

Patrimoine Partners LLP

Report and Financial Statements

Year Ended

31 March 2020

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Patrimoine Partners LLP

Report and financial statements for the year ended 31 March 2020

Contents

Page:

1	Report of the Members
6	Independent auditor's report
9	Statement of total comprehensive income
10	Statement of financial position
11	Statement of changes in equity and Members' interests
12	Statement of cash flows
13	Notes forming part of the financial statements

Limited Liability Partnership ("LLP") information

Designated Members

D de J Weill MSc MBA Barrister
M D Digger
Patrimoine Limited

Registered office

182 Dyke Road, Brighton, East Sussex, BN1 5AA

Partnership registration number

OC326919

Auditor

BDO LLP, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, RH6 0PA

Patrimoine Partners LLP

Report of the Members for the year ended 31 March 2020

The Designated Members present their report together with the audited financial statements for the year ended 31 March 2020.

Results

The statement of total comprehensive income is set out on page 9 and shows the loss for the year under review.

Principal activities, business review and future developments

The principal activity of the LLP is that of corporate finance and investment management advisory work.

The Members were satisfied with the performance of the LLP during the year under review.

There have been no events since the balance sheet date which materially affect the position of the LLP.

Designated Members and Other Members

The following individuals were Designated Members (as defined in the Limited Liability Partnerships Act 2000) during the year:

D de J Weill MSc MBA Barrister
M D Digger
Patrimoine Limited

Together, the Designated Members form the Board.

The LLP has no Other Members (as defined in the Limited Liability Partnerships Act 2000).

Policies for Members' remuneration and profit shares, subscription for and repayment of Members' capital and drawings are set out in the LLP Agreement dated 1 April 2007, subject to subsequent variations agreed by the members, and are summarised below:

Capital

The capital is held by the Members and shall be varied only by approval by the Board. Interest is not paid on the capital invested.

Drawings

The policy for Members' drawings is to distribute the majority of profit during the financial period, taking into account the need to maintain sufficient funds to finance the working capital and other needs of the business. Members' drawings are ratified by the Board.

Patrimoine Partners LLP

Report of the Members for the year ended 31 March 2020 (*continued*)

Designated Members and Other Members (*continued*)

Members' profit shares and distributions

As soon as reasonably practicable following the end of each accounting period of the LLP and the completion by the auditors of the audit of the LLP accounts for that accounting period, the Board shall allocate the profits and losses of the LLP between the Members in its sole discretion and in accordance with the provisions detailed in Section 10 to the LLP Agreement and the notes thereto.

Members' responsibilities

The Members are responsible for preparing the Members' report and financial statements in accordance with applicable law and regulation.

The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 require the Members to prepare financial statements for each financial year. Under these regulations the Members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under these 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 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 judgments 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 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, 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 Limited Liability Partnerships (Accounts and Audit) (Application of the 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.

Pillar III

Pillar III Disclosure – Scope and application of the requirements

The Partnership is governed by its Partners ('the Members') who determine its business strategy and risk appetite. They are also responsible for establishing and maintaining the Partnership's governance arrangements along with designing and implementing a risk management framework that recognises and manages the risks that the business faces. The Members meet on a regular basis and discuss profitability, cash flow, regulatory capital management, and business planning and risk management. The Members manage the Partnership's risks through a framework of policies and procedures having regard to relevant laws, standards, principles and rules (including FCA principles and rules) with the aim to operate a defined and transparent risk management framework.

The Members have identified that reputational, operational, market and credit risks are the areas of risk to which the Partnership may be exposed. Annually the Members formally review the risks, controls and other risk mitigation arrangements and assess their effectiveness.

Where the Members identify material risks they consider the financial impact of these risks as part of business planning and capital management and conclude whether the amount of regulatory capital is adequate. The general objective is to develop systems and controls to mitigate risk to a level that does not require the allocation of Pillar II capital.

The Partnership is authorised and regulated by the Financial Conduct Authority and as such it is subject to minimum regulatory capital requirements. The Partnership is small with a simple operational infrastructure. The Partnership provides investment management, brokerage and advisory services and the risks to which the Partnership is exposed are principally reputational and operational in nature and are managed according to the Partnership's operational and compliance risk guidelines including its ethical standards. The Partnership is a BIPRU €50k Full Scope firm registered with the FCA (FRN 463947) and lodges its financial statements with Companies House.

Pillar III – Disclosure of capital resources and capital resource

The capital resources of the Partnership are made up of eligible partner's capital, which qualifies as Tier 1 capital. As the Partnership is a full scope firm, its capital requirements are the sum of:

- The credit risk capital requirement.
- The market risk capital requirement.
- The operational risk requirement.

It is the Partnership's experience that the capital requirement of the Partnership is the operational risk requirement, with no or little credit or market risk. For the purpose of this calculation disclosures relating to market and credit are therefore considered to be immaterial in consideration in the assessment of the business.

As at the 31 March 2020 the Partnership had £50,843 of capital with an operational risk of £45,000 and therefore the Partnership has sufficient excess resources over its regulatory capital requirements.

Pillar III / Disclosure of compliance with the overall Pillar II rule

Under Pillar II of the Capital Requirements Directive, the Partnership is required to enact an Internal Capital Adequacy Assessment Process ("ICAAP"). This is an on-going process. The ICAAP document is presented to the Members for formal review and approval. The data and assumptions used in the assessment of risk and capital adequacy are continually assessed and updated. This includes stress testing of various scenarios. Should new risks materialise or be identified by the Partnership, then these risks will be incorporated into the overall review process.

Remuneration Code

Scope and application of the requirements

BIPRU 11.5 sets out the disclosure requirements in relation to the remuneration of code staff which all FCA regulated firms are required to comply. The Partnership is a Tier 3 firm and the following disclosures are intended to fully satisfy the requirements of the Remuneration Code ("the Code").

Disclosure of compliance with Remuneration Code

The Partnership has in place internal policies, practices and procedures consistent with the FCA's rules and regulations for Tier 3 firms. The members of the Board form the remuneration committee and the members fully acknowledge their responsibilities under the Code including their overriding responsibility to ensure that the firm's remuneration policies, practices and procedures:

- are in line with the business strategy, objectives and long-term interests and values of the firm;
- are consistent with and promote sound and effective risk management and do not encourage risk taking that exceeds the level of tolerated risk of the firm;
- are appropriate to attract, motivate and retain suitable staff;
- are representative of the underlying performance of the business and do not reward individuals for poor performance; and
- Include measures to avoid conflicts of interest.

The following disclosures have been made in accordance with the FCA rules and regulations as outlined under BIPRU 11.5.18 and SYSC 19A, specifically in the context of a firm's obligations under the FCA's remuneration code.

As permitted by the Code, the firm has adopted the FCA's proportionality approach for Tier 3 firms in applying the requirements of the Code. The firm currently has no staff other than the Members. All decisions in relation to the remuneration of code staff are made and approved by the firm's remuneration committee, with no input from external consultants. Remuneration is determined with reference to a number of factors including, but not limited to, the performance of the individual, the Partnership and the individual's adherence to the firm's risk management and compliance procedures.

Variable remuneration which is paid in the form of bonuses is only awarded after full consideration of these factors together with an assessment of any current or potential risks to the business in the context of these payments. The amounts of any discretionary bonus awards are determined by the Board.

In accordance with the FCA's proportionality approach for Tier 3 firms, the firm has elected not to apply the FCA's specific regulatory requirements in relation to: the payment of variable remuneration through retained shares or other instruments; the deferral of these payments or performance adjustments.

The remuneration committee believes that its Remuneration Code policies, procedures and practices are fully aligned with the firm's clients and that the success of the firm and subsequent payment of variable remuneration is correlated to the success of the firm's trading activities both in the firm and its clients.

On an annual basis, Members are allocated their Partnership share of income profits. Profits are only allocated and paid after the firm ensures that FCA capital and liquidity requirements are satisfied.

The firm's code staff which numbered 3 (being the Members) and all of whom have been approved by the FCA under section 59 of the Financial Services and Markets Act 2000 Act to perform a controlled function, received no remuneration in the year ended 31 March 2020 (inclusive of distributions allocated to Members).

Stewardship Code Disclosure

Introduction

The Stewardship Code ("the Code") was published by the Financial Reporting Council ("FRC"), the UK's independent regulator responsible for promoting high quality corporate governance and reporting in order to foster investment. The Code sets out good practice for institutional investors in their dealings with the companies in which they have invested.

Disclosure obligations

The FCA's regulations outline a firm's obligations in relation to the Code and for firms who manage assets for corporate professional clients to disclose to these clients the nature of their commitment to the Code, or where it does not commit to the Code its alternate business model. Although the firm recognises the aims and benefits of the Code the firm's investment strategy is such that it does not engage directly with companies and therefore the Code in the context of firm's investment strategy does not apply and the firm does not consider that its clients expect such engagement. It is however important to note that the firm's investment strategy is specifically structured to maximise investment gains and enhance shareholder value and that it constantly monitors investments, would act collectively with other institutional investors where appropriate and has developed internal policies and procedures for managing conflicts of interest. This non commit disclosure fully encompasses the firm's regulatory obligations in complying with the FRC's Stewardship Code and the FCA's regulatory requirements.

Auditor

All of the current Members have taken all the steps that they ought to have taken to make themselves aware of any information needed by the LLP's auditor for the purpose of their audit and to establish that the auditor is aware of that information. The Members are not aware of any relevant audit information of which the auditor is unaware.

BDO LLP have expressed their willingness to continue in office.

On behalf of the Designated Members



M D Digger
Designated Member

27th July 2020

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF PATRIMOINE PARTNERS LLP

Opinion

We have audited the financial statements of Patrimoine Partners LLP ("the Limited Liability Partnership") for the year ended 31 March 2020 which comprise the Statement of Total Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and 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 Financial Reporting Standard 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 March 2020 and of its loss 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 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the 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

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

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

Patrimoine Partners LLP

Independent auditor's report (*continued*)

Other information

The Members are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, 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

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 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.

A further description of our responsibilities for the audit of the financial statements is located at 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 the 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.

BDO LLP

Christopher Wingrave (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick

Date: 27 July 2020

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

Patrimoine Partners LLP**Statement of total comprehensive income for the year ended 31 March 2020**

	Note	2020 £	2019 £
Turnover	3	600	19,973
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		600	19,973
Administrative expenses		13,128	20,003
		<hr/>	<hr/>
Operating loss on ordinary activities	5	(12,528)	(30)
Interest receivable		-	-
		<hr/>	<hr/>
Loss for the financial year before Members' remuneration and profit shares, available for discretionary division among Members		(12,528)	(30)
		<hr/>	<hr/>
Total comprehensive loss for the year		(12,528)	(30)
		<hr/>	<hr/>

The notes on pages 13 to 16 form part of these financial statements.

Patrimoine Partners LLP**Statement of financial position at 31 March 2020**

Registered number: OC326919	Note	2020 £	2020 £	2019 £	2019 £
Current assets					
Debtors	6	188,232		189,587	
Cash at bank and in hand		26,442		22,585	
		<u>214,674</u>		<u>212,172</u>	
Creditors: amounts falling due within one year	7	<u>4,800</u>		<u>4,800</u>	
Net current assets			<u>209,874</u>		<u>207,372</u>
Net assets attributable to Members			<u>209,874</u>		<u>207,372</u>
Represented by:					
Loans and other debts due to Members within one year					
Other amounts			-		-
Equity					
Members' capital classified as equity			222,402		207,402
Other reserves			(12,528)		(30)
			<u>209,874</u>		<u>207,372</u>
Total Members' interests:					
Amounts due from Members			(186,732)		(184,795)
Loans and other debts due to Members			-		-
Members' other interests			<u>209,874</u>		<u>207,372</u>
			<u>23,142</u>		<u>22,577</u>

The financial statements were approved by the Members and authorised for issue on 27th July 2020.


M D Digger
Designated Member

The notes on pages 13 to 16 form part of these financial statements.

Patrimoine Partners LLP**Statement of changes in equity and Members' interests for the year ended 31 March 2020**

	Members' capital classified as equity £	Members' other reserves £	Loans and other debts due to/ (from) Members £	Total £
At 1 April 2018	207,402	(1,216)	(198,037)	8,149
Total comprehensive loss for the financial year available for discretionary division among Members	-	(30)	-	(30)
Division of loss	-	1,216	(1,216)	-
Loans from Members	-	-	14,458	14,458
At 1 April 2019	207,402	(30)	(184,795)	22,577
Total comprehensive loss for the financial year available for discretionary division among Members	-	(12,528)	-	(12,528)
Division of loss	-	30	(30)	-
Contributions	15,000	-	-	15,000
Loans to Members	-	-	(1,907)	(1,907)
At 31 March 2020	222,402	(12,528)	(186,732)	23,142

The notes on pages 13 to 16 form part of these financial statements.

Patrimoine Partners LLP**Statement of cash flows for the year ended 31 March 2020**

	2020	2019
	£	£
Cash flows from operating activities		
Loss for the financial year before members' remuneration and profit shares	(12,528)	(30)
Adjustments for:		
(Increase)/decrease in trade and other debtors	3,292	(1,333)
Decrease in trade and other creditors	-	(11,069)
	<hr/>	<hr/>
Net cash flow from operating activities	(9,236)	(12,432)
	<hr/>	<hr/>
Cash flows from financing activities		
Capital contributed by Members	15,000	-
Loans (to)/from Members	(1,907)	14,458
	<hr/>	<hr/>
Net cash flow from financing activities	13,093	14,458
	<hr/>	<hr/>
Net increase in cash and cash equivalents	3,857	2,026
Cash and cash equivalents at beginning of year	22,585	20,559
	<hr/>	<hr/>
Cash and cash equivalents at end of year	26,442	22,585
	<hr/>	<hr/>

The notes on pages 13 to 16 form part of these financial statements.

1 Accounting policies

Entity information

Patrimoine Partners LLP (the “Partnership” or “LLP”) is a limited liability partnership, registered in England, registration number OC326919. The registered office is given on the contents page.

The principal activity of the LLP during the year is given in the Report of the Members.

The financial statements are presented in Sterling as the functional currency of the LLP.

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards. There are no material departures from the provisions of either FRS 102 Section 1A small entities, or the Statement of Recommended Practice ‘Accounting by Limited Liability Partnerships’.

Going concern

The Partnership currently has very limited activity and, as such, is not being impacted by the COVID-19 pandemic at this time. The Partnership has little by way of committed operating expenditure and therefore its cash requirements are low. Furthermore, two of the Designated Members have provided the Partnership with a confirmation of their intent to provide it with sufficient financial support as may be necessary to enable it to comply with its regulatory capital requirements and settle its liabilities as they fall due for the foreseeable future, being a period of at least 12 months from the date of approval of these financial statements.

Taking the above factors into account, the Members have assessed it appropriate to prepare the financial statements on the going concern basis and have done so accordingly.

Turnover

Turnover, representing fees for corporate finance and advisory services, is recognised in profit and loss when the related services are performed. It is stated exclusive of value added tax.

Taxation

The taxation payable on the LLP’s profits (profit for the financial period before Members’ remuneration and profit shares) is a personal liability of the Members and does not therefore represent a liability of the LLP.

Foreign currency

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rate of exchange ruling at the balance sheet date. Any differences are taken to profit and loss.

1 Accounting policies (continued)

Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The LLP's cash at bank and in hand, trade and other debtors and its trade and other creditors are measured initially at the transaction price, including transaction costs. All amounts are payable or receivable within one year and are subsequently measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Members' drawings and the subscription and repayment of Members' capital

In accordance with the LLP Agreement, from time to time the Partnership determines the amount of profit to be treated as Members' fixed remuneration and this profit is treated as allocated. The remaining profit or loss is allocated on a discretionary basis after the year-end. Allocated profits and losses are included within loans and other debts due to members.

Drawings by Members are agreed after considering the estimated profit allocations together with the LLP's working capital requirements. Drawings would be repayable to the LLP in so far as there are insufficient profits to allocate against these payments made on account.

Any loans and other debts due to Members outstanding at the year end rank alongside other creditors in the event of a winding up.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the Members have had to make the following judgements:

- Determine whether it is appropriate to continue to prepare the financial statements on a going concern basis. Further information in this regard is provided in note 1.
- Determine whether there are indicators of impairment of the Partnership's current assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance.

Patrimoine Partners LLP

Notes forming part of the financial statements for the year ended 31 March 2020 (continued)

3 Turnover

Turnover is wholly attributable to the principal activities undertaken by the LLP during the year and arose principally within the United Kingdom.

4 Employees

There were no employees in either the current or previous year.

All profits and losses are allocated to Members in accordance with the provisions detailed in the LLP Agreement. No distributions were made to Members during the year (2019: £nil).

The average number of Members during the year was 3 (2019: 3), all of which were Designated Members.

5 Operating loss

	2020 £	2019 £
This has been arrived at after charging:		
Auditors' remuneration - audit services	4,800	4,430

6 Debtors

	2020 £	2019 £
Trade debtors	-	999
Amounts due from Members	186,732	184,795
Prepayments and accrued income	1,500	1,500
Other debtors	-	2,293
	188,232	189,587

All amounts shown under debtors fall due for payment within one year.

7 Creditors: amounts falling due within one year

	2020 £	2019 £
Accruals and deferred income	4,800	4,800

Patrimoine Partners LLP

Notes forming part of the financial statements for the year ended 31 March 2020 *(continued)*

8 Commitments under operating leases

The LLP had no annual commitments under non-cancellable operating leases in either 2020 or 2019.

9 Related party disclosures

During the year the LLP entered into the following arrangements:

- a) During the year an amount of £1,907 was paid on behalf of Patrimoine Limited in respect of office and administration expenses. Patrimoine Limited is a member of Patrimoine Partners LLP.
- b) At 31 March 2020 the following balances were due from Members:
 - D de J Weill - £131,033 (2019: £131,033)
 - M D Digger - £26,752 (2019: £26,752)
 - Patrimoine Limited - £28,947 (2019: £27,010)

Key management are considered to be the Designated Members. Details of their remuneration are given in note 4.

10 Ultimate controlling party

There is no one individual or corporate Member with a controlling voting interest in the LLP.