

Limited Liability Partnership Registration No. OC348642 (England and Wales)

LTS CAPITAL LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020



LTS CAPITAL LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members	Mr A Nahum Mr S Dalah
Limited liability partnership number	OC348642
Registered office	1st Floor 314 Regents Park Road Finchley London N3 2LT
Auditor	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW

LTS CAPITAL LLP

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LTS CAPITAL LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The members present their report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the LLP in the period under review was that of the provision of investment management services.

The results for the year and the financial position at the year end were considered satisfactory by the members who expect growth in the foreseeable future.

Fair review of the business

The LLP is authorised and regulated by the Financial Conduct Authority. The firm is a Collective Portfolio Management Investment Firm ("CPMI").

The results for 2020 showed an increased turnover of £2,976,169 (2019: £788,912). Cost of sales increased to £303,391 (2019: £160,760). Administrative expenses increased to £507,184 (2019: £328,567). This resulted in an operating profit of £2,165,592 (2019: £299,585) in the year to 31 March 2020.

Principal risks and uncertainties

The members have expressly considered COVID-19 in making this assessment. The LLP's revenue is not directly impacted by COVID-19, but is indirectly impacted through the effect on financial markets and consequently on fund performance. The main impact on the LLP has been the requirement to work from home.

This is not ideal, as communication is more efficient when staff are located in the same office. However, staff were able to successfully operate from their respective homes during lockdown, without any disruption to the business.

Where possible and appropriate, staff have worked from the office and will continue to do so in accordance with government guidelines.

Members' drawings, contributions and repayments

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

A member's capital requirement is linked to the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so the retiring members are repaid their capital at "par".

Designated members

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

Mr A Nahum
Mr S Dalah

LTS CAPITAL LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Capital resources and requirements

The European Union Capital Requirements Directive (CRD) seeks to create a direct correlation between a firm's capital requirement and the risks it faces through its operational activities, by way of an approach in three stages which have become known as the three pillars.

Pillar 1 (minimum capital requirement) sets minimum capital requirements for firms in respect of credit, market and operational risk.

Pillar 2 (supervisory review) places an obligation on firms to hold internal capital that is consistent with their risk profile and strategy, and establishes a joint supervisory process to enable the regulator to review firms' capital adequacy assessments.

Pillar 3 (market discipline) requires firms to make specific disclosures with the aim of strengthening the market's role in judging individual firms' capital adequacy.

LTS CAPITAL LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Capital resources and requirements (continued)

The disclosures we are required to make under the Remuneration Code and the Stewardship Code can be obtained from the Limited Liability Partnership's registered office.

The disclosures we are required to make under Pillar 3 are set out below.

Risk Management

The members are responsible for:

- o determining the firm's strategy;
- o identifying the risks relating to the firm's activities, processes and systems;
- o setting the levels of tolerable risk;
- o establishing policies and procedures for assessing and managing risk.

The principal risks identified by the members are:

- o Operational risk, which is the risk of loss resulting from inadequate or failed internal processes, or from external events;
- o Business risk, which covers losses arising from events such as loss of key customers, departure of key personnel, reputational damage or economic downturn.

The members have adopted risk management policies and procedures which are proportionate to the nature, scale and complexity of the firm's business. The identification and mitigation of operational and business risks are part of the day to day responsibilities of the firm's management, and these risks are also reviewed at formal meetings of the members.

The company is categorised by the FCA as a Collective Portfolio Management Investment Firm ("CPMI"). As such, the regulatory capital that must be held as a minimum is the higher of:

- €125,000 plus 0.02% of AIF AUM greater than €250m (but subject to a cap of €10m); or
- The total variable capital requirement (sum of market and credit risks); or
- The fixed overhead requirement (which is effectively 13/52 of our adjusted operating costs);

plus

The additional AIFMD requirement to cover professional liability risks arising from professional negligence.

The members conduct an individual capital adequacy assessment process (ICAAP), at least annually, in order to estimate the amount of capital the firm should hold in line with its risk profile and strategy. As at 31 March 2020 the total capital resources of the company were more than the Pillar 1 requirement and the ICAAP, and the firm therefore has sufficient regulatory capital.

The firm's capital resources comprise the audited member's capital classified as equity, without deduction. All such capital qualifies as Tier 1 capital as defined in BIPRU.

LTS CAPITAL LLP

MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

As at 31 March 2020, the firm's regulatory capital position was as follows:

	£'000
Capital resources	200
Capital resources requirement	<u>111</u>
Surplus	89

Auditor

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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 unaware, and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the limited liability partnership's auditor aware of that information.

On behalf of the members



.....
Mr A Nahum
Designated Member

LTS CAPITAL LLP

MEMBERS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2020

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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF LTS CAPITAL LLP**

Opinion

We have audited the financial statements of LTS Capital LLP (the 'limited liability partnership') for the year ended 31 March 2020 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 March 2020 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

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.

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

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. 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 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; or
- certain disclosures of members' remuneration specified by law are not made.

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.

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

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 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.

UHY Hacker Young

Daniel Hutson (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

15 April 2021

Chartered Accountants
Statutory Auditor

LTS CAPITAL LLP**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Notes	2020 £	2019 £
Turnover	3	2,976,169	788,912
Cost of sales		(303,391)	(160,760)
Gross profit		2,672,778	628,152
Administrative expenses		(507,184)	(328,567)
Operating profit	4	2,165,594	299,585
Interest receivable and similar income	7	358	334
Profit for the financial year before members' remuneration and profit shares		2,165,952	299,919
Profit for the financial year before members' remuneration and profit shares		2,165,952	299,919
Members' remuneration charged as an expense	6	-	-
Profit for the financial year available for discretionary division among members		2,165,952	299,919

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

LTS CAPITAL LLP

BALANCE SHEET

AS AT 31 MARCH 2020

		2020	2019
	Notes	£	as restated £
Fixed assets			
Tangible assets	8	5,664	4,788
Current assets			
Debtors	10	337,833	245,315
Cash at bank and in hand		606,127	448,144
		943,960	693,459
Creditors: amounts falling due within one year	11	(245,183)	(185,587)
Net current assets		698,777	507,872
Total assets less current liabilities and net assets attributable to members		704,441	512,660
Represented by:			
Loans and other debts due to members within one year			
Amounts due in respect of profits		504,441	211,838
Members' other interests			
Members' capital classified as equity		200,000	200,000
Other reserves classified as equity		-	100,822
		704,441	512,660
Total members' interests			
Loans and other debts due to members		504,441	211,838
Members' other interests		200,000	300,822
		704,441	512,660

LTS CAPITAL LLP

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2020

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



.....
Mr A Nahum
Designated member

Limited Liability Partnership Registration No. OC348642

LTS CAPITAL LLP

**RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 MARCH 2020**

Current financial year

	EQUITY			DEBT		TOTAL
	Members' capital (classified as equity)	Other reserves	Total	Loans and other debts due to members less any amounts due from members in debtors	MEMBERS' INTERESTS	Total 2020
	£	£	£	£	£	£
Amounts due to members				211,838		
Members interests at 1 April 2019	200,000	299,919	499,919	211,838	211,838	711,757
Prior year adjustment	-	(199,097)	(199,097)	-	-	(199,097)
Members' interests at 1 April 2019 as restated	200,000	100,822	300,822	211,838	211,838	512,660
Profit for the financial year available for discretionary division among members	-	2,165,952	2,165,952	-	-	2,165,952
Members' interests after profit for the year	200,000	2,266,774	2,466,774	211,838	211,838	2,678,612
Allocation of profit for the financial year	-	(2,165,952)	(2,165,952)	2,165,952	2,165,952	-
Allocation of historical residual profits	-	(100,822)	(100,822)	100,822	100,822	-
Drawings	-	-	-	(1,974,171)	(1,974,171)	(1,974,171)
Members' interests at 31 March 2020	200,000	-	200,000	504,441	504,441	704,441
Amounts due to members				504,441		
				504,441		

LTS CAPITAL LLP

RECONCILIATION OF MEMBERS' INTERESTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Prior financial year

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)	Other reserves (Restated)	Total (Restated)	Other amounts	Total	Total 2019 (Restated)
	£	£	£	£	£	£
Amounts due to members				259,578		
Members' interests at 1 April 2018 as previously reported	70,000	1,244,078	1,314,078	259,578	259,578	1,573,656
Prior year adjustment	-	(199,097)	(199,097)	-	-	(199,097)
Members' interests at 1 April 2018 as restated	70,000	1,044,981	1,114,981	259,578	259,578	1,374,559
Profit for the financial year available for discretionary division among members	-	299,919	299,919	-	-	299,919
Members' interests after profit for the year	70,000	1,344,900	1,414,900	259,578	259,578	1,674,478
Allocation of profit for the financial year	-	(1,244,078)	(1,244,078)	1,244,078	1,244,078	-
Introduced by members	130,000	-	130,000	(130,000)	(130,000)	-
Drawings	-	-	-	(1,161,818)	(1,161,818)	(1,161,818)
Members' interests at 31 March 2019	200,000	100,822	300,822	211,838	211,838	512,660
Amounts due to members				211,838		
				211,838		

LTS CAPITAL LLP

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2020

		2020	2019
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	16	2,136,386	13,340
Investing activities			
Purchase of tangible fixed assets		(4,590)	(3,557)
Interest received		358	334
Net cash used in investing activities		(4,232)	(3,223)
Financing activities			
Payments to members that represent a return on amounts subscribed or otherwise contributed		(1,974,171)	(1,161,818)
Net cash used in financing activities		(1,974,171)	(1,161,818)
Net increase/(decrease) in cash and cash equivalents		157,983	(1,151,701)
Cash and cash equivalents at beginning of year		448,144	1,599,845
Cash and cash equivalents at end of year		606,127	448,144

LTS CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Limited liability partnership information

LTS Capital LLP is a limited liability partnership incorporated in England and Wales. The registered office is 1st Floor, 314 Regents Park Road, Finchley, London, N3 2LT.

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.

The members have expressly considered COVID-19 in making this assessment. The LLP's revenue is not directly impacted by COVID-19, but is indirectly impacted through the effect on financial markets and consequently on fund performance.

The main impact on the LLP has been the requirement to work from home. This is not ideal, as communication is more efficient when staff are located in the same office. However, staff were able to successfully operate from their respective homes during lockdown, without any disruption to the business.

Where possible and appropriate, staff have worked from the office and will continue to do so in accordance with government guidelines.

1.3 Turnover

Turnover represents amounts receivable for fund management, consultancy services and recharged expenses, net of VAT.

LTS CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

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:

Leasehold Improvements	25% straight line
Fixtures, fittings & equipment	25% straight line
Computer equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

LTS CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020

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, including 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. 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.

LTS CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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.

Derecognition of financial liabilities

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

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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.

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

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

LTS CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

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.

The members have not identified any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

3 Turnover

The total turnover of the limited liability partnership for the year has been derived from its principal activity wholly undertaken in the United Kingdom

4 Operating profit

	2020	2019
Operating profit for the year is stated after charging/(crediting):	£	£
Exchange (gains)/losses	5,525	(5,396)
Fees payable to the LLP's auditor for the audit of the LLP's annual accounts	7,500	6,250
Depreciation of owned tangible fixed assets	3,712	2,710
Operating lease charges	50,575	51,539
	<u> </u>	<u> </u>

5 Employees

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

	2020	2019
	Number	Number
Administration	3	3
	<u> </u>	<u> </u>

LTS CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

5 Employees

(Continued)

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	260,091	175,735
Social security costs	33,730	11,591
Pension costs	1,243	927
	<u>295,064</u>	<u>188,253</u>

6 Information in relation to members

	2020	2019
	Number	Number
Average number of members during the year	<u>2</u>	<u>2</u>

	2020	2019
	£	£
Profit attributable to the member with the highest entitlement	<u>1,098,769</u>	<u>149,959</u>

7 Interest receivable and similar income

	2020	2019
	£	£
Interest income		
Other interest income	<u>358</u>	<u>334</u>

LTS CAPITAL LLP

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

8 Tangible fixed assets

	Leasehold Improvements	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 1 April 2019	10,809	18,168	26,358	55,335
Additions	-	547	4,043	4,590
At 31 March 2020	10,809	18,715	30,401	59,925
Depreciation and impairment				
At 1 April 2019	10,809	17,143	22,597	50,549
Depreciation charged in the year	-	1,162	2,550	3,712
At 31 March 2020	10,809	18,305	25,147	54,261
Carrying amount				
At 31 March 2020	-	410	5,254	5,664
At 31 March 2019	-	1,025	3,763	4,788

9 Financial instruments

	2020	2019
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	37,011	526
Carrying amount of financial liabilities		
Measured at amortised cost	208,525	182,178

10 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	37,011	-
Other debtors	8,352	7,627
Prepayments and accrued income	292,470	237,688
	337,833	245,315

LTS CAPITAL LLP**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020****11 Creditors: amounts falling due within one year**

	2020	2019
	£	£
Trade creditors	81,219	23,779
Other taxation and social security	36,658	3,409
Other creditors	11,941	94,539
Accruals and deferred income	115,365	63,860
	<u>245,183</u>	<u>185,587</u>

12 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 £1,243 (2019 - £927).

13 Loans and other debts due to members

	2020	2019
	£	£
Analysis of loans		
Amounts falling due within one year	<u>504,441</u>	<u>211,838</u>

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

LTS CAPITAL LLP**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020****14 Operating lease commitments****Lessee**

At the reporting end date the limited liability partnership had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	53,451	9,839
Between two and five years	71,304	751
	<u>124,755</u>	<u>10,590</u>

15 Ultimate controlling party

The LLP is controlled by the designated members.

16 Cash generated from operations

	2020 £	2019 £
Profit for the year	2,165,952	299,919
Adjustments for:		
Investment income recognised in profit or loss	(358)	(334)
Depreciation and impairment of tangible fixed assets	3,712	2,710
Movements in working capital:		
Increase in debtors	(92,518)	(235,444)
Increase/(decrease) in creditors	59,598	(53,511)
Cash generated from operations	<u>2,136,386</u>	<u>13,340</u>

17 Prior period adjustment

The prior period has been restated in order to correct historical incorrect revenue recognition relating to performance fee income.

The brought forward retained earnings for the years ended 31 March 2019 and 31 March 2020 and trade debtors for the year ended 31 March 2019 were reduced by £199,097.