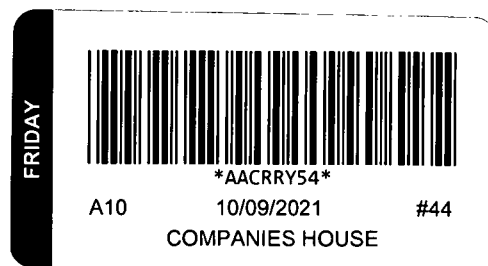


## **Beach Point Capital Europe LLP**

### **Members' report and financial statements**

for the year ended 31 December 2020

Registered number: OC351279



## Beach Point Capital Europe LLP

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### Information

**Designated Members** Beach Point Capital UK Limited  
Beach Point Capital 3 UK Limited

**LLP registered number** OC351279

**Registered office** Devonshire House  
1 Mayfair Place  
London  
W1J 8AJ

**Independent auditor** Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

**Bankers** Wells Fargo Bank, N.A.  
One Plantation Place  
30 Fenchurch Street  
London  
EC3M 3BD

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### Members' report

for the year ended 31 December 2020

The members present their report together with the audited financial statements of Beach Point Capital Europe LLP ('the LLP') for the year ended 31 December 2020.

#### Principal activities

The principal activity of the LLP is to provide certain non-binding investment advisory and other services.

#### Designated Members

The following were designated members who served during the year:

Beach Point Capital UK Limited  
Beach Point Capital 2 UK Limited (resigned 1 March 2020)  
Beach Point Capital 3 UK Limited (appointed 1 March 2020)

#### Members' capital and interests

Upon admission to the LLP, new members must make a capital contribution to the LLP as determined by the corporate member and as specified in the Deed of Adherence executed by the new member.

*No member shall be entitled to interest on his capital contribution, unless otherwise determined by the corporate member and no member may be required to contribute any further capital on the insolvency of the LLP.*

No member shall have the right directly or indirectly to withdraw or receive back any part of the amount standing to the credit of his capital account, except upon the winding-up of the LLP. The corporate member may from time to time determine to return some or all of the amounts standing to the credit of their respective capital accounts to one or more of the members (whether upon a member ceasing to be a member or otherwise), as the corporate member shall determine in its sole and absolute discretion.

The corporate member shall only be permitted to exercise its discretion to return amounts standing to the credit of a member's capital account to a member where either (i) an amount equal to the amount to be returned is first contributed to the LLP as additional capital by one or more of the members; or (ii) the LLP has received prior written approval from the Financial Conduct Authority that it may do so without one or more other members having first contributed an amount of capital equal to the amount to be returned by the LLP.

Members are entitled to monthly drawings, in amounts determined by the corporate member at the start of each year. This amount is determined with consideration to the expected profitability of the LLP in the coming year. Each member is entitled to withdraw any amount standing as a credit to their distribution account. In the event that any member has a deficit balance on their distribution account, this is repayable to the LLP at any time, at the discretion of the corporate member.

#### Impact of COVID-19

The members have considered the impact of the current COVID-19 pandemic on the LLP's business, with a particular focus on its effect on the LLP's operations, members and employees and the support available from the LLP's ultimate parent undertaking.

The members do not consider this to be cause for material uncertainty in respect of the LLP's ability to continue as a going concern. The LLP has adapted well, successfully employing contingency plans, and the members consider that the LLP has sufficient resources to continue for the foreseeable future, despite the current crisis.

**Members' report (continued)**  
for the year ended 31 December 2020

**Members' responsibilities statement**

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 (United Kingdom Accounting Standards and applicable law). 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 LLP and of the profit or loss of the LLP 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 LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and to 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 the Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the members on 27 April 2021 and signed on their behalf by:



**T Boyack**  
For and on behalf of Beach Point Capital UK Limited  
Designated member

## **Independent auditor's report to the members of Beach Point Capital Europe LLP** for the year ended 31 December 2020

### **Opinion**

We have audited the financial statements of Beach Point Capital Europe LLP (the 'LLP') for the year ended 31 December 2020, which comprise the Statement of comprehensive income, the Statement of financial position, the Reconciliation of members' interests, the Statement of cash flows, and the related notes, 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 LLP's affairs as at 31 December 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 LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 LLP's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Other information**

The members are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and 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.

## **Independent auditor's report to the members of Beach Point Capital Europe LLP (continued)**

for the year ended 31 December 2020

### **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 LLP'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 LLP 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 approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations, including knowledge specific to auditing regulated investment advisory firms;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the LLP through discussions with members and other management at the planning stage, and from our knowledge and experience of regulated investment advisory firms;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations;
- we considered the impact of COVID-19 on the LLP and its internal controls;

## **Independent auditor's report to the members of Beach Point Capital Europe LLP (continued)**

for the year ended 31 December 2020

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

- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the LLP including Companies Act 2006 as applied to LLP's, The Financial Services and Markets Act 2000, employment legislation and taxation legislation; and
- we considered the impact of Brexit on the LLP and the laws and regulations above.

We assessed the extent of compliance with the laws and regulations identified above through:

- making enquiries of management;
- inspecting legal expenditure and correspondence throughout the year for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

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

- determined the susceptibility of the LLP to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process, taking into account the impact of COVID-19 on controls during the year;
- reviewed journal entries throughout the year to identify unusual transactions;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior period;
- reviewed accounting estimates and evaluated where judgements or decisions made by management indicated bias on the part of the LLP's management; and
- carried out substantive testing to check the occurrence and cut-off of expenditure.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, the Financial Conduct Authority and the LLP's legal advisors.

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members and other management and the inspection of regulatory and legal correspondence, if any.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.



## **Independent auditor's report to the members of Beach Point Capital Europe LLP (continued)**

for the year ended 31 December 2020

### **Use of our report**

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Chapman (Senior statutory auditor)  
for and on behalf of

**Buzzacott LLP**  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

27 April 2021

**Statement of comprehensive income**  
for the year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	4	5,514,726	6,692,778
<b>Gross profit</b>		<b>5,514,726</b>	<b>6,692,778</b>
Administrative expenses		(5,106,228)	(6,192,784)
<b>Operating profit</b>	5	<b>408,498</b>	<b>499,994</b>
Interest receivable and similar income	9	3,566	7,185
Interest payable and expenses	10	-	(4,234)
<b>Profit for the year available for discretionary division among members</b>		<b>412,064</b>	<b>502,945</b>

All amounts relate to continuing operations.

There was no other comprehensive income for 2020 or 2019.

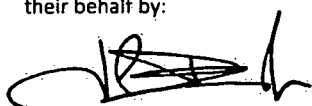
The notes on pages 10 to 19 form part of these financial statements.

## Statement of financial position

As at 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	11	95,274	112,562
<b>Current assets</b>			
Debtors	12	4,684,021	5,745,024
Cash at bank and in hand	13	761,877	167,745
		<u>5,445,898</u>	<u>5,912,769</u>
Creditors: amounts falling due within one year	14	<u>(3,917,463)</u>	<u>(4,770,725)</u>
<b>Net current assets</b>		<u>1,528,435</u>	<u>1,142,044</u>
<b>Total assets less current liabilities</b>		<u>1,623,709</u>	<u>1,254,606</u>
<b>Provisions for liabilities</b>			
Other provisions		<u>(83,038)</u>	<u>-</u>
		<u>(83,038)</u>	<u>-</u>
<b>Net assets</b>		<u>1,540,671</u>	<u>1,254,606</u>
<b>Represented by:</b>			
<b>Loans and other debts due to members within one year</b>			
Other amounts	15	1,035,670	749,605
Members' capital classified as equity		505,001	505,001
		<u>1,540,671</u>	<u>1,254,606</u>
<b>Total members' interests</b>			
Loans and other debts due to members	15	1,035,670	749,605
Members' other interests		505,001	505,001
		<u>1,540,671</u>	<u>1,254,606</u>

The financial statements were approved and authorised for issue by the members on 27 April 2021 and were signed on their behalf by:



T Boyack

For and on behalf of Beach Point Capital UK Limited  
Designated member

The notes on pages 10 to 19 form part of these financial statements.

## Reconciliation of members' interests

for the year ended 31 December 2020

	EQUITY Members' other interests			DEBT Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Members' capital (classified as equity) £	Other reserves £	Total £	Other amounts £	Total £	Total £
Amounts due to members				1,033,095	1,033,095	
<b>Balance at 1 January 2019</b>	505,001	-	505,001	1,033,095	1,033,095	1,538,096
Profit for the year available for discretionary division among members	-	502,945	502,945	-	-	502,945
<b>Members' interests after profit for the year</b>	505,001	502,945	1,007,946	1,033,095	1,033,095	2,041,041
Other division of profits	-	(502,945)	(502,945)	502,945	502,945	-
Other movements	-	-	-	(786,435)	(786,435)	(786,435)
Amounts due to members				749,605	749,605	
<b>Balance at 31 December 2019</b>	505,001	-	505,001	749,605	749,605	1,254,606
Profit for the year available for discretionary division among members	-	412,064	412,064	-	-	412,064
<b>Members' interests after profit for the year</b>	505,001	412,064	917,065	749,605	749,605	1,666,670
Other division of profits	-	(412,064)	(412,064)	412,064	412,064	-
Other movements	-	-	-	(125,999)	(125,999)	(125,999)
Amounts due to members				1,035,670	1,035,670	
<b>Balance at 31 December 2020</b>	505,001	-	505,001	1,035,670	1,035,670	1,540,671

The notes on pages 10 to 19 form part of these financial statements.

The members are only permitted to reduce the amount of 'Members' other interests' at the LLP's sole discretion.

## Notes to the financial statements

for the year ended 31 December 2020

### 1. General information

Beach Point Capital Europe LLP is a limited liability partnership that was incorporated in England and Wales. The LLP's registered office address is Devonshire House, 1 Mayfair Place, London, W1J 8AJ.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the entity's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Going concern

The members have considered the impact of the current COVID-19 pandemic on the LLP's business, with a particular focus on its effect on the LLP's operations, members and employees and the support available from the LLP's ultimate parent undertaking.

The members do not consider this to be cause for material uncertainty in respect of the LLP's ability to continue as a going concern. The LLP has adapted well, successfully employing contingency plans, and the members consider that the LLP has sufficient financial resources to continue for the foreseeable future, despite the current crisis.

#### 2.3 FRS 102 - reduced disclosure exemption

The LLP has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Beach Point Capital UK Limited as at 31 December 2020 and these financial statements may be obtained from Companies House.

## Notes to the financial statements

for the year ended 31 December 2020

### 2. Accounting policies (continued)

#### 2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the LLP will receive the consideration due under the contract.

Turnover is accrued monthly on a cost plus basis and represents income derived from the LLP's principal activity of providing investment advisory services to Beach Point Capital Management LP in accordance with the Investment Advisory Agreement.

#### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The LLP adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the LLP. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Leasehold Improvements	- the remaining term of the lease
Fixtures and fittings	- 5 years
Office equipment	- 3 years
Computer equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

## Notes to the financial statements

for the year ended 31 December 2020

### 2. Accounting policies (continued)

#### 2.6 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term.

#### 2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

#### 2.8 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

#### 2.9 Financial instruments

The LLP only enters into transactions that result in the recognition of basic financial instruments like trade and other debtors and creditors and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost or amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income. The impairment loss is measured as the excess of an asset's carrying amount over its recoverable amount, which is an approximation of the amount that the LLP would receive for the asset if it were to be sold at the reporting date.

#### 2.10 Creditors

Short term creditors are measured at the transaction price.

## Notes to the financial statements

for the year ended 31 December 2020

### 2. Accounting policies (continued)

#### 2.11 Foreign currency translation

##### *Functional and presentation currency*

The LLP's functional and presentational currency is GBP.

##### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period-end, foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'administrative expenses'.

#### 2.12 Interest receivable

Interest income is recognised in profit or loss using the effective interest method.

#### 2.13 Pensions

##### *Defined contribution pension scheme*

The LLP operates a defined contribution scheme for its employees. A defined contribution scheme is a pension scheme under which the LLP pays contributions into a separate entity. Once the contributions have been paid the LLP has no further payment obligations.

The employer contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of financial position. The assets of the scheme are held separately from the LLP in independently administered funds.

#### 2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the LLP a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the LLP becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.



## Notes to the financial statements

for the year ended 31 December 2020

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The members do not consider there to be any critical judgements or key sources of estimation uncertainty involved in the preparation of the LLP's financial statements.

### 4. Analysis of turnover

The whole of the turnover is attributable to the LLP's principal activity.

All turnover arose within the United Kingdom.

### 5. Operating profit

The operating profit is stated after charging:

	2020	2019
	£	£
Exchange differences	69	349
Other operating lease rentals	<u>163,660</u>	<u>160,381</u>

### 6. Auditor's remuneration

	2020	2019
	£	£
Fees payable to the LLP's auditor for the audit of the LLP's annual accounts	<u>9,500</u>	<u>9,500</u>

#### Fees payable to the LLP's auditor and its associates in respect of:

Audit-related assurance services	2,000	2,000
Taxation compliance services	2,150	1,750
Tax advisory services	24,092	3,600
All other non-audit services not included above	<u>29,629</u>	<u>31,429</u>

## Notes to the financial statements

for the year ended 31 December 2020

### 7. Staff costs and average number of employees

Staff costs, during the year, were as follows:

	2020 £	2019 £
Wages, salaries and benefits	3,887,339	4,754,092
Social security costs	530,434	644,542
Cost of defined contribution scheme	39,000	29,762
	<b>4,456,773</b>	<b>5,428,396</b>

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

	2020 Number	2019 Number
Investment professional	2	2
Investor relations	2	2
Office managers	1	2
	<b>5</b>	<b>6</b>

### 8. Information in relation to members

	2020 Number	2019 Number
The average number of members during the year was	2	2

	2020 £	2019 £
The amount of profit attributable to the member with the largest entitlement was	412,064	502,944

### 9. Interest receivable

	2020 £	2019 £
Other interest receivable	3,566	7,185
	<b>3,566</b>	<b>7,185</b>

## Notes to the financial statements

for the year ended 31 December 2020

### 10. Interest payable and similar expenses

	2020 £	2019 £
Interest payable on finance leases	-	4,234
	-	4,234

### 11. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2020	219,422	116,682	117,088	52,996	506,188
Additions	59,475	-	1,872	1,295	62,642
At 31 December 2020	278,897	116,682	118,960	54,291	568,830
<b>Depreciation</b>					
At 1 January 2020	134,405	115,447	115,738	28,036	393,626
Charge for the year	66,952	1,062	808	11,108	79,930
At 31 December 2020	201,357	116,509	116,546	39,144	473,556
<b>Net book value</b>					
At 31 December 2020	77,540	173	2,414	15,147	95,274
At 31 December 2019	85,017	1,235	1,350	24,960	112,562

## Notes to the financial statements

for the year ended 31 December 2020

### 12. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	4,373,012	5,360,492
Other debtors	209,467	283,442
Prepayments and accrued income	101,542	101,090
	<u>4,684,021</u>	<u>5,745,024</u>

Included in other debtors is an amount of £194,827 (2019 - £267,254) due after more than one year which relates to a rental deposit.

### 13. Cash

	2020 £	2019 £
Cash at bank and in hand	761,877	167,745
	<u>761,877</u>	<u>167,745</u>

### 14. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	3,841	11,175
Other taxation and social security	19,576	23,184
Other creditors	-	3,630
Accruals and deferred income	3,894,046	4,732,736
	<u>3,917,463</u>	<u>4,770,725</u>

## Notes to the financial statements

for the year ended 31 December 2020

### 15. Loans and other debts due to members

	2020 £	2019 £
Other amounts due to members	1,035,670	749,605
	<u>1,035,670</u>	<u>749,605</u>

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

### 16. Provisions

	Dilapidations provision £
Charged to profit or loss	83,038
<b>At 31 December 2020</b>	<b><u>83,038</u></b>

All provisions charged to profit or loss in the year relate to the dilapidations provision in respect of the property leased by the LLP.

### 17. Contingent liabilities

The LLP had no contingent liabilities at 31 December 2020 or 31 December 2019.

### 18. Capital commitments

The LLP had no capital commitments at 31 December 2020 or 31 December 2019.

### 19. Pension commitments

The LLP operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the LLP in an independently administered fund. The pension cost charge represents contributions payable by the LLP to the fund and amounted to £39,000 (2019 - £29,762). Contributions totalling £3,000 (2019 - £3,630) were payable to the fund at the reporting date and are included in 'other creditors'.

## Notes to the financial statements

for the year ended 31 December 2020

### 20. Commitments under operating leases

At 31 December 2020, the LLP had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	196,725	196,725
Later than 1 year and not later than 5 years	323,339	520,064
	<u>520,064</u>	<u>716,789</u>

### 21. Related party transactions

During the year, the LLP charged £5,514,726 (2019 - £6,692,778) to Beach Point Capital Management LP ('the LP') for services provided.

At 31 December 2020, £4,373,012 (2019 - £5,360,492) was due from the LP to the LLP.

Beach Point Capital Management LP is a related party by virtue of being the ultimate parent undertaking of the LLP.

#### *Key management personnel compensation*

Key management personnel compensation during the year totalled £3,255,227 (2019 - £3,947,549).

### 22. Parent undertaking and controlling party

The immediate parent undertaking of the LLP is Beach Point Capital UK Limited ('the company'), a company incorporated in England and Wales. The LLP is a wholly owned subsidiary of the company.

The ultimate parent undertaking and controlling party of the LLP is Beach Point Capital Management LP, a limited partnership incorporated in the United States of America.

The largest group of undertakings for which group accounts have been drawn up which include the LLP is headed by Beach Point Capital Management LP. The registered office address of the LP is 1620 26th Street, Suite 6000N Santa Monica, CA 90404.

The smallest group of undertakings for which group accounts have been drawn up which include the LLP is headed by Beach Point Capital UK Limited. The registered office address of the company is Devonshire House, 1 Mayfair Place, London, W1J 8AJ. These group accounts are available from The Registrar, Companies House, Crown way, Cardiff, CF4 3UZ.