

# EQUISTONE

EQUISTONE (UK) LLP

Annual Report and Audited Financial Statements  
For the year ended 31 December 2021

REGISTERED NUMBER: OC364133



Equistone (UK) LLP (Registered number: OC364133)  
Annual report and audited financial statements for the year ended  
31 December 2021

## Partnership Information

### Registered number

OC364133

### Registered office

One New Ludgate  
60 Ludgate Hill  
London  
England  
EC4M 7AW

### Independent auditor

Grant Thornton (UK) LLP  
30 Finsbury Square  
London  
EC2A 1AG

### Bankers

Barclays Bank PLC  
One Churchill Place  
London  
E14 5HP

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## Designated Members' Report

The Designated Members present their annual report and the audited financial statements of Equistone (UK) LLP ("the Partnership") for the year ended 31 December 2021.

### Principal activities

The principal activity of the Partnership is to act as the UK service entity to Equistone LLP and its subsidiaries ("the Equistone Group" or "Equistone"). Equistone is a manager of mid-market European private equity funds.

### Review of the business and future outlook

The Partnership's income derives primarily from the fees received for the supply of services to the Equistone Group. For the year ended 31 December 2021 total revenue amounted to £12,689,000 (2020: £10,181,000). The Partnership's main overheads are in relation to employment costs.

The Designated Members are satisfied with the Partnership's performance and foresee no changes to the Partnership's principal activities in the coming year.

### Results

The profit of the Partnership available for distribution among Members amounted to £2,375,000 for the year ended 31 December 2021 (2020: £909,000) and is set out on page 8.

### Designated Members

The Designated Members, who acted during the year and up to the date of signing the financial statements, unless otherwise stated, are set out below:

S O'Hare  
S Whitaker  
Equistone Private Equity Limited

### Statement of Members' Responsibilities

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

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) require the Members to prepare financial statements for each financial year. Under the law the Members have elected to prepare financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'. The financial statements are required by law to give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

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

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## Designated Members' Report (continued)

### Members' interests

Members have contributed capital to the Partnership. As this capital is repayable when a Member leaves the Partnership, it is classified as a liability.

Profits and losses are allocated in line with the Equistone (UK) LLP Deed as set out in note 2.7. Members receive drawings monthly and, from time to time, additional profit distributions.

### Disclosure of information to auditors

The Members confirm that:

- so far as each Member is aware, there is no relevant audit information of which the Partnership's auditor is unaware.
- the Members have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

### Principal risks and uncertainties

The quality of the services provided to the Equistone Group depends largely on attracting and retaining well qualified staff and maintaining effective systems and infrastructure to meet the needs of an international private equity business. The risks of failing to provide the required level of service are mitigated through the Partnership's rigorous recruitment processes and commitment to staff development. Operational risks are mitigated through effective systems and controls and appropriate compliance procedures.

### Covid-19

The Partnership is part of a group on which the impact of Covid-19 is modest. The Group's IT systems have accommodated the requirement for staff to work remotely as required so the business has been able to operate as normal throughout the crisis.

### Independent Auditors

Grant Thornton UK LLP will continue to hold office in accordance with section 36 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

The financial statements on pages 8 to 17 were approved by the Board on 25 April 2022 and signed on its behalf by:



Steven Whitaker  
On behalf of Equistone Private Equity Limited  
Designated Member  
25 April 2022

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## Independent auditor's report to the members of Equistone (UK) LLP

### Opinion

We have audited the financial statements of Equistone (UK) LLP ('the partnership') for the year ended 31 December 2021, which comprise of the Income Statement, Statement of Financial Position, Statement of Changes in Equity, 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 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the partnership's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships.

### 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 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 are responsible for concluding on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the partnership to cease to continue as a going concern.

In our evaluation of the members' conclusions, we considered the inherent risks associated with the partnership's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of the estimates made by the members and the related disclosures and analysed how those risks might affect the partnership's financial resources or ability to continue operations over the going concern period.

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 partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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.

The responsibilities of the members with respect to going concern are described in the 'Responsibilities of members for the financial statements' section 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.

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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 on 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 for the financial statements**

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 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 partnership or to cease operations, or has 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 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.

#### **Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the members and management. We determined that the most significant laws and regulations were United Kingdom Accounting Standards, including FRS 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice), the CCAB Statement of Recommended Practice (SORP) 'Accounting by Limited Liability Partnerships and the Companies Act 2006';

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- We enquired of the members and management to obtain an understanding of how the partnership is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the minutes of the partnership's board meetings;
- We assessed the susceptibility of the partnership's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
  - evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
  - testing journal entries, including manual journal entries processed at the year-end for financial statements preparation and journals with unusual account combinations, unusual descriptions and posted at unusual times; and
  - challenging the assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
  - knowledge of the industry in which the partnership operates; and
  - understanding of the legal and regulatory frameworks applicable to the partnership.

#### Use of our report

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

*Grant Thornton UK LLP*

William Pointon  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London  
25 April 2022

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## Income Statement

For the year ended 31 December 2021

	NOTES	2021 £'000	2020 £'000
Revenue	3	12,689	10,181
Staff costs	4	(5,185)	(4,747)
Operating expenses	5	(1,417)	(1,246)
Finance expense	8	(5)	(8)
Profit or loss for the financial year before Members' remuneration and profit shares		6,082	4,180
Members' remuneration charged as an expense		(3,707)	(3,271)
<b>Profit for the year available for division among Members</b>	<b>9</b>	<b>2,375</b>	<b>909</b>

The Partnership has no other comprehensive income apart from the profit for the year available for discretionary division among Members and hence total comprehensive income for the year is £2,375,000 (2020: £909,000).

The accompanying notes on pages 11 to 17 form an integral part of the financial statements.

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## Statement of Financial Position

As at 31 December 2021

	NOTES	2021 £'000	2020 £'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Trade and other receivables	6	1,509	1,703
Plant, property and equipment	8	80	138
<b>Total non-current assets</b>		<b>1,589</b>	<b>1,841</b>
<b>Current assets</b>			
Cash and cash equivalents		634	494
Trade and other receivables	6	3,239	1,272
<b>Total current assets</b>		<b>3,873</b>	<b>1,766</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	7	(2,211)	(1,782)
<b>Total current liabilities</b>		<b>(2,211)</b>	<b>(1,782)</b>
<b>Non-current liabilities</b>			
Other payables	7	(16)	(77)
<b>Total non-current liabilities</b>		<b>(16)</b>	<b>(77)</b>
<b>Net assets attributable to Members</b>		<b>3,235</b>	<b>1,748</b>
<b>MEMBERS' INTERESTS</b>			
Members' capital classified as a liability	9	860	839
Amounts due to Members classified as equity	9	2,375	909
<b>Total Members' interests</b>		<b>3,235</b>	<b>1,748</b>

The accompanying notes on pages 11 to 17 form an integral part of the financial statements.

The financial statements were approved by the Designated Members on 25 April 2022 and signed on behalf of the Partnership by:



Steven Whitaker  
On behalf of Equistone Private Equity Limited  
Designated Member  
25 April 2022

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## Statement of Changes in Members' Equity

For the year ended 31 December 2021

2021	MEMBERS' CAPITAL £'000	OTHER RESERVES £'000	TOTAL MEMBERS' EQUITY £'000
<b>Balance at 1 January 2021</b>	<b>839</b>	<b>909</b>	<b>1,748</b>
Profit for the year available for division among Members	-	2,375	2,375
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>2,375</b>	<b>2,375</b>
Profit allocated to Members	-	(909)	(909)
Members' contributions	21	-	21
Members' capital repaid	-	-	-
<b>At 31 December 2021</b>	<b>860</b>	<b>2,375</b>	<b>3,235</b>

2020	MEMBERS' CAPITAL £'000	OTHER RESERVES £'000	TOTAL MEMBERS' EQUITY £'000
<b>Balance at 1 January 2020</b>	<b>628</b>	<b>149</b>	<b>777</b>
Profit for the year available for division among Members	-	909	909
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>909</b>	<b>909</b>
Profit allocated to Members	-	(149)	(149)
Members' contributions	211	-	211
Members' capital repaid	-	-	-
<b>At 31 December 2020</b>	<b>839</b>	<b>909</b>	<b>1,748</b>

The accompanying notes on pages 11 to 17 form an integral part of the financial statements.

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# Notes to the financial statements

## 1. Reporting entity

These financial statements are prepared for Equistone (UK) LLP which is a partnership domiciled and incorporated in the United Kingdom. The address of the registered office of the Partnership is One New Ludgate, 60 Ludgate Hill, London, United Kingdom, EC4M 7AW.

## 2. Significant accounting policies

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

### 2.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention as modified to include the revaluation of certain financial assets and liabilities, and in accordance with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008).

The financial statements have been prepared on a going concern basis.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Partnership's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.10.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d) (statement of cash flows)
  - 16 (statement of compliance with all IFRS)
  - 38A (requirement for minimum of two primary statements, including cash flow statements)
  - 38B-D (additional comparative information)
  - 111 (cash flow statement information)
  - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows'
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group

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## Notes to the financial statements (continued)

### 2.2 Revenue

Revenue is recognised on an accruals basis.

Revenue primarily comprises advisory fees paid to the Partnership from Equistone Partners Europe Limited, a fellow subsidiary company, in return for services supplied to the Equistone Group. During 2020 and 2021, loans were made to certain employees of Equistone (UK) LLP on an arms-length basis. Arrangement fee income and interest income on these loans are classified as revenue.

### 2.3 Operating expenses

Operating expenses are recognised on an accruals basis and include costs in relation to running a UK office network.

### 2.4 Financial assets and liabilities

The Partnership recognises financial instruments from the trade date, and continues to recognise them until, in the case of assets, the rights to receive cash flows have expired or the Partnership has transferred substantially all the risks and rewards of ownership, or in the case of liabilities, until the liability has been settled, extinguished or has expired.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as available for sale. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables are initially recognised at fair value including direct and incremental transaction costs. They are subsequently measured at amortised cost less any amounts that have been provided for to reflect impairment in the value of the asset, where there is objective evidence of impairment.

Financial liabilities are measured at amortised cost, except for trading liabilities and liabilities designated at fair value which are held at fair value through profit or loss. Financial liabilities are derecognised when extinguished. The Partnership's financial liabilities comprise trade and other payables in the Statement of Financial Position.

### 2.5 Cash and cash equivalents

Cash comprises cash on hand, demand deposits, and cash equivalents.

### 2.6 Defined contribution scheme

The Partnership operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Partnership in an independently administered fund. The pension cost charge disclosed in note 4 represents contributions payable by the Partnership to the pension fund.

### 2.7 Members' allocation of profits and drawings and Members' capital

In line with the Equistone (UK) LLP Deed dated 10 November 2011 as subsequently amended on 10 July 2019 ("the Deed") profits shall be allocated and distributed, firstly, amongst Members in satisfaction of their entitlements to an annual profit share (shown as Members' remuneration charged as an expense) and, secondly, as determined by the Head of each relevant team (shown as Profit for the year available for division among Members). All losses in any accounting period shall be allocated amongst the Members as determined by the Leadership Team.

Capital contributions are classified as a liability of the Partnership. In the event of a Member ceasing to be a Member of the Partnership, any amounts due in accordance with the terms of the Deed shall be paid to the Member as soon as reasonably practicable following the date they cease to be a Member of the Partnership.

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## Notes to the financial statements (continued)

### 2.8 Leases

The Partnership recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Office equipment	Over the term of the lease
------------------	----------------------------

If ownership of the leased asset transfers to the Partnership at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

#### Lease liabilities

The Partnership recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable.

In calculating the present value of lease payments, the Partnership uses its incremental borrowing rate at the lease commencement date where the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or a change in the lease term. The Partnership's lease liabilities are included in Trade and other payables.

### 2.9 Taxation

Equistone (UK) LLP is a Limited Liability Partnership and so is not subject to taxation since the Members are individually responsible for taxation of their share of the profits of the Partnership.

### 2.10 Judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets, liabilities, revenues and expenses.

#### Judgements

##### *Leases - Determining the lease term of contracts with termination options*

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

#### Estimates and assumptions

##### *Leases – Incremental Borrowing Rate (IBR)*

If the Company cannot readily determine the interest rate implicit in a lease, it uses an incremental borrowing rate (IBR) to measure lease liabilities under IFRS 16. The IBR is an estimate of the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

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## Notes to the financial statements (continued)

### 3. Revenue

	2021 £'000	2020 £'000
Advisory fees	12,650	10,140
Arrangement fee and other income	5	10
Interest income	34	31
<b>Total revenue</b>	<b>12,689</b>	<b>10,181</b>

### 4. Staff costs

	2021 £'000	2020 £'000
Wages and salaries	3,720	3,557
Social security costs	494	474
Other pension costs	119	178
Other staff costs	852	538
<b>Total staff costs</b>	<b>5,185</b>	<b>4,747</b>

The average number of full-time equivalent Members and staff during the year was 32 (2020: 33).

	2021	2020
Members	14	12
Staff	18	21
<b>Total number of Members and staff</b>	<b>32</b>	<b>33</b>

### 5. Operating expenses

	2021 £'000	2020 £'000
Premises and equipment	633	672
Administration costs	784	574
<b>Other operating costs</b>	<b>1,417</b>	<b>1,246</b>

Auditors' remuneration of £9,509 was borne by the Partnership (2020: £9,057).

### 6. Trade and other receivables

	2021 £'000	2020 £'000
<b>Current Assets</b>		
Trade receivables and prepayments	606	415
Amounts due from fellow subsidiaries	2,633	857
<b>Total trade and other receivables</b>	<b>3,239</b>	<b>1,272</b>

	2021 £'000	2020 £'000
<b>Non-Current Assets</b>		
Other receivables	1,509	1,703
<b>Total trade and other receivables</b>	<b>1,509</b>	<b>1,703</b>

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## Notes to the financial statements (continued)

### Trade and other receivables (continued)

Non-current assets of £1,509,000 (2020: £1,703,000) represents outstanding loans extended to certain employees (2021: £472,000 ; 2020: £356,000) and Members (2021: £1,037,000 ; 2020: £1,347,000) of Equistone (UK) LLP on an arms-length basis. The majority bear interest at the higher of the official HMRC beneficial loan rate and the Deutsche Bundesbank Sonstige Kredite rate, plus a margin of 0.25%.

The Members consider the carrying amount of trade and other receivables to approximate to their fair value.

### 7. Trade and other payables

	2021 £'000	2020 £'000
<b>Current Liabilities</b>		
Trade payables	93	121
Accruals	2,057	1,604
Lease liabilities (see note 8 relating to IFRS 16)	61	57
<b>Total trade and other payables</b>	<b>2,211</b>	<b>1,782</b>
<b>Non-current Liabilities</b>		
Lease liabilities (see note 8 relating to IFRS 16)	16	77
<b>Total trade and other payables</b>	<b>16</b>	<b>77</b>

The Members consider the carrying amount of trade and other payables to approximate to their fair value.

### 8. Leases

The Statement of Financial Position includes the following amounts relating to leases:

#### Right-of-use assets

Set out below are the carrying amounts and movements during the period of right-of-use assets (included under Property, plant and equipment):

	Office Equipment £'000
Items included within 'Property, plant and equipment':	
At 1 January 2021	138
Additions	-
Depreciation Expense	(58)
At 31 December 2021	80

#### Lease liability

Set out below are the carrying amounts of lease liabilities (included under trade and other payables) and the movements during the period:

	2021 £'000	2020 £'000
<b>Lease liabilities</b>		
Current	61	57
Non-current	16	77
<b>Total lease liabilities</b>	<b>77</b>	<b>134</b>

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## Notes to the financial statements (continued)

### Leases (continued)

The following is the maturity profile of the lease liabilities:

	2021 £'000	2020 £'000
Lease liabilities		
Less than one year	61	57
Greater than one year but less than five years	16	77
Greater than five years	-	-
<b>Total lease liabilities</b>	<b>77</b>	<b>134</b>

The Income Statement includes the following amounts relating to leases:

	2021 £'000	2020 £'000
Items included within the Income Statement		
Depreciation on the right-of-use assets (included in operating expenses)	58	57
Interest expense on lease liability (included in finance expense)	5	8
<b>Total amount recognised in profit or loss</b>	<b>63</b>	<b>65</b>

The Partnership had total cash outflows for leases of £63,056 in 2021.

### 9. Members' interests

	MEMBERS' CAPITAL (CLASSIFIED AS A LIABILITY) £'000	OTHER RESERVES (CLASSIFIED AS EQUITY) £'000	AMOUNTS DUE TO MEMBERS (CLASSIFIED AS A LIABILITY) £'000	TOTAL £'000
<b>2021</b>				
At 1 January 2021	839	909	-	1,748
Members' remuneration charged as an expense	-	-	3,707	3,707
Profit for the year available for division among Members	-	2,375	-	2,375
Members interest after profit for the year	839	3,284	3,707	7,830
Members' contributions	21	-	-	21
Members' capital repaid	-	-	-	-
Profit allocated to Members	-	(909)	-	(909)
Members' drawings	-	-	(3,707)	(3,707)
<b>At 31 December 2021</b>	<b>860</b>	<b>2,375</b>	<b>-</b>	<b>3,235</b>

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## Notes to the financial statements (continued)

### Members' interests (continued)

	MEMBERS' CAPITAL (CLASSIFIED AS A LIABILITY)	OTHER RESERVES (CLASSIFIED AS EQUITY)	AMOUNTS DUE TO MEMBERS (CLASSIFIED AS A LIABILITY)	TOTAL
2020	£'000	£'000	£'000	£'000
At 1 January 2020	628	149	-	777
Members' remuneration charged as an expense	-	-	3,271	3,271
Profit for the year available for division among Members	-	909	-	909
Members interest after profit for the year	628	1,058	3,271	4,957
Members' contributions	211	-	-	211
Members' capital repaid	-	-	-	-
Profit allocated to Members	-	(149)	-	(149)
Members' drawings	-	-	(3,271)	(3,271)
<b>At 31 December 2020</b>	<b>839</b>	<b>909</b>	<b>-</b>	<b>1,748</b>

Amounts due to Members are subordinated in relation to other trade payables. In the event of the dissolution of the Partnership amounts due to Members shall be funded by the assets of the Partnership remaining after the payment or due provision for all debts, liabilities and obligations of the Partnership.

### 10. Parent undertaking and ultimate holding company

The corporate member of the Partnership is Equistone Private Equity Limited and the ultimate parent entity which prepares consolidated financial statements is Equistone LLP. Both the corporate member and ultimate parent entities are incorporated in Great Britain with registered offices at One New Ludgate, 60 Ludgate Hill, London, England, EC4M 7AW.