

NEWCORE CAPITAL MANAGEMENT FINANCE LLP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

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NEWCORE CAPITAL MANAGEMENT FINANCE LLP

INFORMATION

Designated Members	H W J Llewelyn
	Professor A E Baum
	H J Savory
	N Sarkhel
Members	J Scriven
	J K Chatellier
	H W Smart
	J Adams
LLP registered number	OC368758
Registered office	First Floor 50 Marshall Street London W1F 9BQ
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The members present their annual report together with the audited financial statements of Newcore Capital Management Finance LLP "the Parent LLP and the Group" for the year ended 31 December 2021.

Principal activities

The principal object of the LLP and the Group continued to be that of providing investment management advice and services. Newcore Capital Management Finance LLP is authorised to conduct investment business by the Financial Conduct Authority (FCA), registration number 582190.

Designated Members

H W J Llewelyn, Professor A E Baum, H J Savory and N Sarkhel were designated members of the LLP and Group during the period.

Members

J H Scriven, J K Chatellier, H W Smart and J Adams were members of the LLP and the Group during the period. H W Smart and J Adams were appointed as members of the LLP and group on 1 July 2021.

Members' capital and interests

Each member's subscription to the capital of the LLP is determined by their share of the profit and is repayable following retirement from the LLP.

Members are remunerated from the profits of the LLP and are required to make their own provision for pensions and other benefits. Profits are allocated and divided between members after finalisation of the financial statements.

Pillar Three Disclosures

i. Background

The Basel II Accord, implemented by the European Union through the Capital Requirements Directive (CRD), details the standard regulatory capital framework for the financial services industry within the EU and consists of three pillars.

ii. Introduction

Newcore Capital Management Finance LLP ("Newcore") is authorised and regulated in the UK by the Financial Conduct Authority ("FCA") and is subject to the FCA's Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU"), specifically BIPRU 11.3.3 R. This follows the introduction of the Capital Requirements Directive ("CRD"), which came into force on 1st January 2007. The CRD rules were designed to generally, increase investor protection throughout the market and these rules require Newcore to assess the adequacy of its capital resources given the risks it faces in its business.

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

ii. Introduction (continued)

The CRD requirements have three pillars:

- Pillar 1 establishes the minimum capital requirements given the credit, market and operational risks;
- Pillar 2 requires Newcore to take a view on whether Newcore needs to hold additional capital to cover firm-specific risks not covered by the Pillar 1 minimum requirements; and
- Pillar 3 requires Newcore to publish certain details about its risks and risk management process.

Newcore's Pillar 3 disclosures provide transparency about its capital requirements, risk exposures and risk assessment processes and are made for the benefit of Newcore's clients.

The FCA generally requests that firms address specific risks pertinent to its business (i.e.: market, credit, liquidity, operational, business, concentration and any residual risks), and these items are addressed below.

The rules in BIPRU 11 require a Pillar 3 disclosure. This document satisfies our obligation and Newcore will provide its Pillar 3 disclosure annually, covering the previous financial year.

Location

The Pillar 3 Disclosures are published and are available on Newcore's website. <https://www.newcorecapital.com/pillar-3-disclosures-remuneration>

Materiality

Information is generally viewed as material if its omission or misstatement could change or influence the assessment or decision of someone relying on that information for the purpose of making economic decisions. If a certain disclosure is omitted from this statement, we viewed the disclosure to be immaterial or inapplicable to us.

Confidentiality

Information is generally viewed as proprietary if sharing that information with the public would undermine a competitive position. Proprietary information may include information on products or systems that, if shared with competitors, would render Newcore's investments therein less valuable. Further, Newcore must regard information as confidential if there are obligations to customers or other counterparty relationships binding Newcore to confidentiality. In the event that any such information is omitted, Newcore shall disclose such and explain the grounds why it has not been disclosed.

Background Information

Newcore manages several funds that invest in property or property-related assets.

Risk Management Objectives and Policies

Newcore's general risk management objective is to develop systems and controls that mitigate risk to a level that does not require the allocation of Pillar 2 capital. Newcore's 2021 Internal Capital Adequacy Assessment Process ("ICAAP") did not identify any internal or external risks that resulted in Newcore having to increase its capital levels. Accordingly, Newcore's business and operational risks are limited.

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Governance and Risk Framework

Newcore oversees and manages its risks through a combination of procedures and processes including a Compliance Manual, routine monitoring of policies and procedures, a Business Continuity Plan, an annual independent audit and reporting process, and the use of an independent UK compliance consultant. Newcore's policies, procedures and financial controls are regularly reviewed and revised as needed.

iii. Disclosures

Market Risk

Market risk is the risk that the value of, or income arising from, the LLP's assets and liabilities varies as a result of changes in the market price of financial assets, changes exchange rates or changes in interest rates. Newcore does not take proprietary trading risk. The firm's risk management activities are on behalf of client as the LLP's own money is not at risk. The only market risk that the firm faces is currency risk, and the members do not consider this to be significant as very little income and expenditure is denominated in currencies other than sterling.

Credit Risk

Credit risk refers to the potential risk that customers fail to meet their obligations as they fall due. The principal credit risk that the LLP faces is in respect of customers for fees earned but not received. Fees are usually received promptly. The LLP also has credit exposure to its bankers but considers this risk to be minimal.

Liquidity Risk

Newcore's liquidity policy is to maintain sufficient liquid resources to cover cash flow imbalances and fluctuations in fees received/receivable. The firm maintains sufficient cash balances with its banking partners to cover liquidity risk. Furthermore, Newcore continuously monitors income and expenditure levels and adjusts plans accordingly.

Operational Risk

Operational risk is the risk of loss arising from failed or inadequate internal processes or systems, human error or other factors. The risk is managed by the members who have responsibility for putting in place appropriate controls for the business. The LLP makes use of outside consultants where necessary to monitor the effectiveness of the controls.

Business Risk

Business risk is the risk that the LLP may not be able to carry out its business plan and could therefore suffer losses if income falls. This is a risk that all businesses face. The members continually monitor income and expenditure levels and adjust their plans accordingly.

Concentration Risk

Concentration risk is the risk that the firm is overly dependent upon any one customer or any group of connected customers either in terms of income dependency or in terms of credit risk. The members actively monitor and seek to diversify concentration risk.

Residual Risk

Newcore does not consider there are any residual risks, or any other material risks mentioned above, would require Newcore to increase its capital levels.

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

MEMBERS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Capital Resources

Newcore is designated as a BIPRU Limited Licence Firm (base capital requirement is €50,000) and is subject to an expenditure requirement. The expenditure requirement is one quarter of the relevant expenditure for the previous financial year. Newcore has additionally undertaken an internal capital adequacy assessment process ("ICAAP"). The ICAAP has not identified risks for which additional capital is required. The LLP currently has capital resources of £452,000, made up of Tier 1 Capital, above a minimum regulatory capital requirement of £88,000, giving a surplus of £364,000.

Remuneration Disclosures

The FCA has amended the Prudential Sourcebook for Banks, Building Societies and Investment Firms (BIPRU), and specifically BIPRU 11, to now include a requirement for disclosure of Newcore's approach to linking remuneration to risk. Newcore has a Remuneration Policy which appropriately addresses potential conflicts of interest and that Newcore's authorised persons are not rewarded for taking inappropriate levels of risk. Under the Remuneration Code, the firm is classified as a Tier Four firm, which allows it to disapply many of the technical requirements of the Code and proportionately apply the Code's rules and principles in establishing Newcore's policy. Newcore is satisfied that the policies in place are appropriate to its size, internal organisation and the nature, the scope and the complexity of its activities.

The Decision-Making Process

Newcore's Remuneration Policy is set by the members of the LLP. Newcore has assessed its members and staff and concludes that only four members qualify as Code Staff. Each year Newcore assesses the amount of capital it considers necessary to run its business and if necessary, uses some or all of the profits available to increase its capital resources. If sufficient profits are available, a percentage of profits is paid into a bonus pool which covers members and staff which is allocated based on the individual's contribution to the partnership.

The link between pay and performance

Remuneration is based on competitive market-based wages that fairly compensate employees in view of skills provided, work performed, and responsibility undertaken. Overall remuneration includes an annual incentive compensation reflecting individual performance and responsibility, both short-term and long-term, as well as Newcore's overall performance.

Incentive Compensation

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

Code Staff

Due to the size and complexity of Newcore's business the members are the only Code Staff.

Quantitative Remuneration Data

The aggregate remuneration of Code Staff was £215,479 (2020: £184,545). This includes both fixed and variable elements of remuneration but excludes profit shares awarded to such individuals in respect of their membership shares as owners of the business.

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

**MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Disclosure of information to auditor

Each of the persons who are members at the time when this members' report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the Group's auditor is unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

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

.....
H W J Llewelyn

Designated member

Date: 26 April 2022

26 April 2022

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

MEMBERS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The members are responsible for preparing the annual report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law, as applied to LLPs, 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 the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Group 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 the Group and to enable them to ensure that the financial statements comply with the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. They are also responsible for safeguarding the assets of the LLP and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWCORE CAPITAL MANAGEMENT FINANCE LLP FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the financial statements of Newcore Capital Management Finance LLP (the "Parent LLP") and its subsidiaries (the "Group") for the year ended 31 December 2021, which comprise the Group profit and loss account, the Group and LLP balance sheets, the Group statement of cash flows, the Group reconciliation of members' interests 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 group's and of the Parent LLP's affairs as at 31 December 2021 and of the Group's 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 Group 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 group's or the Parent 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.

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWCORE CAPITAL MANAGEMENT FINANCE LLP (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Other information

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

We have nothing to report in this regard.

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 by the Parent LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent LLP 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 on page 7, 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 group's and the Parent 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 group or the Parent LLP or to cease operations, or have no realistic alternative but to do so.

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWCORE CAPITAL MANAGEMENT FINANCE LLP (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Auditors' 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 Group 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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the LLP through discussions with members and other management, and from our commercial knowledge and experience of the investment management sector;
- we focused 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 the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008, taxation legislation and data protection, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence, reviewing submissions of Newcore Capital Management Finance LLP to the FCA, reviewing other correspondence with the FCA; and
- identified laws and regulations were communicated within the audit team regularly and the team remained

alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including

obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place 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:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators including the FCA.

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWCORE CAPITAL MANAGEMENT FINANCE LLP (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. 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.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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. This description forms part of our auditor's report.

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.

Daniel Burke (senior statutory auditor)
for and on behalf of:

Blick Rothenberg Audit LLP

Chartered Accountants
Statutory Auditor
16 Great Queen Street
Covent Garden
London
WC2B 5AH

Date: 26 April 2022

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	4	968,170	865,021
Cost of sales		(103,401)	(95,346)
Gross profit		864,769	769,675
Administrative expenses		(305,896)	(339,240)
Other operating charges		(389,879)	(313,773)
Operating profit	5	168,994	116,662
Interest receivable and similar income		161	538
Profit for the year before members' remuneration and profit shares available for discretionary division among members		169,155	117,200
Profit for the financial year attributable to:			
Owners of the parent		169,155	117,200
Profit for the year before members' remuneration and profit shares		169,155	117,200

There are no items of other comprehensive income for either the current year or prior year other than the profit for the year. Accordingly, no statement of other comprehensive income has been presented.

NEWCORE CAPITAL MANAGEMENT FINANCE LLP**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
Fixed assets			
Investments	9	3	3
Current assets			
Debtors	10	51,169,575	50,579,445
Cash at bank and in hand	11	8,214,511	1,021,224
		<u>59,384,086</u>	<u>51,600,669</u>
Creditors: amounts falling due within one year	12	(58,762,905)	(51,151,361)
Net current assets		<u>621,181</u>	<u>449,308</u>
Net assets		<u><u>621,184</u></u>	<u><u>449,311</u></u>
Capital and reserves			
Loans and other debts due to members within one year			
Other amounts	14	576,084	404,211
Members' other interests			
Members' capital classified as equity		45,100	45,100
		<u>621,184</u>	<u>449,311</u>
Members' interests			
Loans and other debts due to members	14	576,084	404,211
Members' other interests		45,100	45,100
Total Members' interests		<u><u>621,184</u></u>	<u><u>449,311</u></u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on: 26 April 2022.

.....
H W J Llewelyn
 Designated member

The notes on pages 18 to 28 form part of these financial statements.

NEWCORE CAPITAL MANAGEMENT FINANCE LLP**LLP BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
Fixed assets			
Investments	9	63	53
Current assets			
Debtors	10	377,054	299,052
Cash at bank and in hand	11	257,430	167,398
		<u>634,484</u>	<u>466,450</u>
Creditors: amounts falling due within one year	12	(13,363)	(17,192)
Net current assets		<u>621,121</u>	<u>449,258</u>
Net assets		<u><u>621,184</u></u>	<u><u>449,311</u></u>
Represented by:			
Loans and other debts due to members within one year			
Other amounts		576,084	404,211
Members' other interests			
Members' capital classified as equity		45,100	45,100
Profit for the year available for discretionary division among members		169,155	117,200
Other movements in other reserves		(169,155)	(117,200)
		<u><u>621,184</u></u>	<u><u>449,311</u></u>
Total members' interests			
Loans and other debts due to members		576,084	404,211
Members' other interests		45,100	45,100
		<u><u>621,184</u></u>	<u><u>449,311</u></u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 26 April 2022.

.....
H W J Llewelyn

Designated member

The notes on pages 18 to 28 form part of these financial statements.

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

CONSOLIDATED RECONCILIATION OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 DECEMBER 2021

	Members' capital (classified as equity) £	Other reserves £	Total £	Loans and other debts due to members less any amounts due from members in debtors £	Total members' interests £
Amounts due to members				446,129	
Balance at 1 January 2020	45,100	-	45,100	446,129	491,229
				-	
Profit for the year available for discretionary division among members	-	117,200	117,200		117,200
Members' interests after profit for the year	45,100	117,200	162,300	446,129	608,429
Other division of profits	-	(117,200)	(117,200)	117,200	-
Drawings	-	-	-	(159,118)	(159,118)
Amounts due to members				404,211	
Balance at 31 December 2020 and 1 January 2021	45,100	-	45,100	404,211	449,311
				-	
Profit for the year available for discretionary division among members	-	169,155	169,155		169,155
Members' interests after profit for the year	45,100	169,155	214,255	404,211	618,466
Other division of profits	-	(169,155)	(169,155)	169,155	-
Amounts introduced by members	-	-	-	2,903	2,903
Drawings	-	-	-	(185)	(185)
Amounts due to members				576,084	
Balance at 31 December 2021	<u>45,100</u>	<u>-</u>	<u>45,100</u>	<u>576,084</u>	<u>621,184</u>

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

LLP RECONCILIATION OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 DECEMBER 2021

	Members' capital (classified as equity) £	Other reserves £	Total £	Loans and other debts due to members less any amounts due from members in debtors £	Total members' interests £
Amounts due to members				446,129	
Balance at 1 January 2020	45,100	-	45,100	446,129	491,229
Profit for the year available for discretionary division among members	-	117,200	117,200	-	117,200
Members' interests after profit for the year	45,100	117,200	162,300	446,129	608,429
Other division of profits	-	(117,200)	(117,200)	117,200	-
Drawings	-	-	-	(159,118)	(159,118)
Amounts due to members				404,211	
Balance at 31 December 2020 and 1 January 2021	45,100	-	45,100	404,211	449,311
Profit for the year available for discretionary division among members	-	169,155	169,155	-	169,155
Members' interests after profit for the year	45,100	169,155	214,255	404,211	618,466
Other division of profits	-	(169,155)	(169,155)	169,155	-
Amounts introduced by members	-	-	-	2,903	2,903
Drawings	-	-	-	(185)	(185)
Amounts due to members				576,084	
Balance at 31 December 2021	45,100	-	45,100	576,084	621,184

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	169,155	117,200
Adjustments for:		
Interest received	-	(538)
Decrease/(increase) in debtors	371,692	(23,611,196)
Increase in creditors	6,649,561	24,365,892
Increase in amounts owed to associates	-	1
Net cash generated from operating activities before transactions with members	7,190,408	871,359
Cash flows from investing activities		
Purchase of share in associates	-	(1)
Interest received	161	538
Net cash from investing activities	161	537
Cash flows from financing activities		
Amounts introduced by members	2,903	-
Distribution paid to members	(185)	-
Net cash increase in financing activities	2,718	-
Net increase in cash and cash equivalents	7,193,287	871,896
Cash and cash equivalents at beginning of year	1,021,224	149,328
Cash and cash equivalents at the end of year	8,214,511	1,021,224
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	8,214,511	1,021,224

The notes on pages 18 to 28 form part of these financial statements.

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Newcore Capital Management Finance LLP is a limited liability partnership registered in England and Wales. The address of its registered office and principal place of business is First Floor, 50 Marshall Street, London, W1F 9BQ.

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 United Kingdom and the Republic of Ireland 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 group management to exercise judgment in applying the entity's accounting policies (see note 3).

No Statement of Changes in Equity has been presented in these financial statements. Although this is a departure from the requirements of FRS 102, the members feel that the information presented in the Reconciliation of Members' Interests better reflects the nature of the business and the equity movements therein.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of group and its own subsidiaries ("the group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. Their results are removed from the consolidated financial statements from the date control ceases.

2.3 Going concern

As part of the preparation of the financial statements, the designated members have carried out a review with respect of going concern. The designated members have examined the prospects of the business given the current economic climate, for a period of at least twelve months from the date of approval of these financial statements.

The designated members have a reasonable expectation that the LLP and the Group has adequate resources to continue in operational existence for the foreseeable future. Therefore the LLP and the Group continues to adopt the going concern basis in preparing its financial statements.

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue comprises amounts receivable in respect of advisory and operational services provided by the LLP and profit shares due to subsidiary companies as members of limited partnerships.

Advisory and operational fees are recognised over the period in which the services were provided and profit shares are recognised in the period in which the limited partnerships recognised the profit in their accounts.

2.5 Interest income

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

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The consolidated profit and loss account includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the consolidated balance sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.9 Financial instruments

The Group has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the instrument.

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 Group after deducting all of its liabilities.

The Group's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, and loans from fellow group members, 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 payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

Impairment of financial assets

Financial assets measured at cost and 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 profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the Group would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.9 Financial instruments (continued)

Impairment of financial assets (continued)

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 and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

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

The designated members have applied judgment in the presentation of certain debtor and creditor balances of group entities, opting to present these balances net. The designated members believe that the treatment adopted best presents the information according to its economic substance rather than its legal form.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Advisory fees	657,028	511,948
General Partner profit share	311,142	353,073
	<u>968,170</u>	<u>865,021</u>

All turnover arose within the United Kingdom.

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

5. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	9,050	4,900
Fees payable to the Group's auditor and its associates for non-audit services	18,000	13,600
	<u>27,050</u>	<u>18,500</u>

6. Employees

The entity has no employees other than the members, who did not receive any remuneration (2020 - £NIL)

7. Information in relation to members

	2021 Number	2020 Number
The average number of members during the year was	<u>8</u>	<u>8</u>

8. Parent LLP profit for the year

The LLP has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The profit after tax of the parent LLP for the year was £169,155 (2020 - £117,200).

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

9. Fixed asset investments

Group

	Investments in associates £
Cost or valuation	
At 1 January 2021	3
At 31 December 2021	<u>3</u>

LLP

	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 1 January 2021	50	3	53
Additions	10	-	10
At 31 December 2021	<u>60</u>	<u>3</u>	<u>63</u>

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the LLP:

Name	Registered office	Principal activity	Class of shares	Holding
NCM Real Returns GP Limited	England & Wales	Investment management advisory company	Ordinary	100 %
NSS EPUT Limited	England & Wales	Investment management advisory company	Ordinary	100 %
Newcore Strategic Situations GP Limited	England & Wales	Investment management advisory company	Ordinary	100 %
Newcore Strategic Situations III GP Limited	England & Wales	Investment management advisory company	Ordinary	100 %
NSS IV EPUT Limited	England & Wales	Investment management advisory company	Ordinary	100 %
NSS V EPUT Limited	England & Wales	Investment management advisory company	Ordinary	100 %

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

Direct subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31 December 2021 and the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

Name	Aggregate of share capital and reserves £
NCM Real Returns GP Limited	10
NSS EPUT Limited	10
Newcore Strategic Situations GP Limited	10
Newcore Strategic Situations III GP Limited	10
NSS IV EPUT Limited	10
NSS V EPUT Limited	10

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the LLP:

Name	Registered office	Principal activity	Class of shares	Holding
NCM Real Returns Property GP Limited	England & Wales	Investment management advisory company	Ordinary	100 %
NCM Real Returns Nominee Limited	England & Wales	Dormant	Ordinary	100 %
Newcore Strategic Situations Nominee Limited	England & Wales	Dormant	Ordinary	100 %
Newcore Strategic Situations III Nominee Limited	England & Wales	Dormant	Ordinary	100 %

Associates

The following were associates of the LLP:

Name	Registered office	Holding
NSS IV GP LLP	England & Wales	50 %
NSS Indirect GP LLP	England & Wales	50 %
NSS V GP LLP	England & Wales	50 %

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

10. Debtors

	Group 2021 £	Group 2020 £	LLP 2021 £	LLP 2020 £
Due after more than one year				
Prepayments and accrued income	9,511	100,865	9,511	100,865
Due within one year				
Trade debtors	-	24,982	-	24,982
Other debtors	50,425,132	49,989,272	258,174	74,002
Prepayments and accrued income	734,932	464,326	109,369	99,203
	<u>51,169,575</u>	<u>50,579,445</u>	<u>377,054</u>	<u>299,052</u>

Group debtor balances totalling £4,789,522 (2020: £15,054,708) have not been included within debtors as they have been netted against the corresponding group creditor balance. The group has no beneficial interest or liability in relation to these amounts and therefore they have not been presented gross in the financial statements. Also see notes 2.9 and 3.

11. Cash and cash equivalents

	Group 2021 £	Group 2020 £	LLP 2021 £	LLP 2020 £
Cash at bank and in hand	<u>8,214,511</u>	<u>1,021,224</u>	<u>257,430</u>	<u>167,398</u>

12. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	LLP 2021 £	LLP 2020 £
Trade creditors	10,081	43,584	4,800	-
Amounts owed to group undertakings	-	-	60	50
Amounts owed to associates	3	3	3	3
Other taxation and social security	-	13,696	-	8,389
Other creditors	58,713,753	51,055,700	-	-
Accruals and deferred income	39,068	38,378	8,500	8,750
	<u>58,762,905</u>	<u>51,151,361</u>	<u>13,363</u>	<u>17,192</u>

Amounts owed to group undertakings are interest free, have no fixed repayment date and are repayable on demand.

Group creditor balances totalling £4,789,522 (2020: £15,054,708) have not been included within creditors as they have been netted against the corresponding group debtor balance. The group has no beneficial interest or liability in relation to these amounts and therefore they have not been presented gross in the financial statements. Also see notes 2.9 and 3.

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

13. Financial instruments

	Group 2021 £	Group 2020 £	LLP 2021 £	LLP 2020 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>50,743,524</u>	<u>50,383,585</u>	<u>275,211</u>	<u>106,152</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(58,762,655)</u>	<u>(51,137,665)</u>	<u>(13,113)</u>	<u>(8,803)</u>

Financial assets that are debt instruments measured at amortised cost comprise accrued income and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals of fees earned at the year end.

14. Loans and other debts due to members

	Group 2021 £	Group 2020 £	LLP 2021 £	LLP 2020 £
Other amounts due to members	<u>576,084</u>	<u>404,211</u>	<u>576,084</u>	<u>404,211</u>

Loans and other debts due to members rank behind all other creditors in the event of a winding up.

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

15. Analysis of Net Debt (Group)

	At 1 January 2021 £	Arising from cash flows £	Other non-cash changes £	At 31 December 2021 £
Cash at bank and in hand	1,021,224	7,021,414	171,873	8,214,511
Net debt (before members' debt)	<u>1,021,224</u>	<u>7,021,414</u>	<u>171,873</u>	<u>8,214,511</u>
<i>Loans and other debts due to members</i>				
Other amounts due to members	(404,211)	-	(171,873)	(576,084)
	<u>617,013</u>	<u>7,021,414</u>	<u>-</u>	<u>7,638,427</u>

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

16. Contingent liabilities

NCM Real Returns GP Limited, a subsidiary of the LLP which is included in these consolidated financial statements, is the general partner of NCM Real Returns LP and therefore has unlimited liability for any financial obligations which the limited partnership cannot meet. As at the year end date there is no indication that NCM Real Returns LP has any financial liability which it cannot meet.

NCM Real Returns Property GP Limited, an indirect subsidiary of the LLP which is included in these consolidated financial statements, is the general partner of NCM Real Returns Property 1 LP. NCM Real Returns Property GP Limited therefore has unlimited liability for any financial obligations which the limited partnerships cannot meet. At the year end date there is no indication that these limited partnerships have any financial liability which they cannot meet.

Newcore Strategic Situations GP Limited, a subsidiary of the LLP which is included in these consolidated financial statements, is the general partner of Newcore Strategic Situations LP and therefore has unlimited liability for any financial obligations which the limited partnership cannot meet. As at the year end date there is no indication that Newcore Strategic Situations LP has any financial liability which it cannot meet.

Newcore Strategic Situations GP III Limited, a subsidiary of the LLP which is included in these consolidated financial statements, is the general partner of Newcore Strategic Situations III LP and therefore has unlimited liability for any financial obligations which the limited partnership cannot meet. As at the year end date there is no indication that Newcore Strategic Situations III LP has any financial liability which it cannot meet.

NEWCORE CAPITAL MANAGEMENT FINANCE LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

17. Related party transactions

Group

During the year the group entered into the following transactions with limited liability partnerships (the LLPs) which are associates of the group. The group paid amounts totalling £nil (2020: £2,150,001) to the LLPs and received amounts totalling £2,125,000 (2020: £31,560) from the LLPs. At the reporting date the group was owed £3 (2020: £2,125,003) from LLPs which are associates of the group.

During the year the group entered into the following transactions with limited partnerships (the LPs) in which members of the group act as the general partner. During the year the group paid expenses totalling £154,334 (2020: £30,158) on behalf of the LPs, received amounts totalling £219,781 (2020: £24,077,112) on behalf of the LPs, the LPs paid expenses totalling £23,348 (2020: £38,194) on behalf of the group, loss shares of £970,028 (2020: £307,138) were recorded by the group and the LPs received amounts totalling £11,422,476 (2020: £24,104,986) on behalf of the group. At the reporting date the group was owed a total of £52,268,727 (2020: £49,406,336) by the LPs and owed a total of £57,712,934 (2020: £65,214,195) to the LPs.

During the year the group entered into the following transactions with the LLPs which are under common control and management. During the year the group paid monies totalling £440,768 (2020: £1,245,896) on behalf of or to the LLPs and received monies on behalf of or from the LLPs totalling £9,694,070 (2020: £5,576,133). The LLPs paid expenses totalling £169,617 (2020: £264,275) on behalf of the group and the group paid expenses on behalf of the LLPs totalling £13,118 (2020: £116,000). The group was charged management fees totalling £20,000 (2020: £20,000) and operational fees of £398,799 (2020: £313,773) by the LLPs. Profit shares of £722,416 (2020: £617,439) were recorded by the group. At the date of the statement of financial position the group was owed £8,976,238 (2020: £14,881,095) by the LLPs and owed £3,781,204 (2020: £1,436,886) to the LLPs.

Balances of £5,195,034 (2020: £13,444,209) owed to the group by LLPs under common control, and balances owed by the group to the LPs of £5,444,206 (2020: £15,807,859), have been presented net of each other in the debtors and creditors of the group financial statements.

LLP

During the year Newcore Capital Management Finance LLP entered into the following transactions with a limited liability partnership (the LLP) which is under common control and management. During the year Newcore Capital Management Finance LLP paid monies totalling £92,718 (2020: £30,000) on behalf of or to the LLP and received monies on behalf of or from the LLP totalling £21,444 (2020: £188,612). Newcore Capital Management Finance LLP paid expenses on behalf of the LLP totalling £nil (2020: £15,000). Newcore Capital Management Finance LLP was charged management fees totalling £20,000 (2020: £20,000) by the LLP, and commission expenses of £13,118 (2020: £106,000) by the LLP. Newcore Capital Management Finance LLP recharged the LLP fees totalling £398,799 (2020: £313,773) and was recharged sales totalling £544,012 (2020: £437,892) by the LLP. At the date of the statement of financial position Newcore Capital Management Finance LLP was owed £257,371 (2020: £74,002) by the LLP.

There are no other related party transactions to disclose in the financial statements in accordance with FRS102.

18. Controlling party

The ultimate controlling party of Newcore Capital Management Finance LLP, and its group, in the current and prior year is, by virtue of his majority equity share.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.