

Registered number: OC371035

## **Alcova Asset Management LLP**

**Members' report and financial statements**

**For the year ended 31 December 2020**



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**Alcova Asset Management LLP**

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**Alcova Asset Management LLP**

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**Information**

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**Designated members**

G W Assaly\*

R B Hart\*

Alcova Services Limited

Passiva Participations 2 S.a.r.l\*\*

**Members**

W E Keplinger\*

B Silli\*

\*resigned on 29 January 2021

\*\*appointed on 29 January 2021

**LLP registered number**

OC371035

**Registered office**

4th Floor

Reading Bridge House

George Street

Reading RG1 8LS

**Auditors**

P R Hartley

PO Box 27075

London

N2 0FZ

**Bankers**

HSBC Bank PLC

70 Pall Mall

London

SW1Y 5EY

**Solicitors**

Schulte Roth & Zabel International LLP

1 Eagle Place

London

SW1Y 6AF

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**Alcova Asset Management LLP**

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**Members' report**  
**For the year ended 31 December 2020**

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The members present their annual report together with the audited financial statements of Alcova Asset Management LLP ("the LLP") for the year ended 31 December 2020.

**Principal activities and review of business**

The principal activity of the LLP during the year was to provide investment management services. The LLP is authorised and regulated by the Financial Conduct Authority ("FCA").

The results for the year and the financial position at the end of the year were considered satisfactory by the members. The members do not anticipate any change in the nature of these activities going forward.

**Financial position**

The LLP's statement of financial position as detailed on page 9 shows a satisfactory position, with members' total interests amounting to £1,585,412 (2019: £198,230).

**Members**

The members of the LLP during the year up to the date of this report were as follows:

G W Assaly (Resigned on 29 January 2021)  
R B Hart (Resigned on 29 January 2021)  
Alcova Services Limited  
Passiva Participations 2 S.a.r.l. (Appointed on 29 January 2021)  
W E Keplinger (Resigned on 29 January 2021)  
B Silli (Resigned on 29 January 2021)

G W Assaly, R B Hart and Alcova Services Limited were designated members of the LLP throughout the year up to 29 January 2021. From 29 January 2021 the designated members are Alcova Services Limited and Passiva Participations 2 S.a.r.l.

**Members' capital and interests**

Policies for members' drawings, subscriptions and repayment of members' capital are governed by the partnership agreement dated 11 October 2012.

**Pillar 3**

Details of the LLP's unaudited Pillar 3 disclosures, required under Chapter 11 of the Financial Conduct Authority's Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU"), will be available on written request from the registered office.

**Remuneration code disclosures**

The remuneration code disclosures of the Partnership as required by the FCA Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU") 11.5.18 and SYSC 19A – Disclosure obligations in relation to the remuneration of code staff, will be available on written request from the registered office. These disclosures are unaudited.

**Principal risks and uncertainties**

The principal risks or uncertainties facing the LLP are those relating to market and competition risks. Should the investment vehicles managed by the LLP perform poorly relative to its competitors the assets under management may decline and revenues fall.

The LLP is not exposed to any significant price, credit, liquidity or cash flow risks.

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**Alcova Asset Management LLP**

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

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**Going concern**

The LLP's ability to continue as a going concern is dependent on its ability to retain existing clients at current levels of investment and to secure additional investment, in the funds / vehicles that it manages. As of January 2021, Passiva Participations 2 S.a.r.l. ("PP2") acquired the controlling interest in the LLP. PP2 has defined a business plan with the Executive Committee of the LLP with a plan to grow assets across multiple investment vehicles, to the point where the business can be profitable on management fees alone over the next 24 months, and is committed to funding the business until that point.

In early 2020, the existence of a new coronavirus, now known as COVID-19, was confirmed and since this time COVID-19 has spread across a significant number of other countries. COVID-19 has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global securities markets. The members consider that the impact of coronavirus would not affect the ability of the LLP to generate value in the long-term or impact its business plan such as to have a material impact on any of the balances in these financial statements.

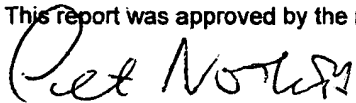
**Statement of disclosure of information to auditors**

So far as the members are aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the LLP's auditors are unaware. The members have taken all steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of this information.

**Independent Auditors**

The auditors, P R Hartley, have indicated their willingness to continue in office. The Designated members will propose a motion re-appointing the auditors at a meeting of the members.

This report was approved by the members on 29 September 2021 and signed on their behalf by:



**P J Northcott**  
**Director of the Designated member**  
**Alcova Services Limited**

**Members' responsibilities statement  
For the year ended 31 December 2020**

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

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with 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 of the profit or loss of the LLP for that period.

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

- select suitable accounting policies and then apply them consistently;
- make 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 entity will continue in business.

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

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**Independent auditors' report to the members of Alcova Asset Management LLP**

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**Opinion**

I have audited the financial statements of Alcova Asset Management LLP (the 'LLP') for the year ended 31 December 2020 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 December 2020;
- 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 LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

**Basis for opinion**

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. My responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of my report. I am independent of the LLP in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the FRC's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Conclusions relating to going concern**

In auditing the financial statements, I 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 I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the LLP's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

**Other information**

The members are responsible for the other information. The other information comprises the information in the Report of the Members, but does not include the financial statements and my Report of the Auditor thereon.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

**Matters on which I am required to report by exception**

I have nothing to report in respect of the following matters where the Companies Act 2006 as applied to LLPs requires me to report to you if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been from branches not visited by me; or
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit; or
- the members were not entitled to prepare the financial statements in accordance with the small LLPs I

**Independent auditors' report to the members of Alcova Asset Management LLP (continued)**

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**Responsibilities of members**

As explained more fully in the Statement of Members' Responsibilities set out on page two, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

My 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 a Report of the Auditor that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which my procedures are capable of detecting irregularities, including fraud is detailed below:

Based on my understanding of the company and its industry, I identified that the principal risks of non-compliance with laws and regulations related to the FCA requirements, UK tax legislation, anti-bribery, corruption and fraud, money laundering, Employment Law and health and safety, and I considered the extent to which non-compliance might have a material effect on the financial statements. I also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

I evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance and management bias through judgements.

My audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. My audit procedures included but were not limited to:

- Discussing with the directors and management their policies and procedures regarding compliance with laws and regulations;
- Remaining alert to any indications of non-compliance throughout my audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

My audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

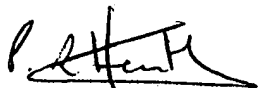
A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my Report of the Auditor.

**Independent auditors' report to the members of Alcova Asset Management LLP (continued)**

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**Use of my 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 to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. My audit work has been undertaken so that I might state to the LLP's members those matters I am required to state to them in a Report of the Auditor and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the LLP and the LLP's members as a body, for my audit work, for this report, or for the opinions I have formed.



Paul Hartley FCA  
Statutory Auditor  
Owner  
PO Box 27075  
London  
N2 0FZ

Date: 29 September 2021

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**Alcova Asset Management LLP**

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

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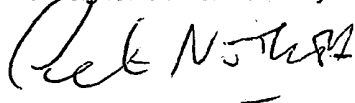
	Note	2020 £	2019 £
Turnover	4	2,395,157	1,015,310
Other Income	5	19,627	-
Administrative expenses		57,019	(756,476)
Fair value movements		(7,208)	(22,754)
<b>Operating profit</b>	6	2,464,595	236,080
Interest Payable	8	(2,440)	-
<b>Profit for the year before members' remuneration and profit shares available for discretionary division among members</b>		<u>2,462,155</u>	<u>236,080</u>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of comprehensive income.

Statement of financial position  
As at 31 December 2020

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	10	614	1,444
Investments	11	92,575	99,783
		<u>93,189</u>	<u>101,227</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	3,922,178	1,306,259
Cash at bank and in hand	13	62,018	161,898
		<u>3,984,196</u>	<u>1,468,157</u>
Creditors: Amounts Falling Due Within One Year	14	(513,618)	(466,051)
<b>Net current assets</b>		<u>3,470,578</u>	<u>1,002,106</u>
<b>Net assets</b>		<u><u>3,563,767</u></u>	<u><u>1,103,333</u></u>
<b>Represented by:</b>			
Loans and other debts due to members		1,165,707	52,891
<b>Members' other interests</b>			
Members' capital classified as equity		1,697,700	1,580,700
Members' Reserves		(1,231,537)	-
Other reserves classified as equity		1,931,897	(530,258)
		<u>2,398,060</u>	<u>1,050,442</u>
		<u><u>3,563,767</u></u>	<u><u>1,103,333</u></u>
<b>Total members' interests</b>			
Amounts due from members (included in debtors)	12	(1,978,355)	(945,103)
Loans and other debts due to members		1,165,707	52,891
Members' other interests		1,658,221	1,050,442
		<u>1,585,412</u>	<u>198,230</u>

The financial statements were approved and authorised for issue by the members on 29 September 2021 and were signed on their behalf by:



P J Northcott  
Director of the Designated member  
Alcova Services Limited

The notes on pages 12 to 19 form part of these financial statements.

# Alcova Asset Management LLP

## Reconciliation of members' interests For the year ended 31 December 2020

	Equity Members' other interests			Debt Loans and other debts due to members less any amounts due from members in debtors	Total members' interests
	Members' capital (classified as equity) £	Other reserves £	Total £	Other amounts £ (588,033)	Total £
Amounts due from members					
<b>Balance at 1 January 2019</b>	1,580,700	(766,338)	814,362	(588,033)	226,329
Profit for the year available for discretionary division among members	-	236,080	236,080	-	236,080
<b>Members' interests after profit for the year</b>	1,580,700	(530,258)	1,050,442	(588,033)	462,409
Amounts withdrawn by members	-	-	-	(307,650)	(307,650)
Other transactions	-	-	-	43,471	43,471
Amounts due to members				52,891	
Amounts due from members				(905,103)	
<b>Balance at 31 December 2019</b>	1,580,700	(530,258)	1,050,442	(852,212)	198,230
Profit for the year available for discretionary division among members	-	2,462,155	2,462,155	-	2,462,155
<b>Members' interests after profit for the year</b>	1,580,700	1,931,897	3,512,597	(852,212)	2,660,385
Capital introduced by members	117,000	-	117,000	(117,000)	-
Distributions to members	-	(1,231,537)	(1,231,537)	1,231,537	-
Other movements	-	-	-	(1,074,973)	(1,074,973)
Amounts due to members				1,165,707	
Amounts due from members				(1,978,355)	
<b>Balance at 31 December 2020</b>	<u>1,697,700</u>	<u>700,360</u>	<u>2,398,060</u>	<u>(812,648)</u>	<u>1,585,412</u>

The ability of the members of the LLP to reduce the amount of members' other interests is restricted by the FCA regulations pertaining to the maintenance of sufficient regulatory capital consistent with the LLP's level of activity and permissions.

The notes on pages 12 to 19 form part of these financial statements.

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**Alcova Asset Management LLP**

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**Statement of cash flows**  
**For the year ended 31 December 2020**

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	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	2,462,155	236,080
<b>Adjustments for:</b>		
Depreciation of tangible assets	830	557
Interest expense	2,440	-
Net fair value losses recognised in statement of comprehensive income	7,208	22,754
Increase in debtors	(1,542,667)	(66,069)
(Decrease)/increase in creditors	(173,190)	178,493
<b>Net cash generated from operating activities before transactions with members</b>	<u>756,776</u>	<u>371,815</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	-	(892)
Sale of unlisted and other investments	-	17,284
<b>Net cash generated from investing activities</b>	<u>-</u>	<u>16,392</u>
<b>Cash flows from financing activities</b>		
Acquisition of Loan	218,317	-
Distribution paid to members	-	(307,650)
Other transactions with members	(1,074,973)	43,471
<b>Net cash used in financing activities</b>	<u>(856,656)</u>	<u>(264,179)</u>
<b>Net increase in cash and cash equivalents</b>	<u>(99,880)</u>	<u>124,028</u>
Cash and cash equivalents at beginning of year	161,898	37,870
<b>Cash and cash equivalents at the end of year</b>	<u><u>62,018</u></u>	<u><u>161,898</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<u><u>62,018</u></u>	<u><u>161,898</u></u>

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The notes on pages 12 to 19 form part of these financial statements.

**1. General information**

Alcova Asset Management LLP is a limited liability company incorporated and domiciled in England and Wales. The address of the registered office is 4th Floor, Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS and its principal place of business is 21 Knightsbridge, London, SW1X 7LY.

**2. Accounting policies****2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK 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 management to exercise judgment in applying the LLP's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Foreign currency translation****Functional and presentation currency**

The LLP's functional and presentational currency is British Pound Sterling.

**Transactions and balances**

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement.

**2.3 Going concern**

The LLP's ability to continue as a going concern is dependent on its ability to retain existing clients at current levels of investment and to secure additional investment, in the funds / vehicles that it manages. As of January 2021, Passiva Participations 2 S.a.r.l. ("PP2") acquired the controlling interest in the LLP. PP2 has defined a business plan with the Executive Committee of the LLP with a plan to grow assets across multiple investment vehicles, to the point where the business can be profitable on management fees alone over the next 24 months, and is committed to funding the business until that point.

In early 2020, the existence of a new coronavirus, now known as COVID-19, was confirmed and since this time COVID-19 has spread across a significant number of other countries. COVID-19 has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global securities markets. The members consider that the impact of coronavirus would not affect the ability of the LLP to generate value in the long-term or impact its business plan such as to have a material impact on any of the balances in these financial statements.

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2020**

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**2. Accounting policies (continued)****2.4 Turnover**

Turnover, which is stated net of value added tax, represents fees receivable for investment management services provided during the year, recognised when the LLP obtains the right for consideration in exchange for its performance.

**2.5 Pensions****Defined contribution pension plan**

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

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the LLP in independently administered funds.

**2.6 Operating leases**

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the period of the lease.

**2.7 Tangible assets**

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

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

The estimated useful lives range as follows:

Furniture and fixtures	- 3 years straight line
Office equipment	- 3 years straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

**2.8 Investments**

Investments in unlisted shares, whose market value can be reliably determined, are remeasured to market value at each statement of financial position date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the period.

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2020**

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**2. Accounting policies (continued)**

**2.9 Debtors**

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

**2.10 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.

**2.11 Financial instruments**

The LLP has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

The basis for recognition and measurement of financial instruments is as set out in these accounting policies.

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) 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.

Financial assets and liabilities are offset and the net amounts presented in the financial statements 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.

**2.12 Creditors**

Short term creditors are measured at the transaction price.

**2.13 Taxation**

No provision has been made for taxation in the financial statements. Each member is exclusively liable for any taxation liabilities arising out of their interest in the LLP. Taxation is assessed on the individual members and not on the LLP.

**2.14 Members' remuneration and members' capital**

Policies for members' drawings, profit allocations, subscriptions and repayment of members' capital are governed by the partnership agreement dated 11 October 2012.

Capital contributed by members is recognised as equity in the financial statements of the partnership on the basis that, in accordance with the partnership agreement, capital is only repayable at the discretion of the Executive Committee.

The partnership has no fixed obligation to allocate profits to members, all profits are allocated on a discretionary basis. Any cash drawings withdrawn from the LLP by members in advance of a discretionary profit allocation is recognised as a loan due from members. Where profit allocations exceed drawings made by members, this is represented as a loan amount due to members.

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2020**

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**2. Accounting policies (continued)****2.15 Government grants**

Government grants are recognised using the performance model as other income in the Statement of comprehensive income.

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

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of financial position date and the amounts reported for revenues and expenses during the year.

**(a) Critical judgments in applying the entity's accounting policies**

The members have not been required to use a significant degree of judgment in determining the timing and value of amounts recognised in the financial statements.

**(b) Critical accounting estimates and assumptions**

The members have not been required to make significant estimates and assumptions concerning the future.

**4. Turnover**

Turnover is attributable to the principal activity of the LLP and is earned in the United Kingdom.

**5. Other income**

The grant amounting to £19,627 (2019: £nil) were received under the Coronavirus Job Retention Scheme.

**6. Operating profit**

The operating loss is stated after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets	830	557
Fees payable to the LLP's auditor for the audit of the LLP's annual financial statements	9,000	9,000
Exchange differences	2,434	(8,458)
Other operating lease rentals	<u>53,084</u>	<u>68,245</u>

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2020**

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**7. Employees**

Staff costs were as follows:

	2020	2019
	£	£
Wages and salaries	200,000	200,000
Social security costs	20,472	20,762
Cost of defined contribution scheme	6,750	6,458
	<u>227,222</u>	<u>227,220</u>

The average monthly number of persons (including members with contracts of employment) employed during the year was as follows:

	2020	2019
	No.	No.
Administration	<u>3</u>	<u>3</u>

**8. Interest Payable**

	2020	2019
	£	£
Other loan interest payable	<u>2,440</u>	<u>-</u>

**9. Information in relation to members**

	2020	2019
	Number	Number
The average number of members during the year was	<u>5</u>	<u>5</u>

	2020	2019
	£	£
The amount of profit attributable to the Member with the largest entitlement was	<u>767,514</u>	<u>-</u>

Notes to the financial statements (continued)  
For the year ended 31 December 2020

10. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2020	28,422	14,546	49,434	92,402
Additions	-	-	-	-
At 31 December 2020	28,422	14,546	49,434	92,402
<b>Depreciation</b>				
At 1 January 2020	28,422	14,546	47,990	90,958
Charge for the year	-	-	830	830
At 31 December 2020	28,422	14,546	48,820	91,788
<b>Net book value</b>				
At 31 December 2020	-	-	614	614
At 31 December 2019	-	-	1,444	1,444

11. Fixed asset investments

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 January 2020	99,783
Revaluations	(7,208)
At 31 December 2020	92,575

The above represents the LLP's 0.95% (2019: 0.95%) holding in the fund. The fair value of the unlisted investments is based on the trading price provided by fund administrators. Included in the disposals is a realised gain of £nil (2019: £25,435)

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2020**

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**12. Debtors**

	2020 £	2019 £
Other debtors	120,636	121,241
Prepayments and accrued income	1,823,187	279,914
Amounts due from members	1,978,355	905,103
	<u>3,922,178</u>	<u>1,306,259</u>

Debtors above, excluding prepayments and taxes recoverable totalling £103,888 (2019: £54,483) are financial assets measured at amortised cost.

**13. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	<u>62,018</u>	<u>161,898</u>

**14. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	158,284	65,817
Other taxation and social security	8,459	8,372
Other creditors	339,259	218,685
Accruals and deferred income	7,616	173,177
	<u>513,618</u>	<u>466,051</u>

Creditors above, excluding tax liabilities of £6,688 (2019: £6,601), are financial liabilities measured at amortised cost.

**15. Pension commitments**

Pension contributions amounting to £1,771 (2019: £1,771) were payable at year end and are included in other creditors.

**16. Commitments under operating leases**

At 31 December 2020 the LLP had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	15,166	15,166
	<u>15,166</u>	<u>15,166</u>

**17. Related party transactions**

During the year, the LLP recharged expenses of £906,678 to Alcova Services Limited (2019: £115,516 recharged to the LLP). As at 31 December 2020 a balance of £1,084,486 was due to the LLP (2019: £52,891 was due by the LLP).

During the year, The LLP received revenue of £nil (2019: £218,031) from Alcova Asset Management (Cayman) Limited, an entity under the control of G Assaly. In addition, the LLP paid expenses on behalf of Alcova Asset Management (Cayman) Limited. At 31 December 2020, a balance of £nil was due to the LLP (2019: £216,799).

The members are the only key management personnel of the partnership and the aggregate of transactions with members is disclosed in the reconciliation of members' interests on page 10.

**18. Controlling party**

At the balance sheet date, G Assaly was the ultimate controlling party. Subsequently, on 29 January 2021, Passiva Participations 2 S.a.r.l., a company registered in Luxembourg, acquired the interests of G Assaly of the LLP and Alcova Services Limited and as a result, became the ultimate controlling party of the LLP from that date.