

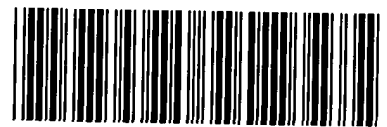
Registered number: OC320888

LNG Capital LLP

Report and Financial Statements

Year ended 31st May 2022

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CONTENTS

	Page
LLP information	1
Members' report	2 - 3
Auditor's report	4 - 6
Profit and loss account	7
Balance sheet	8
Cash flow statement	9
Notes to the financial statements	10 – 14

LNG Capital LLP

LLP INFORMATION

31 May 2022

REGISTERED NUMBER	OC320888
MEMBERS	L Gargour – Designated Member* LNG Wealth Ltd – Designated Member * Equity Member
REGISTERED OFFICE	One Knightsbridge Green London SW1X 7NE
BANKERS	Natwest Bank 63-65 Piccadilly London W1J OAJ
AUDITOR	Streets Whittle & Partners LLP The Old Exchange 64 West Stockwell Street Colchester Essex CO1 1HE

LNG Capital LLP**MEMBERS' REPORT****For the year ended 31 May 2022**

The members present their report and the audited financial statements for the year to 31 May 2022.

Principal activity

The principal activity of the LLP is the provision of investment management services. The LLP is authorised and regulated by the UK Financial Conduct Authority.

Business review and future developments

During the course of the year the funds that the LLP managed completed the process of winding down Fund operations and distributing Fund assets to shareholders. The LLP and Mr Gargour in his role as Managing Partner of the LLP remain concerned by potential legal action (that the LLP believe is without merit), however the risks to the LLP have fallen significantly given the fact that the funds have now been wound up. Whilst the members remain convinced any such legal action would be wholly without merit, these accounts continue to maintain a contingency provision of £1 million (2021: £2 million) against potential costs of litigation.

As the LLP has released half of the contingency provision, the LLP has achieved a profit before members' remuneration of £746,776 (2021: £285,269) will II thought that there are certain conditions that a provision needed to meet in order for it to be. Cash reserves together with amounts held in cash by the funds that are due to the LLP should be sufficient to fight any legal action. The Managing Partner is currently considering a number of options with respect to a future strategy for the LLP.

Losses and appropriations

The profit for the year is shown in the profit and loss account on page 6 and has been allocated to the sole equity member in accordance with the members' agreement.

Designated Members

The members who were the designated members during the year are shown below:

L Gargour
LNG Wealth Ltd

Partners' drawings and the subscription and repayment of partners' capital

In accordance with the members' agreement the Equity Members are required to subscribe sufficient capital to meet the regulatory requirements of the LLP. The capital of the Equity Members can only be withdrawn with the consent of the Equity Members as a whole and subject to certain other conditions. The participating members have a minimum fixed entitlement to the profits of the LLP. Each participating member's capital subscription is repaid in full on ceasing to be a member subject to the terms set out in the Limited Liability Partnership agreement.

Members may make drawings to the extent of their share of profits for the year. All payments are made subject to the cash requirements of the business. All current and future capital contributions other than those of equity members are classified as liabilities under relevant accounting standards.

Charitable and political donations

The LLP has not made any charitable or political donations during the current year or prior year.

LNG Capital LLP**MEMBERS' REPORT (cont)****For the year ended 31 May 2022****Energy consumption**

As the LLP has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities

Statement of members' responsibilities

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

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) require the members to prepare financial statements for each financial year. Under the law the members have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under Part 5, Regulation 8 of the 2008 Regulations, 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 and profit or loss of the LLP for that period. In preparing these financial statements, the designated members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The designated members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the 2008 Regulations. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

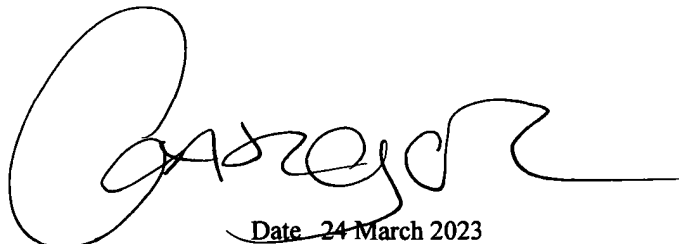
The members are responsible for the maintenance and integrity of the corporate and financial information included on the LLP's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdiction.

Statement as to disclosure of information to auditors

So far as the members are aware, there is no relevant audit information of which the LLP's auditors are unaware, and each member has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

On behalf of the members

Louis Gargour
One Knightsbridge Green
London, SW1X 7NE



Date 24 March 2023

LNG CAPITAL LLP

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF LNG CAPITAL LLP

Disclaimer of opinion

We were engaged to audit the financial statements of LNG Capital LLP (the 'LLP') for the year ended 31 May 2022 which comprise the profit and loss account, balance sheet 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

We do not express an opinion on the accompanying financial statements of the LLP. Because of the significance of the matter described in the basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for disclaimer of opinion

The LLP has included a provision of £1m (£2m : 2021) of legal fees that represents 83% of the total assets. We have not been able to obtain sufficient audit evidence to corroborate this provision.

Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

Notwithstanding our disclaimer of an opinion on the financial statements, in the light of the knowledge and understanding of the LLP and its environment obtained in the course of the audit performed subject to the pervasive limitation described above, we have not identified material misstatements in the directors' report.

Arising from the limitation of our work referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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 by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 requires us to report to you if, in our opinion:

- 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
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships' regime.

Responsibilities of members

As explained more fully in the members' responsibilities statement set out on page 3, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 responsibility is to conduct an audit of the LLP's financial statements in accordance with International Standards on Auditing (UK) and to issue an auditor's report. However, because of the matter described in the basis for disclaimer of opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements. We are independent of the LLP 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

We identified the laws and regulations applicable to the LLP through discussions with partners and other management, and from our commercial knowledge and experience of the industry;

We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the LLP, including the Companies Act 2006, taxation legislation, Employment Law and Data Protection.

We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence. These were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We identified the greatest potential for fraud or non-compliance with laws and regulations in the following areas, and our specific procedures performed to address them are described below:

The LLP earns fees from its fund management activities and there is a risk that income is inaccurately measured, inappropriately accelerated or deferred between accounting periods. Many of the LLP's costs are invoiced in arrears, such as legal fees and there is a risk cut off is not applied correctly.

We have assessed that there is a significant risk of material misstatement relating to revenue and costs recognition which is pinpointed to the cut off assertion specifically around the year end. To address this risk:

- We obtained an understanding of the revenue process and the flow of financial information into the general ledger;
- Performed cut-off testing around the year-end date by reviewing revenue and costs recognised after-date to identify any transactions which may have been erroneously recognised as revenue and costs in the incorrect period.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments.

In addition to the above, our procedures to respond to the risks identified included the following:

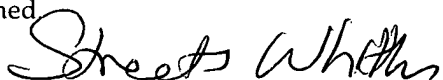
- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance in the year.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 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.



Michael Greene BSc FCCA (Senior Statutory Auditor)
for and on behalf of Streets Whittles
Chartered Accountants
Statutory Auditor

11 April 2023

Streets Whittle & Partners LLP
The Old Exchange
64 West Stockwell Street
Colchester
CO1 1HE

LNG Capital LLP
PROFIT AND LOSS ACCOUNT
for the year ended 31 May 2022

	Note	Year to 31 May 2022 £	Year to 31 May 2021 £
Turnover	2	108,880	(6,449,764)
Administration expenses		(275,889)	(268,412)
Net decrease in provisions		1,000,000	7,001,445
Profit/(loss) for the year before members' remuneration and profit shares	3	832,991	283,269
Members' remuneration treated as an expense	10	(822,062)	(706,790)
Profit/(loss) for the year available for discretionary distribution amongst the members	10	<u>£10,929</u>	<u>£(423,521)</u>

Statement of total recognised gains and losses

There were no recognised gains and losses other than those shown in the profit and loss account.

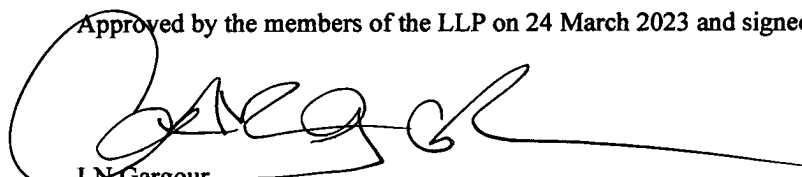
LNG Capital LLP

BALANCE SHEET

at 31 May 2022

	Note	£	2022 £	2021 £
Fixed assets				
Tangible assets	5		5,915	5,915
			<u>5,915</u>	<u>5,915</u>
Current assets				
Debtors	6	137,813		1,941,356
Cash at bank and in hand		1,083,374		264,982
		<u>1,221,187</u>		<u>2,206,338</u>
Creditors: amounts falling due within one year	7	(23,920)		(20,000)
			<u>1,197,267</u>	<u>2,186,338</u>
Net current assets				
			<u>1,203,182</u>	<u>2,192,253</u>
Total assets less current liabilities				
Provisions and charges	1		(1,000,000)	(2,000,000)
			<u>£203,182</u>	<u>£192,253</u>
Net assets attributable to members				
Represented by:				
Loans and other debts due to members				
Other reserves classified as a liability	10		(181,876)	(192,805)
Capital and other reserves				
Members capital classified as equity	10		385,058	385,058
			<u>£203,182</u>	<u>£192,253</u>

Approved by the members of the LLP on 24 March 2023 and signed on its behalf by:



LN Gargour
Designated Member

Registered number: OC320888

LNG Capital LLP
CASH FLOW STATEMENT
for the year to 31 May 2022

	Year to 31 May 2022 £	Year to 31 May 2021 £
Cash flow from operating activities		
Operating profit	832,991	283,269
Decrease)/(increase) in debtors	1,803,543	(1,427,100)
Increase in creditors	3,920	1,268
(Decrease)/increase in provisions	(1,000,000)	2,000,000
	<hr/>	<hr/>
Net cash inflow from operating activities	1,640,454	857,437
 Transactions with members		
Drawings by members	(842,920)	(706,790)
Contributions by members	21,858	-
	<hr/>	<hr/>
Net cash outflow from transactions with members	(822,062)	(706,790)
	<hr/>	<hr/>
Increase in cash	<u>£818,392</u>	<u>£150,647</u>
 Reconciliation of net cash flow to movement in cash balance		
 Cash and cash equivalents at 1 June 2021		264,982
Increase in cash during the year		818,392
		<hr/>
Cash and cash equivalents at 31 May 2022		<u>£1,083,374</u>

There is no debt, accordingly, a net debt reconciliation has not been presented.

LNG Capital LLP
NOTES TO THE FINANCIAL STATEMENTS
For the year to 31 May 2022

1 Accounting policies

Basis of accounting

LNG Capital LLP is a limited liability partnership incorporated in the United Kingdom. The address of the registered office is given in the LLP information on page 1 of these financial statements. The nature of the LLP's operations and principal activities are shown on the members report.

The financial statements have been prepared in accordance with 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 published in 2017 and the Companies Act 2006 (as applied to LLPs). The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the LLP and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going Concern

The members are considering options for the business strategy going forward. The members have also significantly reduced fixed costs such that they are largely covered by the loan interest and other recoveries of income due, along with other commercial arrangement. The accounts include a contingency provision of £1,000,000 (2021: £2 million) for a potential legal case that could potentially be brought against the LLP and its members, which means there are adequate financial resources to fully consider the LLP's position. Accordingly, these financial statements have been prepared on a going concern basis since the members consider there is a strong possibility that the LLP will continue operations for twelve months following the signing of these accounts and the members are confident it has the necessary resources to do so in all foreseeable circumstances.

Turnover

Turnover represents fees receivable for investment management services provided during the period and arising from discontinued activities. Management fees were recognised as the services are provided. Performance fees are recognised when receivable. During the current year fees that were previously recognised and subsequently waived have been reversed.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost over their estimated useful lives at 25% per annum on a straight-line basis. Paintings and memorabilia are recorded at the lower of cost and net realisable value.

Financial instruments

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

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.

LNG Capital LLP
NOTES TO THE FINANCIAL STATEMENTS
For the year to 31 May 2022

Financial instruments (cont)

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 LLP after deducting all of its liabilities.

Basic financial liabilities, including trade creditors, bank loans 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.

Provisions for liabilities and charges

A provision has been recognised for estimated legal costs in respect of a legal claim that the LLP has been advised could end up in court. No provision has been made in respect of the claim itself as the LLP believes the likelihood of it losing the case to be remote.

Operating leases

Payments made under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

Members' interests

In accordance with FRS 102 members' interests are treated as equity if the LLP can exercise discretion as to whether capital is repaid back to former members who resign as members. Members' interests are classified as loans repayable within one year where the members can demand repayment upon leaving the LLP.

In accordance with the LLP SORP automatic allocations of profit to members are treated as an expense in the profit and loss account.

2. Turnover and other income

The LLP waived its rights to certain management and incentive fees in order to facilitate an orderly wind up of the funds it managed. As part of this arrangement it agreed to settle any costs arising in respect of the funds that arose up to the point of winding up and is entitled to receive the proceeds from the disposal of certain illiquid assets of the fund which potentially could be realised in the future. Turnover includes £101,986 in proceeds from an asset that was realised post year end and is net of £18,081 of costs settled for the funds. Other fees are recognised when received.

Interest income is recognised as it accrues, not as it is received.

3 Operating profit

	2021 £	2020 £
Operating profit is stated after charging:		
Fees payable to the LLP's auditor for the audit of the annual financial statements	5,000	6,000
Amounts payable under operating leases	3,861	16,170
Provision for bad debts	-	(9,001,445)
Provision for legal costs	(1,000,000)	2,000,000
Foreign exchange losses	31,214	22,266
	<u>31,214</u>	<u>22,266</u>

4 Members' remuneration

The partnership had an average of none (2021: none) employees during the period. The average number of members during the period was two (2021: two).

All profits have been allocated to Mr Gargour in both the current year and prior year.

LNG Capital LLP
NOTES TO THE FINANCIAL STATEMENTS
For the year to 31 May 2022

5 Tangible Fixed Assets

	Office Equipment £	Paintings & Memorabilia £	Total £
Cost			
At 1 June 2021	91,382	5,915	97,297
Additions	-	-	-
At 31 May 202	<u>91,382</u>	<u>5,915</u>	<u>97,297</u>
Accumulated depreciation			
At 1 June 2021	91,382	-	91,382
Charge for period	-	-	-
At 31 May 2022	<u>91,382</u>	<u>-</u>	<u>91,382</u>
Net book amount			
At 31 May 2022	<u>-</u>	<u>5,915</u>	<u>5,915</u>
At 31 May 2021	<u>-</u>	<u>5,915</u>	<u>5,915</u>

6 Debtors

	2022 £	2021 £
Trade debtors	-	1,931,907
Other debtors	22,696	9,449
Prepayments and accrued income	115,117	-
	<u>137,813</u>	<u>1,941,356</u>

7 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	18,920	-
Accruals and deferred income	5,000	20,000
	<u>23,920</u>	<u>20,000</u>

LNG Capital LLP
NOTES TO THE FINANCIAL STATEMENTS

For the year to 31 May 2022

8. Financial instruments

	2022 £	2021 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost*	22,696	1,941,356
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	18,920	-
	<u> </u>	<u> </u>

*Debt instruments includes a debt with an amortised cost of £nil (2021: £1,931,907) which has been fair valued at £nil (2021: £1,931,907) by the members based on cash reserves held by the client out of which the debt is due to be paid.

9. Related parties

The members consider the ultimate controlling party to be Louis Gargour by virtue of his being the Managing Partner.

During the year the LLP paid expense for LNG Europa Fund Ltd (the "Fund") of £18,081 (2021: £21,534) as part of the fee waiver arrangements. These amounts are netted off turnover.

10. Reconciliation of Members' Interests

	<u>Members' other interests</u>			Loans and other debts due to members less any amounts due from members in debtors	Total
	Members' capital (classified as equity)* £	Other reserves £	Total £		Total £
Balance at 1 June 2021	385,058	-	385,058	(192,805)	192,253
Members' remuneration charged as an expense	-	-	-	822,062	822,062
Loss for the financial period available for discretionary division among members	-	10,929	10,929	-	10,929
Members' interests after profit for the period	385,058	10,929	395,987	629,257	1,025,244
Reallocation of reserves		(10,929)	(10,929)	10,929	-
Net drawings	-	-	-	(822,062)	(822,062)
Balance at 31 May 2022	<u>385,058</u>	<u>-</u>	<u>385,058</u>	<u>(181,876)¹</u>	<u>203,182</u>

¹ Loans and the debts due to members rank alongside all other creditors of the LLP on a winding up

LNG Capital LLP
NOTES TO THE FINANCIAL STATEMENTS

For the year to 31 May 2022

12 Operating lease commitments

The following operating lease payments, are committed to be paid by the LLP:

	2022	2021
	£	£
Less than one year	6,121	6,121
Two to five years	16,166	16,166
Over five years	9,987	16,108
	<u> </u>	<u> </u>