditor's Report to the Members of First Avenue Partners LLP

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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 Limited Liability Partnerships (Accounts and Audit) (Application of the 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 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.

DocuSigned by:

Vanessa Bradley

8052FC68E9D6446
Vanessa-Jayne Bradley (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, United Kingdom
20 December 2022

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

FIRST AVENUE PARTNERS LLP**Consolidated income statement for the year ended 31 March 2022**

		Year ended 31 March 2022	Year ended 31 March 2021
	Note	£	£
Revenue	6	12,126,932	17,051,172
Impairment loss		-	(372,109)
Administrative expenses		(10,754,665)	(12,274,159)
Operating profit	7	1,372,267	4,404,904
Financial income	10	128,667	67,048
Financial expense	10	(455,773)	(1,501,197)
Net financing loss		(327,106)	(1,434,149)
Profit before tax		1,045,161	2,970,755
Taxation charge	11	(226,100)	(259,638)
Profit for the financial year attributable to Members of the LLP	20	819,061	2,711,117

The notes on pages 16 to 33 form part of these financial statements

FIRST AVENUE PARTNERS LLP**Consolidated statement of comprehensive income for the year ended 31 March 2022**

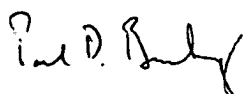
		Year ended 31 March 2022	Year ended 31 March 2021
	Note	£	£
Profit for the financial year attributable to Members of the LLP	20	819,061	2,711,117
Exchange difference on retranslation of net assets of subsidiary undertaking	20	284,153	(1,039,215)
Total comprehensive income		1,103,214	1,671,902

The notes on pages 16 to 33 form part of these financial statements

FIRST AVENUE PARTNERS LLP**Consolidated balance sheet as at 31 March 2022**

	Note	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Non-current assets:			
Property, plant and equipment	13	3,556,264	2,485,269
Trade and other receivables	15	1,997,631	3,358,273
Deferred tax asset	12	141,152	207,279
		5,695,047	6,050,821
Current assets:			
Tax receivable		65,372	9,255
Trade and other receivables	15	7,914,563	8,644,672
Cash and cash equivalents	16	5,636,774	5,557,494
		13,616,709	14,211,421
Total assets		19,311,756	20,262,242
Current liabilities:			
Other interest-bearing loans and borrowings	19	616,014	1,000,000
Trade and other payables	17	3,452,605	3,755,566
Provisions	18	-	297,016
Tax payable		142,274	192,211
Lease liabilities	21	350,839	232,641
		4,561,732	5,477,434
Non-current liabilities:			
Other interest-bearing loans and borrowings	19	2,883,986	3,500,000
Trade and other payables	17	1,548,968	1,151,736
Lease liabilities	21	3,256,742	2,283,035
		7,689,696	6,934,771
Total liabilities		12,251,428	12,412,205
Net assets attributable to Members		7,060,328	7,850,037
Represented by:			
Members' capital classified as equity	20	5,570,523	5,570,523
Members' other interests – other reserves classified as equity	20	1,489,805	2,279,514
		7,060,328	7,850,037
Total Members' interests:			
Amounts due to/(from) Members	20	37,122	(897,384)
Members' other interests	20	7,060,328	7,850,037
		7,097,450	6,952,653

The financial statements on pages 8 to 33 were approved by the Members on 20 December 2022 and signed on their behalf by:



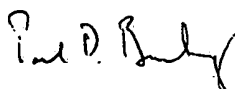
Paul D Buckley, Designated Member

The notes on pages 16 to 33 form part of these financial statements

FIRST AVENUE PARTNERS LLP**LLP balance sheet as at 31 March 2022**

	Note	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Non-current assets:			
Property, plant and equipment	13	1,251,374	28,447
Trade and other receivables	15	1,737,798	2,330,879
Investment in subsidiaries	14	6,175,392	6,175,392
		9,164,564	8,534,718
Current assets:			
Trade and other receivables	15	5,085,713	5,411,933
Cash and cash equivalents	16	3,607,334	3,809,584
		8,693,047	9,221,517
Total assets		17,857,611	17,756,235
Current liabilities:			
Other interest-bearing loans and borrowings	19	616,014	1,000,000
Trade and other payables	17	5,983,019	8,466,583
Provisions	18	-	297,016
Lease liability	21	214,503	-
		6,813,536	9,763,599
Non-current liabilities:			
Other interest-bearing loans and borrowings	19	2,883,986	3,500,000
Trade and other payables	17	315,788	303,202
Lease liability	21	966,541	-
		4,166,315	3,803,202
Total liabilities		10,979,851	13,566,801
Net assets attributable to Members		6,877,760	4,189,434
Represented by:			
Members' capital classified as equity	20	5,570,523	5,570,523
Members' other interests – other reserves classified as equity	20	1,307,237	(1,381,089)
		6,877,760	4,189,434
Total Members' interests:			
Amounts due from Members	20	37,122	(897,384)
Members' other interests	20	6,877,760	4,189,434
		6,914,882	3,292,050

The financial statements on pages 8 to 33 were approved by the Members on 20 December 2022 and signed on their behalf by:



Paul D Buckley
Designated Member

The notes on pages 16 to 33 form part of these financial statements

FIRST AVENUE PARTNERS LLP
Consolidated cash flow statement for the year ended 31 March 2022

	Note	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Cash flows from operating activities:			
Cash generated from operations	28	2,686,729	9,562,953
Interest received		22,165	67,048
Tax paid		(209,910)	(263,558)
Net cash flows generated from operating activities		2,498,984	9,366,443
Cash flows from investing activities:			
Payments to acquire fixed assets		(156,711)	(26,685)
Net cash flows utilised by investing activities		(156,711)	(26,685)
Cash flows from financing activities:			
Payment of amounts due to Members	20	(958,417)	(1,658,688)
Interest paid on debt funding		(95,148)	(646,012)
Maturity of existing debt funding		-	(6,750,000)
New debt funding		-	4,500,000
Repayment of loans	19	(1,000,000)	-
Principal paid on lease liabilities		(131,438)	(641,803)
Interest paid on lease liabilities		(360,560)	(152,073)
Net cash flows utilised by financing activities		(2,545,563)	(5,348,576)
Net (decrease) / increase in cash and cash equivalents		(203,290)	3,991,182
Foreign exchange movement		282,570	(1,231,204)
Cash and cash equivalents at 1 April 2021 / 1 April 2020	16	5,557,494	2,797,516
Cash and cash equivalents at 31 March 2022 / 31 March 2021	16	5,636,774	5,557,494

The notes on pages 16 to 33 form part of these financial statements

FIRST AVENUE PARTNERS LLP
LLP cash flow statement for the year ended 31 March 2022

	Note	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Cash flows from operating activities:			
Cash generated from operations	28	1,878,674	8,497,484
Interest received		21,194	62,124
Net cash flows generated from operating activities		1,899,868	8,559,608
Cash flows from investing activities:			
Payments to acquire fixed assets	13	(69,548)	(21,840)
Net cash flows utilised by investing activities		(69,548)	(21,840)
Cash flows from financing activities:			
Payment of amounts due to Members	20	(958,417)	(1,658,688)
Interest paid on debt funding		(98,961)	(646,012)
Principal paid on lease liabilities		(11,646)	(302,389)
Interest paid on lease liabilities		(81,726)	(18,445)
Repayment of loans	19	(1,000,000)	-
Maturity of existing debt funding	19	-	(6,750,000)
New debt funding	19	-	4,500,000
Net cash flows utilised by financing activities		(2,150,750)	(4,875,534)
Net (decrease) / increase in cash and cash equivalents		(320,430)	3,662,234
Foreign exchange movement		118,180	(533,081)
Cash and cash equivalents at 1 April 2021 / 1 April 2020	16	3,809,584	680,431
Cash and cash equivalents at 31 March 2022 / 31 March 2021	16	3,607,334	3,809,584

The notes on pages 16 to 33 form part of these financial statements

FIRST AVENUE PARTNERS LLP**Consolidated statement of changes in Members' equity for the year ended 31 March 2022**

	Capital contributions £	Other Reserves £	Total £
As at 1 April 2020	5,570,523	1,461,811	7,032,334
Profit for the financial year	-	2,711,117	2,711,117
Foreign exchange movements	-	(1,039,215)	(1,039,215)
Total comprehensive income for the year	-	1,671,902	1,671,902
Allocation of profits	-	(854,199)	(854,199)
Capital contributions	2,101	-	2,101
Capital repaid	(2,101)	-	(2,101)
As at 31 March 2021 / 1 April 2021	5,570,523	2,279,514	7,850,037
Profit for the financial year	-	819,061	819,061
Foreign exchange movements	-	284,153	284,153
Total comprehensive income for the year	-	1,103,214	1,103,214
Allocation of prior year losses	-	475,591	475,591
Allocation of current year profits	-	(2,368,514)	(2,368,514)
As at 31 March 2022	5,570,523	1,489,805	7,060,328

The notes on pages 16 to 33 form part of these financial statements

FIRST AVENUE PARTNERS LLP**LLP Statement of changes in Members' equity for the year ended 31 March 2022**

	Capital contributions £	Other reserves £	Total £
As at 1 April 2020	5,570,523	(51,299)	5,519,224
Total comprehensive income for the year	-	(475,591)	(475,591)
Allocation of profits	-	(854,199)	(854,199)
Capital contributions	2,101	-	2,101
Capital repaid	(2,101)	-	(2,101)
As at 31 March 2021 / 1 April 2021	5,570,523	(1,381,089)	4,189,434
Total comprehensive income for the year	-	4,581,249	4,581,249
Allocation of prior year losses	-	475,591	475,591
Allocation of current year profits	-	(2,368,514)	(2,368,514)
As at 31 March 2022	5,570,523	1,307,237	6,877,760

The notes on pages 16 to 33 form part of these financial statements

FIRST AVENUE PARTNERS LLP

Notes to the Financial Statements for the year ended 31 March 2022

1. REPORTING ENTITY

First Avenue Partners LLP ("the LLP") is domiciled in the United Kingdom. The LLP's registered office is at 17-19 Stratford Place, London, United Kingdom, W1C 1BQ. These consolidated financial statements comprise the LLP and its subsidiaries (together referred to as "the Group"). The Group is primarily involved in capital placement, specialising in alternative investments including private equity, infrastructure and real assets, real estate and credit strategies.

2. BASIS OF ACCOUNTING

These consolidated financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. They were authorised for issue by the LLP Members on 20 December 2022.

Details of the Group's accounting policies are included in Note 5. Changes to significant accounting policies are described in Note 4.

3. FUNCTIONAL AND PRESENTATION CURRENCY

These consolidated financial statements are presented in GBP Pounds Sterling, which is the LLP's functional currency.

4. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

There were no new relevant standards implemented during the year.

4.1 Standards issued but not yet effective

A number of new standards have been issued but are not yet effective with earlier adoption permitted; however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements. Of those standards that are not yet effective, none are expected to have a material impact on the Group's financial statements in the period of initial application.

5. ACCOUNTING POLICIES

Basis of preparation

The consolidated financial statements represent the annual financial statements of the Group prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The consolidated financial statements have been prepared on the going concern basis, under the historical cost convention, in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnership (Accounts and Audit) (Applications of Companies Act 2006) Regulations 2008 and applicable International Accounting Standards.

The accounting policies adopted have been described below and have been applied consistently.

Going concern

Under international accounting standards in conformity with the requirements of the Companies Act 2006, the members are required to evaluate whether there are conditions and events, considered in the aggregate, that raise material uncertainty about the LLP's ability to continue as a going concern for at least 12 months after the date that the financial statements are issued. In considering the ability of the LLP to continue as a going concern management has considered:

- financial performance of the LLP; and
- continued support of its lender.

5. ACCOUNTING POLICIES (continued)***Going concern (continued)***

Based on current projections the LLP is projected to generate sufficient revenue and cashflows for at least the next 12 months to allow the LLP to continue and for the LLP to provide financial support to all subsidiary undertakings. This will allow all group entities to maintain sufficient liquidity to pay creditors as and when they fall due.

The LLP is projected to meet its future loan covenants and consequently is confident of the continued support of its lender.

On the basis of the assessment of the LLP's financial position the members have a reasonable expectation that the LLP will continue as a going concern for the foreseeable future. Consequently, these financial statements are prepared on a going concern basis.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the LLP and all its subsidiary undertakings, as disclosed in note 14. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

Where necessary, adjustments are made to the subsidiary financial statements to bring their accounting policies in line with those of the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

The LLP is taking advantage of the exemption in section 408(4) 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, not to present its individual income statement and related notes as part of these approved financial statements.

Investments in subsidiaries are carried in the books at cost less the amount of any estimated impairment in value. Investments in subsidiaries are assessed at the end of each reporting period for indicators of impairment.

Revenue recognition

The revenue shown in the consolidated income statement represents the value of services provided during the year net of value added tax.

Specific obligations are identified within a customer contract and that the revenue is allocated to each of the specific obligations using a stand-alone selling price (the price at which an entity would sell a promised service separately to a customer). The Group has structured its customer contracts with clearly identifiable performance obligations, with revenue linked directly to these obligations.

The Group earns revenue from two sources: placement activity and advisory services in relation to placement activity.

Revenue earned from placement activity is recognised at the time that fees become due under the relevant contract. Revenue is recognised in accordance with pre-defined performance obligations, whereby specific criteria must be met before revenue can be recognised. Revenue from placement activity always follows one of two models: either the income is recognised on a commitment basis (ie: when investors subscriptions into clients' investment funds are accepted) or on a drawdown basis (ie: when investors subscriptions are drawn-down by the clients' investment fund). In either case, revenue is only recognised when the specific performance objectives, related to that contract, have been met. Payment terms for the fees are provided for in the relevant contract, and may provide for payment on or close to subscription, or deferred over a period of time, which may be up to 3 years.

Advisory fees are recognised in line with the relevant advisory agreement, on completion of the advisory assignment or completion of previously defined and agreed stages of work within the agreement.

5. ACCOUNTING POLICIES (continued)***Depreciation***

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of an asset, less its estimated residual value, evenly over its expected useful economic life as follows:

Office equipment	–	3 years
Fixtures & fittings	–	3 years
Leasehold improvements	–	the lesser of 5 years or the term of the lease

Right of use lease assets are depreciated in a straight line over the term of the lease.

Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group, relate to office equipment. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

In the statement of financial position, the Group presents right-of-use assets within the same line item as similar underlying assets and presents lease liabilities separately.

Rental costs under operating leases are charged to the income statement on a straight-line basis over the lease term. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

5. ACCOUNTING POLICIES (continued)

Foreign currencies

(i) Functional and presentational currency

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in sterling (£), which is both the LLP's functional and presentational currency.

(ii) Transactions and balances

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement within financial income and expenses.

(iii) Group Companies

The balance sheets and income statements of Group entities that have a functional currency different from the presentation currency are translated into the presentation currency. Balance sheets are translated at the rate of exchange ruling at the balance sheet date. Income statements are translated at the average rate of exchange during the year. The exchange difference arising on the retranslation of opening net assets is recognised through the Statement of other comprehensive income.

Taxation

(i) Group

The charge for taxation arising on companies within the Group is based on that company's income for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

(ii) LLP

Each Member is exclusively liable for any tax liabilities arising out of their interest in the LLP, which is assessed on the individual Members and not the LLP. The taxation payable on profits of the LLP is the personal liability of the Members during the year; therefore, no provision is made in these financial statements for that income tax.

Financial instruments

(i) Classification of financial instruments issued by the Group

Financial instruments issued by the LLP are treated as equity only to the extent that they meet the following two conditions:

(a) they include no contractual obligations to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Group; and

(b) where the instrument will or may be settled in the LLP's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the LLP's own equity instruments or is a derivative that will be settled by the LLP's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

5. ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(ii) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables and trade and other payables.

Trade and other receivables

First Avenue Partners LLP Group does not trade in financial instruments, nor does it hold any for investment purposes. As a result, all of the receivables in the balance sheet are measured at the undiscounted invoice price.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Impairment of financial assets

The Group regularly analyses its receivable balances by counterparty, to ascertain the impact of any expected loss. This assessment includes both qualitative and quantitative elements, taking into account the amount outstanding, the age of the receivable, the likelihood of default and the probable impact of any default event, in order to calculate the expected loss from each of the counterparty balances.

Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

(ii) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Provisions

A provision is recognised in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Bonus

The Group operates a Bonus Policy for the benefit of employees which may change from time to time as the Management Committee determines. Under this policy the Group creates and accrues a bonus pool, the amount of which is determined by the Management Committee. Employees may be eligible for an allocation of the bonus pool based on their contribution to the business. For employees who are above a certain corporate title level the cash payment of these bonuses may be deferred in accordance with the Bonus Policy.

Cash at bank

Cash and cash equivalents comprise cash at bank and on hand which is immediately available.

FIRST AVENUE PARTNERS LLP

Notes to the Financial Statements for the year ended 31 March 2022

6. REVENUE

The revenue and operating profit were derived from the Group's continuing principal activity which was carried out in the United Kingdom, the United States of America, Australia and Hong Kong.

7. OPERATING PROFIT

Operating profit on ordinary activities is stated after charging:

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Depreciation	413,536	738,371
Auditor's remuneration:		
Audit services for the audit of LLP	70,046	72,391
The audit of the LLP's subsidiaries	150,523	97,498
Services pursuant to legislation	6,458	5,043
Other tax advisory services	42,618	11,350

8. STAFF NUMBERS AND COSTS

The average number of persons employed by the Group during the year was as follows:

	Year ended 31 March 2022 No.	Year ended 31 March 2021 No.
Administrative staff	38	44

The aggregate payroll costs of these people were as follows:

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Salaries	5,914,445	7,487,374
Social security costs	553,699	421,093
Contributions to defined contribution plans	92,798	91,496
	6,560,942	7,999,963

9. MEMBERS' REMUNERATION

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Group Profit for the financial year before Members' remuneration and profit share	819,061	2,711,117
LLP Profit / (Loss) for the financial year available for discretionary allocation amongst Members	4,581,249	(475,591)

The LLP made a profit in the year of £4,581,249 and made an allocation during the year of £2,368,514 amongst the Members. The LLP has not yet finalised and approved the allocation of the remaining profit of £2,212,735 amongst the Members. During the year the highest paid Member also received an allocation of prior year losses of £336,956.

All profits and losses are divided amongst the Members in accordance with the Limited Liability Partnership Agreement.

The average number of Members during the year was 13 (2021: 13).

FIRST AVENUE PARTNERS LLP**Notes to the Financial Statements for the year ended 31 March 2022****10. FINANCIAL INCOME AND EXPENSE**

Group	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Financial income:		
Interest income on unimpaired financial assets measured at amortised cost	22,165	67,048
Net foreign exchange gain	106,502	-
Total financial income	128,667	67,048
Financial expense:		
Total interest expense on financial liabilities measured at amortised cost	95,213	646,013
Interest expense on lease liabilities	360,560	327,418
Net foreign exchange loss	-	527,766
Total financial expense	455,773	1,501,197

FIRST AVENUE PARTNERS LLP

Notes to the Financial Statements for the year ended 31 March 2022

11. TAXATION

The Group tax charge is made up as follows:

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Current tax expense:		
Current year	38,842	389,606
Under / (over) provision in prior year	120,489	(141,514)
Total Group current tax charge for the year	159,331	248,092
Deferred tax credit:		
Origination and reversal of temporary difference	66,769	11,546
Total Group tax charge for the year	226,100	259,638

The tax assessed on the profit on ordinary activities for the year is lower (2021: lower) than the standard rate of corporation tax in the jurisdictions of the subsidiaries. The differences are reconciled below:

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Profit on ordinary activities before taxation	1,045,162	2,970,755
Profit on ordinary activities, multiplied by the standard rate of corporation tax in the UK, 19% (2021: 19%)	198,581	564,444
Taxation effects of:		
Profits taxable on Members directly	(870,435)	(382,902)
Expenses not deductible for tax purposes - permanent differences	120	(14,446)
Expenses not deductible for tax purposes - timing differences	27,821	1,787
Tax under/(over) provided in previous year	120,489	(141,514)
Losses available to offset	(25,411)	8,255
Profits allocated from subsidiary entities	31,328	216,812
Effect of tax rates in foreign jurisdictions	743,607	7,202
	27,519	(304,806)
Total Group current tax charge for the year	226,100	259,638

12. RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following:

	Assets 31 March 2022 £	Liabilities 31 March 2022 £	Assets 31 March 2021 £	Liabilities 31 March 2021 £
Non-trade payables and accrued expenses	141,152	-	207,279	-
Net tax assets	141,152	-	207,279	-

FIRST AVENUE PARTNERS LLP
Notes to the Financial Statements for the year ended 31 March 2022
13. PROPERTY PLANT AND EQUIPMENT

Group	Leasehold improvements £	Furniture & fittings £	Office Equipment £	Right-Of-Use Lease Asset £	Total £
Cost:					
At 1 April 2020	563,093	355,855	533,942	1,784,070	3,236,960
Acquisitions in the year	(671)	-	27,355	2,164,150	2,190,834
Disposals	(6,014)	(48,512)	(68,364)	-	(122,890)
Effect of movements in foreign exchange	(29,576)	(15,687)	(16,641)	(116,517)	(178,421)
As at 31 March 2021	526,832	291,656	476,292	3,831,703	5,126,483
Acquisitions in the year	52,558	995	103,158	1,223,343	1,380,054
Disposals	(185,488)	(13,675)	(324,649)	(986,774)	(1,510,586)
Effect of movements in foreign exchange	11,957	4,634	4,306	156,633	177,530
As at 31 March 2022	405,859	283,610	259,107	4,224,905	5,173,481
Depreciation:					
At 1 April 2020	425,072	262,971	516,338	944,902	2,149,283
Charge for the year	20,730	14,988	11,383	689,050	736,151
Disposals	(6,014)	(48,512)	(68,364)	-	(122,890)
Effect of movements in foreign exchange	(17,289)	(7,421)	(16,308)	(80,312)	(121,330)
As at 31 March 2021	422,499	222,026	443,049	1,553,640	2,641,214
Charge for the year	72,978	17,278	32,518	290,762	413,536
Disposals	(183,022)	(13,675)	(323,509)	(986,774)	(1,506,980)
Effect of movements in foreign exchange	9,159	1,811	4,252	54,225	69,447
As at 31 March 2022	321,614	227,440	156,310	911,853	1,617,217
Net book value:					
As at 1 April 2020	138,021	92,884	17,604	839,168	1,087,677
As at 31 March 2021	104,333	69,630	33,243	2,278,063	2,485,269
As at 31 March 2022	84,245	56,170	102,797	3,313,052	3,556,264

FIRST AVENUE PARTNERS LLP

Notes to the Financial Statements for the year ended 31 March 2022

13. PROPERTY PLANT AND EQUIPMENT (continued)

LLP	Leasehold improvements £	Furniture & fittings £	Office Equipment £	Right-Of-Use Lease Asset £	Total £
Cost:					
At 1 April 2020	264,076	195,392	360,228	602,594	1,422,290
Acquisitions in the year	-	-	21,840	-	21,840
At 31 March 2021	264,076	195,392	382,068	602,594	1,444,130
Acquisitions in the year	-	995	68,553	1,192,690	1,262,238
Disposals in the year	-	-	(244,979)	(602,594)	(847,573)
As at 31 March 2022	264,076	196,387	205,642	1,192,690	1,858,795
Depreciation:					
At 1 April 2020	260,344	193,684	348,646	314,398	1,117,072
Charge for the year	1,660	1,132	7,623	288,196	298,611
As at 31 March 2021	262,004	194,816	356,269	602,594	1,415,683
Charge for the year	2,072	825	23,590	12,824	39,311
Disposals in the year	-	-	(244,979)	(602,594)	(847,573)
As at 31 March 2022	264,076	195,641	134,880	12,824	607,421
Net book value:					
As at 1 April 2020	3,732	1,708	11,582	288,196	305,218
As at 31 March 2021	2,072	576	25,799	-	28,447
As at 31 March 2022	-	746	70,762	1,179,866	1,251,374

14. INVESTMENT IN SUBSIDIARIES

LLP	31 March 2022 £	31 March 2021 £
Net book value at 1 April 2021 / 1 April 2020	6,175,392	6,175,392
Net book value at 31 March 2022 / 31 March 2021	6,175,392	6,175,392

FIRST AVENUE PARTNERS LLP

Notes to the Financial Statements for the year ended 31 March 2022

14. INVESTMENT IN SUBSIDIARIES (continued)

The results of the subsidiary entities listed below are included in these consolidated financial statements.

Subsidiary undertakings	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
FAP USA, L.P.	USA	Members' capital	100% ⁽¹⁾	Placement Agent
FAP GEN PAR, L.L.C.	USA	Members' capital	100%	General Partner to FAP USA, L.P.
FAP USA, L.L.C.	USA	Members capital	100%	Limited Partner
First Avenue Partners (Australia) Pty Ltd	Australia	Shares	100%	Placement Agent
First Avenue Partners (Asia) Limited	Hong Kong	Shares	100%	Placement Agent
First Avenue Partners (London) Limited	UK	Shares	100%	Placement Agent
First Avenue Partners (Korea) Limited	Republic of Korea	Shares	100% ⁽²⁾	Placement Agent
First Avenue Partners (Europe) GmbH	Germany	Shares	100% ⁽²⁾	Placement Agent

(1) These voting rights are held indirectly via FAP GEN PAR, L.L.C.

(2) These shares are held indirectly via First Avenue Partners (London) Limited.

The activities of the LLP and its subsidiary entities are closely linked and the subsidiary entities are reliant on the continued support of the LLP.

Investments in subsidiaries are carried in the books at cost less the amount of any estimated impairment in value and all subsidiaries have been included in the Group consolidation.

15. TRADE AND OTHER RECEIVABLES

	Group 31 March 2022 £	LLP 31 March 2022 £	Group 31 March 2021 £	LLP 31 March 2021 £
Current:				
Trade receivables	2,462,816	2,462,581	1,264,865	1,264,670
Amounts due from Group undertakings	-	214,162	-	50,837
Amounts due from Members	-	-	897,384	897,384
Social security and other taxes	40,638	13,063	45,472	39,654
Prepayments	473,338	234,150	350,771	159,919
Accrued income	4,614,037	2,148,793	4,646,586	1,864,509
Other receivables	323,734	12,964	1,439,594	1,134,960
	7,914,563	5,085,713	8,644,672	5,411,933

FIRST AVENUE PARTNERS LLP

Notes to the Financial Statements for the year ended 31 March 2022

15. TRADE AND OTHER RECEIVABLES (continued)

	Group 31 March 2022 £	LLP 31 March 2022 £	Group 31 March 2021 £	LLP 31 March 2021 £
Non-current:				
Trade receivables	1,520,913	1,520,913	1,449,275	1,449,275
Accrued income	476,718	216,885	1,908,998	881,604
	1,997,631	1,737,798	3,358,273	2,330,879
As at 31 March 2022	9,912,194	6,823,511	12,002,945	7,742,812

16. CASH AND CASH EQUIVALENTS

	Group 31 March 2022 £	LLP 31 March 2022 £	Group 31 March 2021 £	LLP 31 March 2021 £
Cash and cash equivalents	5,636,774	3,607,334	5,557,494	3,809,584
	5,636,774	3,607,334	5,557,494	3,809,584

17. TRADE AND OTHER PAYABLES

	Group 31 March 2022 £	LLP 31 March 2022 £	Group 31 March 2021 £	LLP 31 March 2021 £
Current:				
Trade payables	362,170	290,868	235,100	188,111
Deferred income	192,307	188,617	149,289	145,773
Amounts due to Group undertakings	-	4,581,245	-	7,470,868
Amounts due to Members	37,122	37,122	-	-
Social security and other taxes	125,976	35,706	88,745	24,485
Non-trade payables and accrued expenses	2,735,030	849,461	3,282,432	637,346
	3,452,605	5,983,019	3,755,566	8,466,583
Non-current:				
Non-trade payables and accrued expenses	1,548,968	315,788	1,151,736	303,202
As at 31 March 2022	5,001,573	6,298,807	4,907,302	8,769,785

Non-current trade and other payable primarily relate to deferred compensation due to employees.

18. PROVISIONS

	Group 31 March 2022 £	LLP 31 March 2022 £	Group 31 March 2021 £	LLP 31 March 2021 £
Provisions	-	-	297,016	297,016
	-	-	297,016	297,016

FIRST AVENUE PARTNERS LLP

Notes to the Financial Statements for the year ended 31 March 2022

18. PROVISIONS (continued)

In October 2021, the LLP concluded its discussions with Her Majesty's Revenue & Customs in relation to the VAT treatment of a single client contract. A favourable outcome was achieved and due to the LLP's partial exemption rate, this resulted in a cost to the LLP of £116,444, far lower than the provision of £297,016. The LLP received a VAT refund of £383,226 from Her Majesty's Revenue & Customs in January 2022 and made a subsequent payment to the client of £499,670 in March 2022.

19. INTEREST BEARING LOANS

	Group 31 March 2022 £	LLP 31 March 2022 £	Group 31 March 2021 £	LLP 31 March 2021 £
Working capital loans:				
Due within 1 year	616,014	616,014	1,000,000	1,000,000
Due within 2-5 years	2,883,986	2,883,986	3,500,000	3,500,000
	3,500,000	3,500,000	4,500,000	4,500,000

At 1 April 2021, the LLP had a working capital loan with a borrowing of £4,500,000.

The loan is a UK Government backed loan which was drawn-down on 1 December 2020 and was secured with a 12 month interest free period. Following the expiry of the interest free period, the Group commenced monthly capital and interest payments from 1 December 2021 at an annual interest rate of 7.4%.

As per the terms of the loan agreement, the Group made two repayments of £500,000 each in November 2021 and March 2022, thus reducing the loan capital to £3,500,000 by 31 March 2022.

The LLP will continue with monthly capital and interest payments throughout the next financial year with loan capital anticipated to reduce to £2,883,986 by 31 March 2023.

20. TOTAL MEMBERS' INTERESTS

Group	Members' other interests			Loans and other debts due to Members, less amounts due from Members	Total Members' interests
	Members' capital classified as equity	Other reserves	Total		
	£	£	£	£	£
As at 1 April 2021	5,570,523	2,279,514	7,850,037	(897,384)	6,952,653
Revaluation of net assets of subsidiary undertakings	-	284,153	284,153	-	284,153
Profit for the year	-	819,061	819,061	-	819,061
Allocation of prior year losses	-	475,591	475,591	(475,591)	-
Allocation of current year profits	-	(2,368,514)	(2,368,514)	2,368,514	-
Current year drawings	-	-	-	(958,417)	(958,417)
As at 31 March 2022	5,570,523	1,489,805	7,060,328	37,122	7,097,450

Amounts due to Members

37,122

37,122

FIRST AVENUE PARTNERS LLP

Notes to the Financial Statements for the year ended 31 March 2022

20. TOTAL MEMBERS' INTERESTS (continued)

LLP	Members' other interests			Loans and other debts due to Members, less amounts due from Members	Total Members' interests
	Members' capital classified as equity	Other reserves	Total		
	£	£	£	£	£
As at 1 April 2021	5,570,523	(1,381,089)	4,189,434	(897,384)	3,292,050
Profit for the year	-	4,581,249	4,581,249	-	4,581,249
Allocation of prior year losses	-	475,591	475,591	(475,591)	-
Allocation of current year profits	-	(2,368,514)	(2,368,514)	2,368,514	-
Current year drawings	-	-	-	(958,417)	(958,417)
As at 31 March 2022	5,570,523	1,307,237	6,877,760	37,122	6,914,882

Amounts due to Members

37,122

37,122

Members' other interests rank after unsecured creditors. Loans and other debts due to Members rank pari passu with unsecured creditors in the event of a winding up. The profit dealt with in the financial statements of the LLP was £4,581,249 (2021: loss £475,591).

21. LEASES

At 1 April 2021, there were three leases held by the Group for which right-of use assets and lease liabilities were recognised under IFRS 16; these were for properties in Hong Kong, New York and Dallas. The Hong Kong property lease expired on 31 December 2021. During the year, a new 5 year lease for the London property commenced in March 2021 and a 3 year car lease commenced for an employee in the German subsidiary in March 2022. The Group recognised the right of use asset for these new leases accordingly.

Under IFRS 16, the Group calculates the right of use assets & lease liabilities and the movements thereon, using a 12% discount factor for the Hong Kong and Dallas leases, a 7.4% discount factor for the London lease and a 15% discount factor for the New York and Germany leases, as follows:

	London £	Hong Kong £	Germany £	New York £	Dallas £	Total £
Right of use asset:						
At 1 April 2021	-	138,347	-	2,097,050	42,666	2,278,063
Additions during the year	1,192,690	-	30,653	-	-	1,223,343
Depreciation in the year	(12,824)	(139,886)	(883)	(97,467)	(39,703)	(290,763)
Effect of movements in foreign exchange	-	1,539	7	100,173	690	102,409
As at 31 March 2022	1,179,866	-	29,777	2,099,756	3,653	3,313,052
Lease liability:						
At 1 April 2021	-	147,289	-	2,312,500	55,887	2,515,676
Additions during the year	1,192,690	-	30,653	-	-	1,223,343
Lease payments made	(15,394)	(156,473)	-	(379,747)	(55,999)	(607,613)
Finance charge	3,748	7,545	-	345,261	4,006	360,560
Effect of movements in foreign exchange	-	1,639	-	113,074	902	115,615
As at 31 March 2022	1,181,044	-	30,653	2,391,088	4,796	3,607,581

FIRST AVENUE PARTNERS LLP

Notes to the Financial Statements for the year ended 31 March 2022

21. LEASES (continued)

The undiscounted maturity of the future lease payments under non-cancellable lease agreements as of 31 March 2022 are as follows:

	Group 31 March 2022 £	LLP 31 March 2022 £	Group 31 March 2021 £	LLP 31 March 2021 £
Less than one year	764,464	292,481	584,814	-
Between two and five years	3,005,747	1,077,563	1,810,963	-
Between six and ten years	2,018,135	-	2,403,848	-
	5,788,346	1,370,044	4,799,625	-

22. CONTINGENT LIABILITIES

Payments to exiting partners

Under the terms of legal agreements with Members who are no longer involved in the day to day activities of the LLP, the LLP is committed to allocating LLP profits and making cash payments to those exiting Members. The payments are conditional upon the LLP having sufficient profits, cashflow and regulatory capital surplus to make such payments.

23. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, capital, interest rate and currency risks arise in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

At the end of the reporting period, the Group did not hold any assets which would expose the Group to significant credit risk.

The Group is also exposed to the credit risk of banks at which cash is held. All cash is held at major financial institutions.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The Group's financial liabilities comprise trade and other payables and interest-bearing loans.

Capital risk

All entities with the exception of First Avenue Partners (Korea) Limited within the Group are managed as going concerns and have sufficient capital to meet their day-to-day needs and to fulfil any externally imposed capital requirements. The capital of the Group and the LLP capital contributions and reserves are disclosed in note 20.

The LLP is supervised by the FCA, FAP USA, L.P. is supervised by the SEC and FINRA and First Avenue Partners (Asia) Limited is supervised by the Hong Kong Securities and Futures Ordinance. Throughout the year the Group and the regulated subsidiary entities within the Group held surplus capital over and above the regulatory requirements.

FIRST AVENUE PARTNERS LLP

Notes to the Financial Statements for the year ended 31 March 2022

23. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Interest rate risk

At the end of the reporting period, the Group does not hold any assets or liabilities which are exposed to significant interest rate risks.

Foreign exchange risk

Foreign exchange risk is the risk that the Group will sustain losses through adverse movements in currency exchange rates.

The Group predominantly operates in the UK but does have subsidiary entities located overseas with assets and liabilities denominated in currencies other than GBP which exposes the Group to potential adverse currency movements.

The majority of the Group's revenue is in the form of placement fees which are received in USD Dollar, although certain fees are received in Sterling and Euro. Fees in currencies other than Sterling expose the Group to potential adverse fluctuations in revenue due to foreign exchange movements.

The Group's policy is to hold minimum foreign currency to cover operational needs and, therefore, to convert foreign currency to Sterling on receipt.

Fair value of financial assets and liabilities

The fair value of financial assets and liabilities are considered not to be materially different from their carrying values for the year ended 31 March 2022.

24. RELATED PARTY TRANSACTIONS

The Group operates a transfer pricing policy which determines the basis by which global profit is to be allocated amongst Member entities in the Group. During the year, revenue and expenses are recharges between the LLP and its subsidiaries.

First Avenue Partners (London) Limited and FAP USA, LP receive a share of the global revenue, along with a share of support charges which are initially booked centrally by the LLP. First Avenue Partners (Asia) Limited and First Avenue Partners (Australia) Pty Ltd recharge their operating expenditure on a cost-plus 5% arrangement to the LLP.

The following amounts were recharged to / from the LLP during the year:

	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Global revenue recharges recognised as revenue within subsidiaries:		
First Avenue Partners (London) Limited	3,217,897	4,590,968
FAP USA, LP	2,401,163	3,712,291
Cost-plus recharges recognised as revenue within subsidiaries:		
First Avenue Partners (Asia) Limited	1,116,457	1,309,285
First Avenue Partners (Australia) Pty Ltd	345,768	341,713
First Avenue Partners (London) Limited	305,484	-
Recharges recognised as expenditure within subsidiaries:		
First Avenue Partners (London) Limited	939,532	860,272
FAP USA, LP	262,302	173,383

FIRST AVENUE PARTNERS LLP

Notes to the Financial Statements for the year ended 31 March 2022

24. RELATED PARTY TRANSACTIONS (continued)

During the year, the newest entity to the Group, First Avenue Partners (Europe) GmbH, was established in January 2022. First Avenue Partners (Europe) GmbH recharges its operating expenditure on a cost-plus 5% arrangement to First Avenue Partners (London) Limited. This amounted to £308,436 (2021: £nil). As at 31 March 2022, First Avenue Partners (Europe) GmbH had a receivable from First Avenue Partners (London) Limited of £218,919 (2021: £nil).

At the end of the year, the following amounts were receivable / payable by the LLP:

	31 March 2022 £	31 March 2021 £
Amounts owed by subsidiaries to the LLP:		
First Avenue Partners (Europe) GmbH	13,680	-
FAP Gen Par LLC	192,274	43,432
FAP USA LLC	8,208	7,405
	214,162	50,837
Amounts owed by the LLP to subsidiaries:		
First Avenue Partners (London) Limited	27,467	1,784,196
FAP USA, LP	3,550,714	3,932,033
First Avenue Partners (Asia) Limited	759,349	1,228,571
First Avenue Partners (Australia) Pty Ltd	243,716	526,068
	4,581,246	7,470,868

25. ULTIMATE PARENT UNDERTAKING

The Members of LLP are the ultimate parent entity of the Group.

26. ACCOUNTING JUDGEMENTS AND ESTIMATES

Key sources of estimation and uncertainty

The methods, estimates and judgements the Members used in applying the Group's accounting policies have a significant impact on the Group's financial position and operating results. Some of the accounting policies require the Group to apply estimates and judgements on matters that are inherently uncertain. The critical accounting judgements in applying the Group's accounting policies are described below.

The Group has analysed its receivable balances by counterparty, to ascertain the impact of an expected loss. This analysis took into account the amount outstanding, the age of the receivable, the likelihood of default and the probable impact of any default event, in order to calculate the expected loss from each of the counterparty balances. No impairment was recorded in respect of client balances.

Income taxes

The subsidiary companies are subject to income taxes in their local jurisdictions. Adjustments may be required in determining the provision for income taxes. There may be transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

FIRST AVENUE PARTNERS LLP**Notes to the Financial Statements for the year ended 31 March 2022****27. POST BALANCE SHEET EVENTS**

On 27 May 2022, the LLP invested £148,000, in the form of share capital, to its subsidiary entity First Avenue Partners (London) Limited. First Avenue Partners (London) Limited then invested Euro 150,000 into First Avenue Partners (Europe) GmbH in the form of a capital reserve.

In September 2022 the LLP made the decision to close operations in Australia and to begin the process of winding up its subsidiary entity First Avenue Partners (Australia) Pty Limited.

There are no other post balance sheet events.

28. RECONCILIATION OF OPERATING PROFIT TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

Group	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Operating profit	1,372,267	4,404,904
Depreciation	413,536	738,370
Profit on disposal of fixed assets	3,606	-
Allocation of profits not paid	(934,569)	-
Decrease in trade and other receivables	2,034,634	4,007,806
(Decrease) / increase in trade and other payables	(202,745)	411,873
Net cash inflow from operating activities	2,686,729	9,562,953

LLP	Year ended 31 March 2022 £	Year ended 31 March 2021 £
Operating profit	4,622,562	659,823
Depreciation	39,311	298,611
Decrease in trade receivable provisions	(297,016)	-
(Increase) / decrease in trade and other receivables	21,917	2,632,040
(Decrease) / increase in trade and other payables	(2,508,100)	4,907,010
Net cash inflow / (outflow) from operating activities	1,878,674	8,497,484