

Report of the Members and
Financial Statements for the Year Ended 31 December 2022
for
LC Sales LLP

Contents of the Financial Statements
for the Year Ended 31 December 2022

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LC Sales LLP

General Information
for the Year Ended 31 December 2022

DESIGNATED MEMBERS: LC Sales S.A.
Global Services Limited
Desarrollo Puerto Playita SA de CV

REGISTERED OFFICE: Ground Floor
123 Pall Mall, St James's
London
SW1Y 5EA

REGISTERED NUMBER: OC375746 (England and Wales)

INDEPENDENT AUDITORS: Menzies LLP
Chartered Accountants
Statutory Auditor
Lynton House
7-12 Tavistock Square
London
WC1H 9LT

Report of the Members
for the Year Ended 31 December 2022

The members present their report with the financial statements of the LLP for the year ended 31 December 2022.

PRINCIPAL ACTIVITY

The principal activity of the LLP in the year under review was that of handling bookings for a hotel in Mexico.

DESIGNATED MEMBERS

The designated members during the year under review were:

LC Sales S.A.
Global Services Limited
Desarrollo Puerto Playita SA de CV

RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS

The profit for the year before members' remuneration and profit shares was \$13,520,312 (2021 - \$6,608,413 profit).

MEMBERS' INTERESTS

Members are permitted to make drawings in anticipation of profits which will be allocated to them.

The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash requirements of the Limited Liability Partnership. Members are required to subscribe a minimum level of capital and in subsequent years members may be invited to subscribe for further capital. On retirement, capital is repaid to members at the discretion of the LLP.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons or entities who are members at the time when this Members' Report is approved has confirmed that:

So far as the members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the LLP's auditors are unaware, and each member has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

AUDITORS

The auditors, Menzies LLP, will be proposed for re-appointment at the forthcoming Members Meeting.

ON BEHALF OF THE MEMBERS:

LC Sales S.A. - Designated member

15 December 2023

Statement of Members' Responsibilities
for the Year Ended 31 December 2022

The members are responsible for preparing the Report of the Members 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 judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

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

Opinion

We have audited the financial statements of LC Sales LLP (the 'LLP') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Reconciliation of Members' Interests, Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to LLPs 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The members are responsible for the other information. The other information comprises the information in the Report of the Members and the Statement of Members' Responsibilities, but does not include the financial statements and our Report of the Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 where the Companies Act 2006 as applied to LLPs requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the Statement of Members' Responsibilities set out on page three, 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.

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

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

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.

- Obtaining an understanding of the laws and regulations that are applicable to the LLP, focusing on those laws and regulations that directly affect the financial statements, such as provisions of the UK Companies Act and tax legislation or that had a fundamental effect on the operations of the LLP. We did not identify any law and regulations which had a fundamental effect on the operations of the LLP. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

- We understood how the LLP is complying with those legal and regulatory frameworks by, making inquiries to management and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes.

- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.

- We assessed the susceptibility of the LLP's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, and
- procedures performed around related parties' balances and transactions.

As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Posting of unusual journals and complex transactions; or
- The use of management override of controls to manipulate results, or to cause the company to enter into transactions not in its best interests.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

Report of the Independent Auditors to the Members of
LC Sales LLP

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Report of the Auditors.

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 to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in a Report of the Auditors 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.

Andrew Wooding FCA (Senior Statutory Auditor)
for and on behalf of Menzies LLP
Chartered Accountants
Statutory Auditor
Lynton House
7-12 Tavistock Square
London
WC1H 9LT

19 December 2023

Statement of Comprehensive Income
for the Year Ended 31 December 2022

	Notes	31.12.22 \$	31.12.21 \$
REVENUE	3	50,250,956	31,866,896
Cost of sales		<u>29,684,109</u>	<u>22,244,813</u>
GROSS PROFIT		20,566,847	9,622,083
Administrative expenses		<u>7,046,535</u>	<u>3,013,670</u>
OPERATING PROFIT and PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		<u>13,520,312</u>	<u>6,608,413</u>
PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		13,520,312	6,608,413
Members' remuneration charged as an expense	6	<u>(13,520,312)</u>	<u>(6,608,413)</u>
PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		-	-
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		-	-

The notes form part of these financial statements

Statement of Financial Position
31 December 2022

	Notes	31.12.22 \$	31.12.21 \$
CURRENT ASSETS			
Debtors	7	6,598,392	21,941,403
Cash at bank		10,282,820	3,794,991
		<u>16,881,212</u>	<u>25,736,394</u>
CREDITORS			
Amounts falling due within one year	8	<u>11,843,272</u>	<u>7,814,647</u>
NET CURRENT ASSETS		<u>5,037,940</u>	<u>17,921,747</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
and			
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>5,037,940</u>	<u>17,921,747</u>
LOANS AND OTHER DEBTS DUE TO MEMBERS	9	5,037,779	17,921,586
MEMBERS' OTHER INTERESTS			
Members' capital classified as equity		161	161
		<u>5,037,940</u>	<u>17,921,747</u>
TOTAL MEMBERS' INTERESTS			
Loans and other debts due to members	9	5,037,779	17,921,586
Members' other interests		161	161
Amounts due from members	7	<u>(136,837)</u>	<u>(40,956)</u>
		<u>4,901,103</u>	<u>17,880,791</u>

The financial statements were approved and authorised for issue by the members of the LLP and authorised for issue on 15 December 2023 and were signed by:

LC Sales S.A. - Designated member

Reconciliation of Members' Interests
for the Year Ended 31 December 2022

	EQUITY		
	Members' capital (classified as equity)	Members' other interests	
	\$	Other reserves	Total
	\$	\$	\$
Balance at 1 January 2022	161	-	161
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	-	-
Profit for the financial year available for discretionary division among members	-	-	-
Members' interests after profit for the year	161	-	161
Drawings on account and distributions of profit	-	-	-
Balance at 31 December 2022	161	-	161

	DEBT	TOTAL
	Loans and other debts due to members less any amounts due from members in debtors	MEMBERS' INTERESTS
	Other amounts	Total
	\$	\$
Amount due to members	17,921,586	
Amount due from members	(40,956)	
Balance at 1 January 2022	17,880,630	17,880,791
Members' remuneration charged as an expense, including employment and retirement benefit costs	13,520,312	13,520,312
Profit for the financial year available for discretionary division among members	-	-
Members' interests after profit for the year	31,400,942	31,401,103
Drawings on account and distributions of profit	(26,500,000)	(26,500,000)
Amount due to members	5,037,779	
Amount due from members	(136,837)	
Balance at 31 December 2022	4,900,942	4,901,103

Reconciliation of Members' Interests
for the Year Ended 31 December 2022

	EQUITY		
	Members' capital (classified as equity)	Members' other interests	
	\$	Other reserves	Total
	\$	\$	\$
Balance at 1 January 2021	161	-	161
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	-	-
Profit for the financial year available for discretionary division among members	-	-	-
Members' interests after profit for the year	161	-	161
Drawings on account and distributions of profit	-	-	-
Balance at 31 December 2021	161	-	161

	DEBT	TOTAL
	Loans and other debts due to members less any amounts due from members in debtors	MEMBERS' INTERESTS
	Other amounts	Total
	\$	\$
Amount due to members	17,117,215	
Amount due from members	(44,998)	
Balance at 1 January 2021	17,072,217	17,072,378
Members' remuneration charged as an expense, including employment and retirement benefit costs	6,608,413	6,608,413
Profit for the financial year available for discretionary division among members	-	-
Members' interests after profit for the year	23,680,630	23,680,791
Drawings on account and distributions of profit	(5,800,000)	(5,800,000)
Amount due to members	17,921,586	
Amount due from members	(40,956)	
Balance at 31 December 2021	17,880,630	17,880,791

There are no restrictions or limitations on the ability of the members to reduce the amount of Members' other interests.

Statement of Cash Flows
for the Year Ended 31 December 2022

	Notes	31.12.22 \$	31.12.21 \$
Cash flows from operating activities			
Cash generated from operations	13	<u>32,987,829</u>	<u>7,758,674</u>
Net cash from operating activities		<u>32,987,829</u>	<u>7,758,674</u>
Cash flows from financing activities			
Transactions with members and former members			
Drawings		<u>(26,500,000)</u>	<u>(5,800,000)</u>
Net cash from financing activities		<u>(26,500,000)</u>	<u>(5,800,000)</u>
Increase in cash and cash equivalents		<u>6,487,829</u>	<u>1,958,674</u>
Cash and cash equivalents at beginning of year	14	<u>3,794,991</u>	<u>1,836,317</u>
Cash and cash equivalents at end of year	14	<u>10,282,820</u>	<u>3,794,991</u>

The notes form part of these financial statements

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

1. STATUTORY INFORMATION

LC Sales LLP is registered in England and Wales. The LLP's registered number and registered office address can be found on the General Information page.

LLP's principal place of business is at Zona Franca I, Antigua Entrada Casa de Campo, La Romana, Codigo Postal 22000, Republica Dominicana.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The LLP's functional and presentation currency is US dollars.

Significant judgements and estimates

In the preparation of the financial statements, management has made no significant judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year.

Revenue

Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue is derived from the company's activity of booking accommodation, functions, food and beverages and auxiliary services in the hotel known as Secrets Puerto Los Cabos Golf & Spa.

Revenue from all holidays is recognised in the period the reservation relates.

Deposit amounts received from customers for whom revenue has not yet been recognised are recorded in the balance sheet within current liabilities.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the transaction price of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Trade and other receivables are initially measured at transaction price and are subsequently measured at amortised cost, using the effective interest rate method.

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank.

Trade and other payables are initially measured at transaction price and are subsequently measured at amortised cost, using the effective interest rate method.

Classification of share of profits in the cash flow statement

The share of profits in the cash flow statement is classified under the heading of operating, activities.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

2. ACCOUNTING POLICIES - continued

Members' participation rights

Members' participation rights are the rights of a member against the LLP that arise under the members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with Section 22 of FRS 102. 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and the requirements of the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships'. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classed as equity if the LLP has an unconditional right to refuse payment to members. If the LLP does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense in the Statement of comprehensive income in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the Statement of financial position.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the Statement of comprehensive income and are equity appropriations in the Statement of financial position.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to members that are classified as liabilities are presented in the Statement of financial position within 'Loans and other debts due to members' and are charged to the Statement of comprehensive income within 'Members' remuneration charged as an expense'.

Amounts due to members that are classified as equity are shown in the Statement of financial position within 'Members' other interests'.

Taxation

Taxation on all the LLP's profits is solely the personal liability of individual members and is not dealt with in these financial statements.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

3. REVENUE

The revenue and profit for the financial year before members' remuneration and profit shares are attributable to the one principal activity of the LLP.

An analysis of revenue by class of business is given below:

	31.12.22	31.12.21
	\$	\$
All inclusive packages	49,027,528	30,701,362
Discounted Vacation Club	1,223,428	1,165,534
	<u>50,250,956</u>	<u>31,866,896</u>

An analysis of revenue by geographical market is given below:

	31.12.22	31.12.21
	\$	\$
Mexico	50,250,956	31,866,896
	<u>50,250,956</u>	<u>31,866,896</u>

4. EMPLOYEE INFORMATION

There were no staff costs for the year ended 31 December 2022 nor for the year ended 31 December 2021.

The average number of employees during the year was NIL (2021 - NIL).

5. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.22	31.12.21
	\$	\$
Auditor's remuneration	21,802	23,975
Auditor's fees over accrued in prior years	-	(83,501)
Foreign exchange differences	<u>-</u>	<u>286</u>

6. INFORMATION IN RELATION TO MEMBERS

	31.12.22	31.12.21
	\$	\$
Members' remuneration charged as an expense		
Automatic division of profit	<u>13,520,312</u>	<u>6,608,413</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

6. INFORMATION IN RELATION TO MEMBERS - continued

	31.12.22	31.12.21
	\$	\$
The amount of profit attributable to the member with the largest entitlement was	13,385,108	6,542,329
	31.12.22	31.12.21
The average number of members during the year was	3	3

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	\$	\$
Trade debtors	6,384,562	6,452,216
Amounts due from members	136,837	40,956
Other debtors	25,051	13,107
Amounts owed by connected parties	-	15,386,192
Prepayments and accrued income	51,942	48,932
	6,598,392	21,941,403

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	\$	\$
Deposits	7,986,600	6,450,453
Trade creditors	1,504,271	792,228
Amounts owed to connected parties	1,266,381	-
Accruals and deferred income	1,086,020	571,966
	11,843,272	7,814,647

9. LOANS AND OTHER DEBTS DUE TO MEMBERS

	31.12.22	31.12.21
	\$	\$
Amounts owed to members in respect of profits	5,037,779	17,921,586
Falling due within one year	5,037,779	17,921,586

In the event of winding up, any amounts owed to the LLP's bankers are secured by fixed and floating charges on the assets of the LLP.

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

10. ULTIMATE CONTROLLING PARTY

There is no single entity that can be regarded by members as being the ultimate controlling party.

LC Sales S.A., incorporated in Panama, is considered by the members of the LLP to be its parent undertaking.

11. CONTINGENT LIABILITIES

The LLP has given a guarantee of \$75,000,000 over its assets in order to secure banking facilities provided to IXE Banco S.A., a related party as disclosed in note 12. The balance drawn down by IXE Banco S.A. at 31 December 2022 is \$73,500,000. The members do not believe any liability will arise as a result of this guarantee.

12. RELATED PARTY DISCLOSURES

Amounts owed by connected parties: falling due within one year

		31.12.22	31.12.21
Nature of relationship	Nature of transaction	\$	\$
Entity under joint control/significant influence of related persons	Finance	-	15,386,192
		-	15,386,192

Amounts owed to connected parties falling due within one year

		31.12.22	31.12.21
Nature of relationship	Nature of transaction	\$	\$
Entity under joint control/significant influence of related persons		1,266,381	-
		1,266,381	-

Included in the Cost of Sales are \$27,897,822 (2021: \$11,950,768) of purchases from an entity under joint control/significant influence of related persons

Amounts receivable are unsecured, have no specified repayment date and are interest free.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

13. **RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS TO CASH GENERATED FROM OPERATIONS**

	31.12.22	31.12.21
	\$	\$
Profit for the financial year available for discretionary division among members	-	-
Members' remuneration charged as an expense	13,520,312	6,608,413
	<u>13,520,312</u>	<u>6,608,413</u>
Decrease/(increase) in trade and other debtors	15,438,892	(403,099)
Increase in trade and other creditors	4,028,625	1,553,360
Cash generated from operations	<u><u>32,987,829</u></u>	<u><u>7,758,674</u></u>

14. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2022

	31.12.22	1.1.22
	\$	\$
Cash and cash equivalents	<u>10,282,820</u>	<u>3,794,991</u>

Year ended 31 December 2021

	31.12.21	1.1.21
	\$	\$
Cash and cash equivalents	<u><u>3,794,991</u></u>	<u><u>1,836,317</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

15. **ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS**

	At 1.1.22 \$	Cash flow \$	Other non-cash changes \$	At 31.12.22 \$
Net cash				
Cash at bank	3,794,991	6,487,829		10,282,820
	<u>3,794,991</u>	<u>6,487,829</u>		<u>10,282,820</u>
Net funds (before members' debt)	3,794,991	6,487,829	-	10,282,820
Loans and other debts due to members				
Other amounts due to members	(17,921,586)	26,500,000	(13,616,193)	(5,037,779)
Net (debt)/funds	<u>(14,126,595)</u>	<u>32,987,829</u>	<u>(13,616,193)</u>	<u>5,245,041</u>

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