

**Limited Liability Partnership Registration No. OC322018 (England and Wales)**

**TACCONIS ADVISORS & CO LLP**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

# TACCONIS ADVISORS & CO LLP

## LIMITED LIABILITY PARTNERSHIP INFORMATION

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<b>Designated members</b>	M Tacconis P Gambogi
<b>Limited liability partnership number</b>	OC322018
<b>Registered office</b>	73 Cornhill London EC3V 3QQ
<b>Auditor</b>	Gerald Edelman LLP 73 Cornhill London EC3V 3QQ
<b>Business address</b>	Flat 7 28 Leathermarket Street London SE1 3FZ

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# TACCONIS ADVISORS & CO LLP

## CONTENTS

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	<b>Page</b>
Members' report	1 - 3
Members' responsibilities statement	4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Balance sheet	9
Reconciliation of members' interests	10 - 11
Statement of cash flows	12
Notes to the financial statements	13 - 22

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# TACCONIS ADVISORS & CO LLP

## MEMBERS' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2021**

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

### Principal activities

The principal activity of the limited liability partnership ("LLP") continued to be that of regulated investment management and advisory services. The limited liability partnership is regulated by the Financial Conduct Authority ("FCA").

### Branches outside the United Kingdom

The limited liability partnership has no branches outside the United Kingdom.

### Members' drawings, contributions and repayments

Drawings and capital subscriptions are determined taking into account the anticipated cash needs and capital requirements of the LLP.

### Designated members

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

M Tacconis  
P Gambogi

### Pillar 3 Disclosures

In accordance with the rules of the Financial Conduct Authority, the LLP has published information on its risk management objectives and policies on its regulatory capital requirements resources. The information included as the Pillar 3 disclosure in these financial statements is not audited.

The limited liability partnership ("LLP") is authorised and regulated by the Financial Conduct Authority (FCA). Under the rules of the FCA, the LLP is classified as a BIPRU 50K firm. The LLP is additionally subject to the Fixed Overhead Requirement ('FOR'). The LLP has undertake an Internal Capital Adequacy Assessment Process ("ICAAP") annually to assess its capital needs.

The LLP is authorised by the FCA to provide investment management and advisory services, it is not allowed by the FCA and does not, risk its own capital in the financial markets. Accordingly the risks that the LLP faces are more limited in scope than for other types of regulated firms and as such its capital requirements are the greater of:

- Its base capital requirement of €50,000; or
- The sum of its market and credit risk requirements; or
- Its Fixed Overhead Requirement (1/4 of relevant expenditure for the prior financial year).

The LLP's capital requirements are currently based on a requirement of £107,000 which is within the level of regulatory capital held. The members consider this amount to be sufficient regulatory capital to support the business and have not identified any areas which give rise to a requirement to hold additional risk based capital. Thus, the ICAAP did not identify any capital inadequacies as a result of the risks that the firm faces.

### Market Risk

Market risk is the risk that the value of, or income arising from, the LLP's assets and liabilities varies as a result of changes in the market price of financial assets, changes in exchange rates or changes in interest rates.

The LLP does not take proprietary trading risk. The only market risk that the LLP faces is currency risk in that currently the majority of its income is denominated in Euros and its expenses are substantially incurred in pounds sterling. The LLP also maintains most balances in Euros. For capital adequacy purposes, in accordance with the rules of the FCA, the LLP monitors its current exposure due to amounts held and receivable in currencies other than sterling. The members also consider the futures exposure as part of their overall risk monitoring.

# TACCONIS ADVISORS & CO LLP

## MEMBERS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### *Credit Risk*

Credit Risk refers to the potential risk that customers fail to meet their obligations as they fall due.

The LLP earns its income from management and advisory services on various portfolios of investment funds in line with the contractual agreement with their clientele and within the scope of the permissions granted by the FCA. The fees due to the LLP are paid quarterly in arrears, once the NAV of the investment funds in the portfolio is certified by the fund administrator. Where their clients do not meet the liabilities of their portfolios, including the fees due to the LLP, from their personal funds, the LLP, in carrying out its management and advisory role for the portfolios, ensures that there is sufficient liquidity available to meet these liabilities.

### *Liquidity risk*

Liquidity risk is the risk that the LLP does not have sufficient available resources to enable it to meet its obligations as they fall due. The LLP's liquidity policy is to maintain sufficient liquid resources to cover cash flow imbalances and fluctuations in fees received/receivable and senior management monitors this risk monthly.

### *Operational Risk*

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. The risk is managed by the members who have responsibility for putting in place appropriate plans and controls for the business. The LLP makes use of outside consultants where necessary to monitor the effectiveness of its controls.

### *Business Risk*

Business risk is the risk that the LLP may not be able to carry out its business plan and its desired strategy. Poor investments returns could therefore affect the LLP's ability to generate income both in the short term (loss of fees) and in the long term (unable to retain or attract new business).

This is a risk that all businesses face. The members continuously monitor the investment strategy and performance and adjust their plans accordingly. Due diligence is performed prior to investments taking place, and the strategy implemented has been designed to protect the portfolio against normal market volatility.

### *Pension Obligation Risk*

The LLP has no defined benefit schemes and thus has no pension obligation risk.

### *Residual Risk*

Residual risk is any risk not covered by the specific risk categories outlined above. The members do not consider that there are any residual risks that require the LLP to maintain any additional capital.

The FCA has amended the Prudential Sourcebook for Banks, Building Societies and Investment Firms (BIPRU), and specifically BIPRU 11, to now include a requirement for disclosure of the LLP's approach to linking remuneration to risk.

The LLP feels that its remuneration policy appropriately addresses potential conflicts of interest and that the LLP's authorised persons are not rewarded for taking inappropriate levels of risk. Under the Remuneration Code, the LLP is classified as a Tier Four firm, which allows the LLP to take advantage of exemptions in applying many of the technical requirements of the Code and proportionately apply the Code's rules and principles in establishing the LLP's policy.

# TACCONIS ADVISORS & CO LLP

## MEMBERS' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Future developments**

#### *The decision-making process*

On grounds of proportionality, the LLP's Governing Body also serves as the remuneration committee.

#### *The link between pay and performance*

Overall remuneration may include an annual incentive compensation reflecting individual performance and responsibility, both short-term and long-term, as well as the LLP's overall performance.

#### *Incentive compensation*

The award of incentive compensation is a qualitative decision where employee and supervisory input are significant components.

#### *Code staff: Investment team members*

Due to the size and complexity of the LLP's business, the two members of the investment team are the only code staff.

#### *Quantitative remuneration data*

Due to the size and low complexity of the LLP, the aggregate quantitative information on remuneration broken down by senior management and members of staff, whose actions have a material impact on the risk of the LLP is the same, which is £402,538 (2020: £144,204).

### **Auditor**

Gerald Edelman LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Statement of disclosure to auditor**

Each of the members in office at the date of approval of this annual report confirms that:

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

### **Going concern**

Having reviewed the LLP's financial forecasts and expected future cash flows, the members have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the foreseeable future.

Thus, they continue to adopt the going concern basis in preparing the financial statements for the year ended 31 August 2021.

Approved by the members on 13 December 2021 and signed on behalf by:

M Tacconis  
**Designated Member**

## **TACCONIS ADVISORS & CO LLP**

### **MEMBERS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing these financial statements, the members are required to:

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

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

# TACCONIS ADVISORS & CO LLP

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF TACCONIS ADVISORS & CO LLP

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#### Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 August 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the limited liability partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



# **TACCONIS ADVISORS & CO LLP**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF TACCONIS ADVISORS & CO LLP**

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#### **Matters on which we are required to report by exception**

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

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

#### **Responsibilities of members**

As explained more fully in the members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the members are responsible for assessing the limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

Our audit procedures were primarily directed towards testing the accounting systems in operation upon which we have based our assessment of the financial statements for the year ended 31 August 2021.

We planned our audit so that we have a reasonable expectation of detecting material misstatements in the financial statements resulting from irregularities, fraud or non-compliance with law or regulations.

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- 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.
- Enquiring of management of whether they are aware of any non-compliance with laws and regulations.
- Enquiring of management whether they have knowledge of any actual, suspected or alleged fraud.
- Enquiring of management their internal controls established to mitigate risk related to fraud or non-compliance with laws and regulations.
- Discussions amongst the engagement team on how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas: posting of unusual journals.
- Obtaining understanding of the legal and regulatory framework the company operates in focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations. The key laws and regulations we considered in this context included UK Companies Act 2006, tax legislation, data protection, anti-bribery, employment, health and safety and FCA regulation.

# **TACCONIS ADVISORS & CO LLP**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF TACCONIS ADVISORS & CO LLP**

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#### **Audit response to risks identified**

##### ***Fraud due to management override***

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

- Performed analytical procedures to identify any unusual or unexpected relationships.
- Auditing the risk of management override of controls.
- Assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias.
- Investigated the rationale behind significant or unusual transactions.

##### ***Irregularities and non-compliance with laws and regulations***

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

- Agreeing financial statements disclosures to underlying supporting documentation.
- Reviewing minutes of meetings of those charged with governance.
- Enquiring of management as to actual and potential litigation claims.
- Reviewing correspondence with FCA.

The test nature and other inherent limitations of an audit, together with the inherent limitations of any accounting and internal control system, mean that there is an unavoidable risk that even some material misstatements in respect of irregularities may remain undiscovered even though the audit is properly planned and performed in accordance with ISAs (UK). Furthermore, the more removed that laws and regulations are from financial transactions, the less likely that we would become aware of non-compliance.

Our examination should therefore not be relied upon to disclose all such material misstatements or frauds, errors or instances of non-compliance that might exist. The responsibility for safeguarding the assets of the company and for the prevention and detection of fraud, error and non-compliance with law or regulations rests with the members of Tacconis

Advisors LLP. A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Hemen Doshi FCCA (Senior Statutory Auditor)**  
**For and on behalf of Gerald Edelman LLP**

14 December 2021

**Chartered Accountants**  
**Statutory Auditor**

73 Cornhill  
London  
EC3V 3QQ

## TACCONIS ADVISORS & CO LLP

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2021

		2021	2020
	Notes	£	£
Turnover	3	590,983	764,744
Administrative expenses		(284,064)	(295,381)
Operating profit	4	306,919	469,363
Interest receivable and similar income	8	3	25
Profit for the financial year before members' remuneration and profit shares		306,922	469,388
Members' remuneration charged as an expense	7	(63,650)	(29,162)
Profit for the financial year available for discretionary division among members		243,272	440,226

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

# TACCONIS ADVISORS & CO LLP

## BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	10		10,741		7,684
<b>Current assets</b>					
Debtors	12	160,577		442,981	
Cash at bank and in hand		270,191		205,769	
		<u>430,768</u>		<u>648,750</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(56,637)</u>		<u>(56,319)</u>	
<b>Net current assets</b>			374,131		592,431
<b>Total assets less current liabilities and net assets attributable to members</b>			<u>384,872</u>		<u>600,115</u>
<b>Represented by:</b>					
<b>Loans and other debts due to members within one year</b>					
Amounts due in respect of profits			91,600		109,889
<b>Members' other interests</b>					
Members' capital classified as equity			50,000		50,000
Other reserves classified as equity			243,272		440,226
			<u>384,872</u>		<u>600,115</u>
<b>Total members' interests</b>					
Loans and other debts due to members			91,600		109,889
Members' other interests			293,272		490,226
			<u>384,872</u>		<u>600,115</u>

The financial statements were approved by the members and authorised for issue on 13 December 2021 and are signed on their behalf by:

M Tacconis  
Designated member

Limited Liability Partnership Registration No. OC322018

# TACCONIS ADVISORS & CO LLP

## RECONCILIATION OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 AUGUST 2021

Current financial year	EQUITY		DEBT		TOTAL MEMBERS' INTERESTS
	Members' other interests	Loans and other debts due to members less any amounts due from members in debtors			
	Members' capital (classified as equity)	Members' Other reserves	Total Other amounts	Total	Total 2021
	£	£	£	£	£
Amounts due to members			109,889		
Members' interests at 1 September 2020	50,000	440,226	109,889	109,889	600,115
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	(63,650)	-	-	(63,650)
Profit for the financial year available for discretionary division among members	-	306,922	-	-	306,922
Members' interests after profit for the year	50,000	683,498	109,889	109,889	843,387
Allocation of profit for the financial year	-	(440,226)	440,226	440,226	-
Drawings	-	-	(458,515)	(458,515)	(458,515)
Members' interests at 31 August 2021	50,000	243,272	91,600	91,600	384,872

# TACCONIS ADVISORS & CO LLP

## RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

Prior financial year	EQUITY		DEBT		TOTAL
	Members' other interests		Loans and other debts due to members less any amounts due from members in debtors	MEMBERS' INTERESTS	
	Members' capital (classified as equity)	Members' Other reserves	Total Other amounts	Total	Total 2020
	£	£	£	£	£
Amounts due to members			81,137		
Amounts due from members			(20,000)		
Members' interests at 1 September 2019	55,000	166,631	221,631	61,137	282,768
Members' remuneration charged as an expense, including employment costs and retirement benefit costs	-	(29,162)	(29,162)	-	(29,162)
Profit for the financial year available for discretionary division among members	-	469,388	469,388	-	469,388
Members' interests after profit for the year	55,000	606,857	661,857	61,137	722,994
Allocation of profit for the financial year	-	(166,631)	(166,631)	166,631	-
Repayments of capital	(5,000)	-	(5,000)	-	(5,000)
Drawings	-	-	-	(117,879)	(117,879)
Members' interests at 31 August 2020	50,000	440,226	490,226	109,889	600,115

# TACCONIS ADVISORS & CO LLP

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	18		528,305		253,817
<b>Investing activities</b>					
Purchase of tangible fixed assets		(5,371)		(4,344)	
Interest received		3		25	
<b>Net cash used in investing activities</b>			(5,368)		(4,319)
<b>Financing activities</b>					
Repayment of capital or debt to members		-		(5,000)	
Payments to members that represent a return on amounts subscribed or otherwise contributed		(458,515)		(117,879)	
<b>Net cash used in financing activities</b>			(458,515)		(122,879)
<b>Net increase in cash and cash equivalents</b>			64,422		126,619
Cash and cash equivalents at beginning of year			205,769		79,150
<b>Cash and cash equivalents at end of year</b>			270,191		205,769

# TACCONIS ADVISORS & CO LLP

## NOTES TO THE FINANCIAL STATEMENTS

*FOR THE YEAR ENDED 31 AUGUST 2021*

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### 1 Accounting policies

#### Limited liability partnership information

Tacconis Advisors & Co LLP is a limited liability partnership incorporated in England and Wales. The registered office is 73 Cornhill, London, EC3V 3QQ.

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

#### 1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

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

#### 1.3 Turnover

Turnover represents amounts receivable for services provided net of VAT. Where the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the balance sheet date.

If, at the balance sheet date, completion of contractual obligations is dependent on external factors (and thus outside the control of the Limited Liability Partnership), then revenue is recognised only when the event occurs. In such cases, costs incurred up to the balance sheet date are carried forward as accrued income.



# TACCONIS ADVISORS & CO LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 1 Accounting policies

(Continued)

#### 1.4 Members' participating interests

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

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

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

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

#### 1.5 Tangible fixed assets

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

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

Fixtures, fittings & equipment	25% reducing balance
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the limited liability partnership reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the limited liability partnership estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# TACCONIS ADVISORS & CO LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Cash and cash equivalents

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

#### 1.8 Financial instruments

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

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

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

##### **Basic financial assets**

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

##### **Other financial assets**

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

# TACCONIS ADVISORS & CO LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

(Continued)

#### **Impairment of financial assets**

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

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

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

#### **Derecognition of financial assets**

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

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the limited liability partnership after deducting all of its liabilities.

#### **Basic financial liabilities**

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

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

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

#### **Other financial liabilities**

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

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

# TACCONIS ADVISORS & CO LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

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

#### **1.9 Equity instruments**

Equity instruments issued by the limited liability partnership are recorded at the proceeds received, net of direct issue costs.

#### **1.10 Taxation**

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

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the limited liability partnership is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits and post retirement payments to members**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.13 Foreign exchange**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

### 2 Judgements and key sources of estimation uncertainty

In the application of the limited liability partnership's accounting policies, the members are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# TACCONIS ADVISORS & CO LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 3 Turnover

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

	2021 £	2020 £
<b>Turnover analysed by class of business</b>		
Advisory fees	86,809	197,463
Management fees	411,191	313,189
Performance fees	92,983	254,092
	<u>590,983</u>	<u>764,744</u>
	<u><u>590,983</u></u>	<u><u>764,744</u></u>
	2021 £	2020 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	118,884	41,672
Europe	472,099	723,072
	<u>590,983</u>	<u>764,744</u>
	<u><u>590,983</u></u>	<u><u>764,744</u></u>

### 4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	12,816	(6,356)
Depreciation of owned tangible fixed assets	2,314	2,562
	<u>15,130</u>	<u>(3,794)</u>
	<u><u>15,130</u></u>	<u><u>(3,794)</u></u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £12,816 loss (2020: £6,356 gain)

### 5 Auditor's remuneration

	2021 £	2020 £
Fees payable to the LLP's auditor and associates:		
<b>For audit services</b>		
Audit of the LLP's financial statements	6,350	5,750
	<u>6,350</u>	<u>5,750</u>
<b>For other services</b>		
Taxation services	350	-
Payroll services	519	578
Companies secretarial services	628	298
Other Services	1,075	722
Bookkeeping services	5,096	5,250
	<u>7,668</u>	<u>6,848</u>
	<u><u>7,668</u></u>	<u><u>6,848</u></u>

# TACCONIS ADVISORS & CO LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 6 Employees

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

	2021 Number	2020 Number
Administration	2	2

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	43,786	88,584
Social security costs	829	5,716
Pension costs	2,177	2,245
	46,792	96,545

### 7 Members' remuneration

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

	2021 £	2020 £
Members' remuneration comprises:		
Remuneration under participation rights	63,650	29,162

### 8 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	3	25

### 9 Taxation

No provision for taxation is made in these financial statements as tax is borne by the individual members in their personal capacity on their attributed profit shares and not by the LLP.

# TACCONIS ADVISORS & CO LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 10 Tangible fixed assets

#### Fixtures, fittings & equipment

	£
<b>Cost</b>	
At 1 September 2020	20,477
Additions	5,371
	<u>25,848</u>
At 31 August 2021	
<b>Depreciation and impairment</b>	
At 1 September 2020	12,793
Depreciation charged in the year	2,314
	<u>15,107</u>
At 31 August 2021	
<b>Carrying amount</b>	
At 31 August 2021	10,741
	<u>7,684</u>
At 31 August 2020	<u>7,684</u>

### 11 Financial instruments

	2021 £	2020 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	70,183	298,253
	<u>70,183</u>	<u>298,253</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	144,626	79,365
	<u>144,626</u>	<u>79,365</u>

### 12 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	66,646	30,536
Other debtors	3,537	267,717
Prepayments and accrued income	90,394	144,728
	<u>160,577</u>	<u>442,981</u>

## TACCONIS ADVISORS & CO LLP

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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**13 Creditors: amounts falling due within one year**

	2021	2020
	£	£
Trade creditors	19,375	3,951
Other taxation and social security	21,900	38,091
Other creditors	272	793
Accruals and deferred income	15,090	13,484
	<hr/>	<hr/>
	56,637	56,319
	<hr/>	<hr/>

**14 Retirement benefit schemes**

**Defined contribution schemes**

The limited liability partnership operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the limited liability partnership in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £2,177 (2020: £2,245).

**15 Related party transactions**

During the year, amounts totalling £3,816 (2020: £3,802) were paid to C Tacconis, a close family member of M Tacconis, for the provision of professional services.

**16 Members' transactions**

Included within total members' interests are the following amounts:

- M Tacconis £91,600 due from the LLP (2020: £109,889 due from the LLP);

The profit for the year was allocated to members after the year end and was credited to their respective current accounts at the time of allocation.

Designated member, P Gambogi, was paid total wages & bonuses of £57,000 during the year ended 31 August 2021.

Included in other debtors is the loan amount due from M Tacconis for £nil (2020: £264,357).

**17 Ultimate controlling party**

The ultimate controlling party is M Tacconis, a designated member of the LLP.



## TACCONIS ADVISORS & CO LLP

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2021*

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18	Cash generated from operations	2021 £	2020 £
	Profit for the year	243,272	440,226
	Adjustments for:		
	Investment income recognised in profit or loss	(3)	(25)
	Depreciation and impairment of tangible fixed assets	2,314	2,562
	Movements in working capital:		
	Decrease/(increase) in debtors	282,404	(215,156)
	Increase in creditors	318	26,210
	<b>Cash generated from operations</b>	<u>528,305</u>	<u>253,817</u>

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