

hoxton ventures

## **Hoxton Ventures LLP**

### **Report and Audited Financial Statements**

**For the period from inception on March 27, 2013 to March 31, 2014**

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# Hoxton Ventures LLP

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# Report to the Members

The members present their report together with the financial statements for the period ended 31 March 2014.

## Designated members

The designated members during the period ended 31 March 2014 are as follows:

Robert Kniaz (appointed 27 March 2013)  
Hussein Kanji (appointed 27 March 2013)

## Principal Activity

The principal activity of the Partnership is to act as the management company to Hoxton Ventures Fund I, L.P..

## Result for the period

At the end of the period under review £1,458 was available for distribution to the members.

## Members' drawings and the subscription and repayment of members' capital

Each member may receive drawings from the LLP or amount of that Member's entitlement to profits in such amounts as shall be determined by a Members' Resolution.

The members shall contribute the total sum of capital on incorporation of the LLP. Members may subscribe further capital to the LLP in such sum as shall be decided from time to time by Designated Members Resolution and agreed by the relevant Member.

## Members' Profit Allocation

The profits and losses of the LLP in respect of each accounting year shall be allocated at the end of each accounting year as follows:

- (a) profits of the LLP shall first be allocated between the members of the LLP to cover drawings;
- (b) available profits shall then be allocated between the members of the LLP as determined by the designated members; and
- (c) losses shall be allocated between the members as determined by the designated members;

provided that the designated members shall have absolute discretion in determining the distribution of profits and/or losses, save that profits and losses shall always be allocated on an equal basis to Robert Kniaz and Hussein Kanji.

## Disclosure of information to auditors

Each of the persons who is a member at the date of approval of this annual report confirms that:

- so far as the member is aware, there is no relevant audit information of which the LLP's audits are unaware; and
- the member has taken all steps that he ought to have taken as a member to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

## Auditors

Rees Pollock have indicated their willingness to continue in office. A proposal to re-appoint Rees Pollock as auditors for the ensuing year will be considered at the next members' meeting.

## Statement of members' responsibilities in respect of the financial statements

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

The Limited Liability Partnerships (Accounts and Audit) Regulations 2008, required the members to prepare financial statements for each year. Under that law, the members have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The financial statements are also required by law to be prepared in accordance with the Companies Act 2006, as applicable to limited liability partnerships.

International Accounting Standard 1, requires that financial statements present fairly for each financial year, Hoxton Ventures LLP's financial position, financial performance and cash flows. This required the faithful representation of the effects of transactions and other events and conditions, in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards (IFRSs). However, members are also required to:

# Report to the Members (continued)

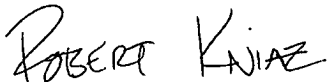
## Statement of members' responsibilities in respect of the financial statements (continued)

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions, on Hoxton Ventures LLP's financial position and financial performance.

The members are responsible for keeping adequate accounting records which disclose with reasonable accuracy, at any time, the financial position of Hoxton Ventures LLP and to enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of Hoxton Ventures LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the maintenance and integrity of the corporate and financial information included on Hoxton Ventures LLP's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

These responsibilities are exercised by the members.



Robert Kniaz  
Designated member

Date : 19 Dec 2014



Hussein Kanji  
Designated member

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOXTON VENTURES LLP**

We have audited the financial statements of Hoxton Ventures LLP for the period ended 31 March 2014 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows, and the related notes. The financial framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the Companies Act 2006, as applied to the limited liability partnerships.

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 the limited liability partnerships. Our audit work has been undertaken so that we might state to the LLP's members those matters which we are required to state to them in an auditors' 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 this report, or the opinions we have formed.

### **Respective Responsibilities of Members and Auditors**

As explained more fully in the statement of members' responsibilities set out on pages 3 to 4, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's Ethical Standards for Auditors.

### **Scope of the Audit of the Financial Statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the LLP's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the members; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent misstatements or inconsistencies we consider the implication for our report.

### **Opinion on Financial Statements**

In our opinion the financial statements:

- give a true and fair view of the LLP's affairs as at 31 March 2014 and of its profit for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to the limited liability partnerships.

### **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 limited liability partnerships, requires us to report to you if, in our opinion:

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

### **Jonathan Munday (Senior Statutory Auditor)**

For and on behalf of  
Rees Pollock, Statutory Auditor  
London  
19 December 2014

# Statement of Comprehensive Income

For the period from inception on March 27, 2013 to March 31, 2014

		For the period from inception on 27 March 2013 to 31 March 2014
(All figures stated in GBP)	Notes	
<b>Income</b>		
Management fee income	5	88,206
<b>Total Income</b>		<b>88,206</b>
<b>Expenditure</b>		
Foreign exchange losses	6	(83,745)
		(3,003)
<b>Profit for the financial period</b>		<b>1,458</b>
Other comprehensive income		-
<b>Total comprehensive income for the financial period</b>		<b>1,458</b>

All income and expenditure in the above statement is derived from continuing operations.

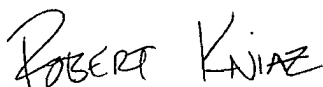
The notes on pages 9 to 16 form an integral part of these financial statements.

**Statement of Financial Position**

As at 31 March 2014

(All figures stated in GBP)	Notes	As at 31 March 2014
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	7	9,168
Other current assets	8	39,437
<b>Total assets</b>		<b>48,605</b>
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Other payables and accrued expenses	9	43,605
<b>Members' equity</b>		
Capital contributions account	10	5,000
<b>Total liabilities and equity</b>		<b>48,605</b>
<b>Members' interests</b>		
Amounts due from members		5,000
Members' other interests		(24,650)
<b>Total members' interests</b>		<b>(19,650)</b>

The accounts on pages 6 to 17 were approved by the members and signed on their behalf by:



Robert Kniaz  
19 Dec 2014

The notes on pages 9 to 16 form an integral part of these financial statements.

# Statement of Changes in Equity

For the period from inception on March 27, 2013 to March 31, 2014

(All figures stated in GBP)		Notes	Members' capital classed as equity	Other reserves	Total
Members' equity as at 27 March 2013			-	-	-
Capital introduced by members	10	5,000	-	5,000	
Total comprehensive income for the financial period	10	-	1,458	1,458	
Profit allocation for the period	10	-	(1,458)	(1,458)	
Members' equity as at 31 March 2014			5,000	-	5,000

The notes on pages 9 to 16 form an integral part of these financial statements.



# Statement of Cash Flows

For the period from inception on March 27, 2013 to March 31, 2014

(All figures stated in GBP)	Notes	For the period from inception on 27 March 2013 to 31 March 2014
<b>Cash flows from operating activities</b>		
Increase in net assets from operations attributable to the members		1,458
<i>Adjustments for:</i>		
<i>Working capital adjustments:</i>		
Increase in other current assets		(14,787)
Increase in other payables and accrued expenses		43,605
<b>Cash generated from operations</b>		<b>30,276</b>
<b>Net cash inflow from operating activities</b>		<b>30,276</b>
<b>Cash flows from financing activities</b>		
Members' drawings		(21,108)
<b>Net cash outflow from financing activities</b>		<b>(21,108)</b>
Net increase in cash and cash equivalents		9,168
Cash and cash equivalents at the beginning of the period		-
<b>Cash and cash equivalents at the end of the period</b>	<b>7</b>	<b>9,168</b>

The notes on pages 9 to 16 form an integral part of these financial statements.

# Notes to the Financial Statements

For the period from inception on March 27, 2013 to March 31, 2014

## 1 General Information

Hoxton Ventures LLP (the "LLP") is an English limited liability partnership). The LLP was formed on March 27, 2013 and its primary purpose is to act as an investment advisor to Hoxton Ventures Fund I, L.P. (the "Partnership"), a Cayman Islands exempted limited partnership.

Capitalised terms used but not defined herein shall have the meaning assigned to them in the Partnership Agreement.

## 2 Significant accounting policies

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

### a) Basis of preparation

The financial statements for the LLP have been prepared in line with International Financial Reporting Standards ("IFRS") as determined applicable to the LLP by the members in accordance with the Limited Liability Partnership Agreement ("Partnership Agreement") and under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the members to exercise its judgement in the process of applying the LLP's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The members believe that the underlying assumptions are appropriate and that the LLP's financial statements therefore present the financial position and results fairly.

### b) Management fee income

The whole of the turnover is attributable to the provision of management services to Hoxton Ventures Fund I, L.P. and for directors monitoring and advisory fees for other legacy private equity investments. In accordance with the partnership agreement, the management fee for each of the Partnership's Fiscal Quarters (or portions thereof), commencing on the Initial Contribution Date to and including the Fiscal Quarter in which the third anniversary date of the Initial Contribution Date occurs, shall be an amount equal to 0.625% of the sum of the Capital Commitments of all of the Limited Partners as of the first day of each such Fiscal Quarter (or portion thereof). Beginning with the first full Fiscal Quarter following the third anniversary of the Initial Contribution Date, the annual management fee shall equal 2.5% of the aggregate Cost Basis Value of Portfolio Securities as of the last day of the preceding Fiscal Quarter.

### c) Establishment and organisational expenses

Expenses incurred in establishing the LLP have been allocated in proportion to the members' relevant commitments and are fully charged to the Statement of Comprehensive Income in the period that they are incurred. Relevant commitments with respect to any member at any time, is the amount specified as such member's capital commitment to the LLP at the time such member was admitted to the LLP.

### d) Expenditure

Expenses are included in the Statement of Comprehensive Income on an accruals basis.

### e) Taxation

Taxation of the profits of the LLP is the individual liability of the members of the LLP. No taxation is therefore provided in these financial statements.

### f) Foreign currency translation

Foreign currency monetary assets and liabilities are restated at the Statement of Financial Position date and the associated exchange gains or losses are recognised in the Statement of Comprehensive Income.

Transactions in foreign currencies are initially recorded by the LLP at their respective functional currency rates prevailing at the date of the transaction.

# Notes to the Financial Statements (continued)

For the period from inception on March 27, 2013 to March 31, 2014

## 2 Significant accounting policies (continued)

### g) Functional and presentation currency

The LLP's functional and presentation currency is Pounds Sterling, which is the currency of the primary economic environment in which it operates. The LLP's performance is evaluated and its liquidity is managed in Pounds Sterling. Therefore, Pounds Sterling is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements of the LLP are presented in Pounds Sterling, which is the LLP's functional and presentation currency.

### h) Commitments

Investors have committed amounts to the LLP as a member through their subscription agreements. These commitments will be satisfied through the contribution of capital subscription amounts when admitted to the LLP.

### i) Cash and cash equivalents

Cash and cash equivalents include cash at hand, demand deposits, other short term highly liquid investments with original maturities of three months or less.

### j) Receivables

Other receivables are initially recognised at fair value and subsequently measured at amortised cost less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

### k) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost.

### l) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the LLP currently has a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

## 3 Adoption of new and revised standards

IFRS and related Interpretations of IFRS newly issued, or issued but not yet effective at the date of issuance of the LLP's financial statements are listed below.

### New and revised standards that are effective for annual periods beginning on or after 1 January 2014

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2013. Information on these new standards is presented below:

#### (i) Amendments to IFRS 7, 'Financial Instruments: Disclosures' on Offsetting (IFRS 7)

The amendments require more extensive disclosures than are currently required under IFRS. The disclosures focus on quantitative information about recognised financial instruments that are offset in the statement of financial position, as well as those recognised financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset. Note 12(a) (iv) illustrates the application of amendments to IFRS 7 in the current period.

# Notes to the Financial Statements (continued)

For the period from inception on March 27, 2013 to March 31, 2014

## 3 Adoption of new and revised standards (continued)

### (ii) Amendments to IAS 1, 'Presentation of Items of Other Comprehensive Income'

The International Accounting Standards Board ("IASB") has issued amendments to improve the consistency and clarity of the presentation of items of other comprehensive income ("OCI"). The amendments also highlighted the importance that IASB places on presenting profit or loss and OCI together and with equal prominence.

The main change resulting from the amendments was a requirement for entities to group items presented in OCI on the basis of whether they are potentially re-classifiable to profit or loss subsequently (reclassification adjustments). They are effective for annual periods beginning on or after 1 July 2012. The amendments have no impact on the LLP's financial statements.

### (iii) Amendments to IAS 32, 'Offsetting Financial Instruments Assets and Liabilities'

The amendments do not change the offsetting model in IAS 32, but clarify that in order to offset financial assets and liabilities, the right of set-off must not be contingent on future events, and must be legally enforceable in the normal course of business. The amendments also clarify that master netting agreements where offset is only legally enforceable when future events occur (e.g. defaults), do not allow offsetting. Finally, the amendments specify situations when offsetting is permitted when gross settlement mechanisms are used. The amendment is effective for annual periods beginning on or after 1 January 2014. Management does not expect the adoption of these amendments to have an impact on the LLP's financial statements.

**Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the LLP**

Pronouncements issued but not yet effective at the date of issuance of the LLP's financial statements are listed below:

### (i) IFRS 9, 'Financial Instruments' (IFRS 9)

The IASB aims to replace IAS 39, 'Financial Instruments: Recognition and Measurement' (IAS 39) in its entirety with IFRS 9. To date, the chapters dealing with recognition, classification, measurement and derecognition of financial assets and liabilities have been issued. Chapters dealing with impairment methodology and hedge accounting are still being developed. Further, in November 2011, the IASB tentatively decided to consider making limited modification to IFRS 9's financial asset classification model to address application issues. Management have yet to assess the impact of this new standard on the LLPs' financial statements. Management does not expect to implement IFRS 9 until it has been completed and its overall impact can be assessed.

## 4 Critical accounting estimates and judgements

The preparation of the LLP's financial statements requires the members to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources. Estimates, underlying assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### i) Critical judgements in applying the LLP's accounting policies

In the process of applying the LLP's accounting policies, which are described in Note 2 above, the members are of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

### a) Functional currency

Items included in the financial statements of the LLP are measured in the currency of the primary economic environment in which the LLP operates. The financial statements of the LLP are presented in Pounds Sterling, which is also the functional currency of the LLP.

The members consider the currency of the primary economic environment in which the LLP operates to be the Pounds Sterling as the currency which in their opinion most faithfully represents the economic effect of the underlying transactions, events and conditions. Furthermore, the Pounds Sterling is the currency in which the LLP measures its performance and also records capital transactions in partners' interests.

# Notes to the Financial Statements (continued)

For the period from inception on March 27, 2013 to March 31, 2014

## 4 Critical accounting estimates and judgements (continued)

b) Going concern

The members have made an assessment of the LLP's ability to continue as a going concern and are satisfied that the LLP has the resources to continue in business for the foreseeable future. Furthermore, the members are not aware of any material uncertainties that may cast doubt upon the LLP's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

## 5 Particulars of Members

The average number of members for the period was 2.

## 6 Management fee income

(All figures stated in GBP)		For the period from inception on 27 March 2013 to 31 March 2014
Management fee income		88,206
<b>Total</b>		<b>88,206</b>

## 7 Expenditure

(All figures stated in GBP)		For the period from inception on 27 March 2013 to 31 March 2014
Establishment and organisational expenses		3,570
Administration fees		8,870
Professional fees		28,550
Other expenses		42,755
<b>Total</b>		<b>83,745</b>

## 8 Cash and cash equivalents

(All figures stated in GBP)		As at 31 March 2014
Cash at bank		9,168
<b>Total</b>		<b>9,168</b>

## 9 Other current assets

(All figures stated in GBP)		As at 31 March 2014
Other prepayments		7,347
Due from related parties (note 12)		7,440
Amounts due from members		24,650
<b>Total</b>		<b>39,437</b>

# Notes to the Financial Statements (continued)

For the period from inception on March 27, 2013 to March 31, 2014

## 10 Other payables and accrued expenses

<b>(All figures stated in GBP)</b>		<b>As at 31 March 2014</b>
Payables and accruals		43,605
<b>Total</b>		<b>43,605</b>

## 11 Members' equity

<b>(All figures stated in GBP)</b>	<b>Members' capital classed as equity</b>	<b>Other reserves</b>	<b>Total members' other interests</b>	<b>Loans and debts due to members less any amounts due from members</b>	<b>Total</b>
<b>As at 27 March 2013</b>	-	-	-	-	-
Total comprehensive income for the financial period	-	1,458	1,458	-	1,458
Total comprehensive income available for division among members	-	1,458	1,458	-	1,458
Profit allocation for the period	-	(1,458)	(1,458)	1,458	-
Amounts withdrawn by members	-	-	-	(21,108)	(21,108)
Capital introduced by the members	5,000	-	5,000	(5,000)	-
<b>As at 31 March 2014</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>	<b>(24,650)</b>	<b>(19,650)</b>

Total drawdowns during the period from inception on March 27, 2013 to March 31, 2014 amounted to £5,000 all of which was receivable at the end of the period.

## 12 Financial risk management

### Risk management structure

The members are ultimately responsible for the overall risk management within the LLP.

### Financial risk factors

The LLP's activities expose it to market risk, credit and liquidity risk.

### Market risk

Market risk is the potential for changes in value due to the change in underlying financial instruments.

is managed by formulating a view on the future direction of foreign exchange rates and factoring that into its cash management decisions.

The LLP has no material assets or liabilities denominated in a currency other than the functional and presentational currency. As a result no sensitivity analysis has been performed.

# Notes to the Financial Statements (continued)

For the period from inception on March 27, 2013 to March 31, 2014

## 12 Financial risk management (continued)

### Market risk (continued)

#### Currency risk

Currency risk is the potential for changes in value due to changes in foreign exchange rates.

Some of the LLP's underlying investments are denominated in currencies other than the Pounds Sterling and accordingly the value of the LLP's assets may be affected favourably or unfavourably by fluctuations in foreign exchange rates and therefore the LLP will necessarily be subject to foreign exchange risks. The members have not hedged the LLP's foreign currency exposure; however this is managed by formulating a view on the future direction of foreign exchange rates and factoring that into its cash management decisions.

The LLP has no material assets or liabilities denominated in a currency other than its functional or presentational currency. As a result, no sensitivity analysis has been performed.

#### Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

At the LLP level, there are no significant interest rate risks as the only interest-bearing assets and liabilities are cash and cash equivalents.

There are no material interest rate exposures, please refer to the following table for additional information.

<b>(All figures stated in GBP)</b>	<b>Less than 3 months</b>	<b>3 months - 6 months</b>	<b>6 months - 1 year</b>	<b>More than 1 year</b>	<b>Non-interest bearing</b>	<b>Total</b>
<b>As at 31 March 2014</b>						
<b>Assets</b>						
Cash and cash equivalents	9,168	-	-	-	-	9,168
Other current assets	-	-	-	-	39,437	39,437
<b>Total assets</b>	<b>9,168</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>39,437</b>	<b>48,605</b>
<b>Liabilities</b>						
Other payables and accrued expenses	-	-	-	-	(43,605)	(43,605)
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(43,605)</b>	<b>(43,605)</b>
<b>Total interest sensitivity gap</b>	<b>9,168</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,168)</b>	<b>5,000</b>

### Credit risk

Credit risk is the potential that an issuer, counterparty or an underlying investment third party will be unable to meet commitments that it has entered into with the LLP and/or the commitments with underlying assets of the LLP.

At the LLP level, the maximum exposure to credit risk, in the event that counterparties fail to perform their obligations as at period end (in relation to each class of recognised financial assets), is the carrying amount of those assets as indicated in the Statement of Financial Position. Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect the LLP's counterparties whose aggregate credit exposure is significant in relation to the LLP's total credit exposure.

Bank accounts are maintained with Barclay's Bank plc. The LLP monitors credit ratings on a regular basis.

### Liquidity risk

Liquidity risk is the risk that the LLP may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

# Notes to the Financial Statements (continued)

For the period from inception on March 27, 2013 to March 31, 2014

## 12 Financial risk management (continued)

### Liquidity risk (continued)

The members, as outlined in the Partnership Agreement, are responsible for determining the level of liquid funds to be held by the LLP. A prudent liquidity risk management approach is adopted to ensure sufficient cash is available for operational expenses.

The following table illustrates the expected liquidity of assets held as at March 31, 2014. The amounts in the table are the contractual undiscounted cash flows.

<b>(All figures stated in GBP)</b>	<b>Assets less than 1 year</b>	<b>Assets between 1 - 5 years</b>	<b>Assets more than 5 years</b>	<b>Total</b>
Cash and cash equivalents	9,168	-	-	9,168
Receivables	39,437	-	-	39,437
<b>As at 31 March 2014</b>	<b>48,605</b>	<b>-</b>	<b>-</b>	<b>48,605</b>

The following table analyses the LLP's liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date. The amounts in the tables are the contractual undiscounted cash flows.

<b>(All figures stated in GBP)</b>	<b>Liabilities less than 1 year</b>	<b>Liabilities between 1 - 5 years</b>	<b>Liabilities more than 5 years</b>	<b>Total</b>
Payables and accruals	43,605	-	-	43,605
<b>As at 31 March 2014</b>	<b>43,605</b>	<b>-</b>	<b>-</b>	<b>43,605</b>

### Fair value measurement

The fair value hierarchy has the following levels:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. The LLP as at 31 March 2014 did not have any fair value measurements for investments at level 1.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The LLP as at 31 March 2014 did not have any fair value measurements for investments at level 2.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs) as they trade infrequently. The LLP as at 31 March 2014 did not have any fair value measurements for investments at level 3.

The LLP did not hold financial assets or financial liabilities as at March 31, 2014. The assets and liabilities shown in the statement of financial position are carried at amortised cost which approximate its fair values as at March 31, 2014.



# Notes to the Financial Statements (continued)

For the period from inception on March 27, 2013 to March 31, 2014

## 12 Financial risk management (continued)

### Fair value measurement (continued)

The table below analyses within the fair value hierarchy the LLP's assets and liabilities (by class) not measured at fair value at 31 March 2014 but for which fair value is disclosed:

(All figures stated in GBP)	Level 1	Level 2	Level 3	Total
<b>As at 31 March 2014</b>				
Assets				
Cash and cash equivalents	9,168	-	-	9,168
Other current assets	-	39,437	-	39,437
<b>Total</b>	<b>9,168</b>	<b>39,437</b>	<b>-</b>	<b>48,605</b>
Liabilities				
Other payables and accrued expenses	-	(43,605)	-	(43,605)
<b>Total</b>	<b>-</b>	<b>(43,605)</b>	<b>-</b>	<b>(43,605)</b>
<b>Net assets attributable to members</b>	<b>9,168</b>	<b>(4,168)</b>	<b>-</b>	<b>5,000</b>

### Excessive risk concentration

A concentration of risk exists where: (i) positions in financial instruments are affected by changes in the same risk factor or group of correlated factors; and (ii) the exposure could, in the event of the large but plausible adverse developments, result in significant losses. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowing facilities or reliance on a particular market in which to realise liquid assets. Concentrations of foreign exchange risk may arise if the LLP has a significant net open position in a single foreign currency, or aggregate net open positions in several currencies that tend to move together. Concentrations of counterparty risk may arise when a number of financial instruments or contracts are contracted with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentration of risk, the members manage this through its portfolio allocation decisions and may use derivative instruments to manage excessive risk concentrations when they arise.

### Capital Risk Management

The capital of the LLP is represented by the net assets attributable to the members. The LLP's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for members and benefits for other stakeholders and to maintain a strong capital base. The LLP maintains a cash balance of £5,000 in order to meet the capital resource rules of the Financial Conduct Authority.

## 13 Related party transactions

As at March 31, 2014, £7,440 was owed to the LLP by the Partnership due to a bank transfer issue.

There is an amount of £24,485 due to Whitecliff Investment Management relating to a loan. Whitecliff Investment Management is a limited partner of the Partnership.

There is an amount of £250 due to Robert Kniaz and £280 due to Hussein Kanji relating to expenses.

## 14 Subsequent events

On authorization of these financial statements, the members are not aware of any significant subsequent events.

## 15 Approval of financial statements

The financial statements were approved by the members and authorised for issue on 18 December 2014.

# General Information

## Designated Members

Robert Kniaz  
Hussein Kanji

## Registered Office

483 Green Lanes  
London N13 ABS

## Banker

Barclays Bank plc  
City International Operations  
200 St. Swithins House  
Swithins Lane  
London

## Independent Fund Administrator

Augentius (Guernsey) Limited  
P.O. Box 60  
Carinthia House  
9-12 The Grange  
St Peter Port  
Guernsey GY1 4BF

## Legal Advisor

Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP  
850 Winter Street  
Waltham  
MA 02451

## Registered number

OC38 3815