

Registration Number: OC386300

MEMBERS' REPORT AND AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
FOR
LETTERONE TECHNOLOGY (UK) LLP



**LETTERONE TECHNOLOGY (UK) LLP
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FOR THE YEAR ENDED 31 MARCH 2021**

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**LETTERONE TECHNOLOGY (UK) LLP
GENERAL INFORMATION
FOR THE YEAR ENDED 31 MARCH 2021**

Members

LIHS Corporate Partner S.à r.l.
S Roache
A Gusev
M Kiral (retired 17 February 2020)
S Pryce
N Slim
A Pertsovsky
C Devereux
Y Musatov
C Rammer (retired 24 June 2017)
A Reznikovich (retired 31 August 2017)
T Kivisaari (retired 24 September 2017)
L Lindback (retired 8 June 2018)
R Easton (appointed 1 October 2020)
T Kawalar (appointed 1 December 2020)
B Vosulik (appointed 1 December 2020)
A Kudlay (appointed 1 January 2021)
J Antoniak (appointed 25 February 2021)

Former Members

M Ettling (28 August 2018- 21 April 2019)

Registered Office

Devonshire House,
One Mayfair Place
London
W1J 8AJ

Bankers

HSBC Bank
8 Canada Square
London
E14 5HQ

Independent Auditors

Ernst & Young LLP
1 More London Place, SE1 2AF, London, United Kingdom

**LETTERONE TECHNOLOGY (UK) LLP
MEMBERS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The Members (referred to interchangeably as "Members" or "Partners" throughout) of LetterOne Technology (UK) LLP (the "Partnership") present their report for the year ended 31 March 2021 (the "Members' Report"), together with the audited financial statements of the Partnership for the year ended 31 March 2021 (the "Financial Statements").

Principal activities

The principal activity of the Partnership during 2021 was the provision of investment advice relating to investments in the technology sector.

Results for the year

The results for the year are shown in the statement of comprehensive income on page 8. The Partnership's presentation currency is the US dollar. The Partnership's profit for the financial year before Members' remuneration and profit shares was \$ 6,125,624 (2020: \$4,754,497). The Partnership's balance sheet as detailed on page 9 shows a satisfactory position, with net assets of \$ 7,800,127 (2020: \$7,602,518).

Members' profit allocation

Profits are shared among the Members as agreed between the Members. The allocation of profit is governed by the Limited Liability Partnership Deed (the "LLP Deed") dated 17 December 2015.

Policies for Members' drawings, profit allocations and capital

Policies for Members' drawings, subscriptions and repayment of Members' capital are governed by the LLP Deed. In summary, capital is contributed by each partner upon admission to the Partnership and is repayable only on a winding-up, on retirement or otherwise at the absolute discretion of the Partnership. Each Member usually receives a monthly drawing in anticipation of a future allocation of profit.

Members

The Members of the Partnership during the year and up to the date of this report were as follows:

LIHS Corporate Partner S.à r.l.
S Roache
A Gusev
M Kiral (retired 17 February 2020)
S Pryce
N Slim
A Pertsovsky
C Devereux
Y Musatov
C Rammer (retired 24 June 2017)
A Reznikovich (retired 31 August 2017)
T Kivisaari (retired 24 September 2017)
L Lindback (retired 8 June 2018)
R Easton (appointed 1 October 2020)
T Kawalar (appointed 1 December 2020)
B Vosulik (appointed 1 December 2020)
A Kudlay (appointed 1 January 2021)
J Antoniak (appointed 25 February 2021)

Former Member – M Ettling (28 August 2018- 21 April 2019)

During the year and up to the date of this report S Roache and LIHS Corporate Partner S.à r.l. were the Designated Members of the Partnership.

Key management personnel

The highest paid Member is considered to be key management personnel for the Partnership. No other partners or employees are considered to be key management personnel. The remuneration for the highest paid Member is disclosed in Note 5 *Particulars of Members*.

Key performance indicators

Given the straightforward nature of the Partnership's business, the Partners believe that the most relevant key performance indicators are the Partnership's profit for the year and net asset position which are considered through the review of management accounts and other financial information.

**LETTERONE TECHNOLOGY (UK) LLP
MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Principal risks and uncertainties

The Partnership is exposed to some foreign exchange risk as its income is denominated in US dollars, whereas cash outflows may be denominated in US dollars, UK sterling or Euro. This risk may be hedged where appropriate. Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Partnership has a significant loan to another entity within the same Group; the Partners do not believe that the Partnership will have difficulty in settling its liabilities as they become due. The Partnership is not exposed to any significant price, credit or cash flow risks.

The onset of the Covid-19 pandemic is a non-adjusting event that continues to develop at the date of signature of these Financial Statements. The Covid-19 pandemic has not had a significant impact on any of the balances in the Partnership's Financial Statements at the year-end or to date. The Partners have assessed whether any of the balances in the accounts should be adjusted and have concluded that no adjustments are needed. However, the pandemic is ongoing and its ultimate effects on the global economy are uncertain so as of the date of signature of these financial statements, any potential impact on the future performance of the Partnership cannot be estimated precisely. The Partners will continue to assess the implications of the Covid-19 pandemic on an ongoing basis.

Going concern

The Partnership has adequate financial resources and as a consequence the Partners believe that the Partnership is well placed to manage its business risks successfully. The Partners have a reasonable expectation that the Partnership has adequate financial resources to continue in operational existence and meet its liabilities as they fall due for at least the next 12 months from the date of this report. Additionally, if required, financial support would be made available by the parent company. Accordingly, the going concern basis has been adopted in preparing the Financial Statements.

Statement of Members' Responsibilities

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulation.

Company law requires the members to prepare financial statements for each financial year. Under that law the members have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law 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 limited liability partnership and of the profit or loss of the limited liability partnership for that year. In preparing the financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in FRS 102 are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

The members are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the limited liability partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006.

Statement regarding disclosure of information to auditors

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

**LETTERONE TECHNOLOGY (UK) LLP
MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Independent auditors

The auditors, Ernst & Young LLP ("EY"), have indicated their willingness to be appointed and a resolution concerning their reappointment will be proposed at the next meeting of the Management Committee.



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Maxime Nino

On behalf of the Designated Member, LIHS Corporate Partner S.à r.l.

Date: 01 July 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LETTERONE TECHNOLOGY (UK) LLP

Opinion

We have audited the financial statements of Letterone Technology (UK) LLP for the year ended 31 March 2021 which comprise of the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows and the related Notes 1 to 13, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland in conformity with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

In our opinion the financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland in conformity with the requirements of the Companies Act 2006 as applied to limited liability partnerships; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 limited liability partnership's ability to continue as a going concern for a period of 12 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the limited liability partnership's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Members are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LETTERONE TECHNOLOGY (UK) LLP (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 3, the Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the limited liability partnership and determined that the most significant are United Kingdom Generally Accepted Accounting Practice; including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland, the Companies Act 2006 as applied to limited liability partnerships.
- We understood how the partnership is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through the review of the following documentation:
 - minutes of meetings of the Members of the partnership held during the year;
 - the group Anti-Bribery Policy setting out the key principles and requirements for all staff in relation to compliance with laws and regulations;
 - the group Know Your Client Policy setting out the key principles and requirements for all clients in relation to compliance with laws and regulations.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LETTERONE TECHNOLOGY (UK) LLP (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

- We assessed the susceptibility of the Limited liability partnership's financial statements to material misstatement, including how fraud might occur by considering the controls that the Limited liability partnership established to address risks identified by the entity or that otherwise seek to prevent, deter or detect fraud. We gained an understanding of the entity level controls and policies that the Limited liability partnership applies.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved substantive testing of revenue, test of revenue to cash receipts, review of service agreements and limited liability partnership deed, test of profit allocations made by the partnership, confirmations of balances with the customers and suppliers, testing of journal entries, with a focus on journals indicating large or unusual transactions or meeting our defined risk criteria based on our understanding of the business, enquiries of management and check compliance with accounting and other policies.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Ernst & Young LLP

Oxana Dorrington (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
1 July 2021

LETTERONE TECHNOLOGY (UK) LLP
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

| | Note | 31 March 2021 \$ | 31 March 2020 \$ |
|---|----------|---------------------|---------------------|
| Turnover | | 13,048,814 | 10,599,653 |
| Administrative expenses | | (7,016,391) | (5,786,612) |
| Operating profit for the financial year before Members' remuneration and profit shares | 3 | 6,032,423 | 4,813,041 |
| Interest payable | | (7,584) | - |
| Foreign exchange gain / (loss) | | 100,785 | (58,544) |
| Profit for the financial year before Members' remuneration and profit shares | | 6,125,624 | 4,754,497 |
| Members' remuneration charged as an expense | | (3,784,025) | (2,240,541) |
| Profit for the financial year available for discretionary division among Members | | 2,341,599 | 2,513,956 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 2,341,599 | 2,513,956 |


All of the Partnership's activities were in respect of continuing operations.

The accompanying notes on pages 12-17 form an integral part of these Financial Statements.

LETTERONE TECHNOLOGY (UK) LLP
BALANCE SHEET
AS AT 31 MARCH 2021

| | Notes | 31 March 2021 \$ | 31 March 2020 \$ |
|---|-------|---------------------|---------------------|
| Fixed Assets | | | |
| Tangible assets | 7 | 229,710 | 317,509 |
| Current assets | | | |
| Debtors | 8 | 5,338,664 | 3,571,045 |
| Cash at bank | | 4,300,075 | 5,849,182 |
| | | <u>9,638,739</u> | <u>9,420,227</u> |
| Creditors: amounts falling due within one year | 9 | <u>(2,031,504)</u> | <u>(2,101,637)</u> |
| Net current assets | | <u>7,607,235</u> | <u>7,318,590</u> |
| Total assets less current liabilities | | <u>7,836,945</u> | <u>7,636,099</u> |
| Provisions for liabilities | 10 | <u>(36,818)</u> | <u>(33,581)</u> |
| Net assets attributable to Members | | <u>7,800,127</u> | <u>7,602,518</u> |
| Represented by: | | | |
| Members' other interests | | | |
| Members' capital | | 7,632,591 | 7,391,591 |
| Members' other reserves | | 18,178 | 35,179 |
| | | <u>7,650,769</u> | <u>7,426,770</u> |
| Members' total interests | | | |
| Loans and other amounts due to Members | | 149,358 | 175,748 |
| Members' other interests | | 7,650,769 | 7,426,770 |
| | | <u>7,800,127</u> | <u>7,602,518</u> |

The accounts have been prepared in accordance with the special provisions applicable to LLPs subject to the small LLP regime. All of the Partnership's activities were in respect of continuing operations. The accompanying notes on pages 12-17 form an integral part of these Financial Statements. The Financial Statements were approved by the Management Committee of the Partnership and were signed by:



Maxime Nino
On behalf of the Designated Member, LIHS Corporate Partner S.à r.l.

Date: 01 July 2021

LETTERONE TECHNOLOGY (UK) LLP
RECONCILIATION OF MOVEMENTS IN MEMBERS' OTHER AND MEMBERS' TOTAL INTERESTS
FOR THE YEAR ENDED 31 MARCH 2021

| | Equity | | | Debt | |
|--|--|-------------------------|-------------|--|--------------------------|
| 31 March 2021 | | | | | |
| | Members' capital (classified as equity) | Members' Other Reserves | Total | Loans from and other amounts due to/(from) Members | Members' total interests |
| | \$ | \$ | \$ | \$ | \$ |
| Members' interests at 1 April 2020 | 7,391,591 | 35,179 | 7,426,770 | 175,748 | 7,602,518 |
| Members' remuneration charged as an expense | - | - | - | 3,784,025 | 3,784,025 |
| Profit for the year available for discretionary division among Members | - | 2,341,599 | 2,341,599 | - | 2,341,599 |
| Members' interests after profit for the year | 7,391,591 | 2,376,778 | 9,768,369 | 3,959,773 | 13,728,142 |
| Allocated profit | - | (2,358,600) | (2,358,600) | 2,358,600 | - |
| Withdrawn by Members | - | - | - | - | - |
| Introduced by Members | 241,000 | - | 241,000 | - | 241,000 |
| Drawings | - | - | - | (6,169,015) | (6,169,015) |
| | 7,632,591 | 18,178 | 7,650,769 | 149,358 | 7,800,127 |
| Amounts due to Members | - | - | - | - | - |
| Members' interests at 31 March 2021 | 7,632,591 | 18,178 | 7,650,769 | 149,358 | 7,800,127 |

All of the Partnership's activities were in respect of continuing operations.

The accompanying notes on pages 12-17 form an integral part of these Financial Statements.

LETTERONE TECHNOLOGY (UK) LLP
RECONCILIATION OF MOVEMENTS IN MEMBERS' OTHER AND MEMBERS' TOTAL INTERESTS
FOR THE YEAR ENDED 31 MARCH 2021

| | Equity | | | Debt | |
|--|--|-------------------------------|-------------|--|--------------------------------|
| 31 March 2020 | | | | | |
| | Members' capital (classified as equity) \$ | Members' Other Reserves \$ | Total \$ | Loans from and other amounts due to/(from) Members \$ | Members' total interests \$ |
| Members' interests at 1 April 2019 | 7,706,591 | 34,631 | 7,741,222 | 34,099 | 7,775,321 |
| Members' remuneration charged as an expense | - | - | - | 2,240,541 | 2,240,541 |
| Profit for the year available for discretionary division among Members | - | 2,513,956 | 2,513,956 | - | 2,513,956 |
| Members' interests after profit for the year | 7,706,591 | 2,548,587 | 10,255,178 | 2,274,640 | 12,529,818 |
| Allocated profit | - | (2,513,408) | (2,513,408) | 2,513,408 | - |
| Withdrawn by Members | (325,000) | - | (325,000) | - | (325,000) |
| Introduced by Members | 10,000 | - | 10,000 | - | 10,000 |
| Drawings | - | - | - | (4,612,300) | (4,612,300) |
| | 7,391,591 | 35,179 | 7,426,770 | 175,748 | 7,602,518 |
| Amounts due to Members | - | - | - | - | - |
| Members' interests at 31 March 2020 | 7,391,591 | 35,179 | 7,426,770 | 175,748 | 7,602,518 |

All of the Partnership's activities were in respect of continuing operations.

The accompanying notes on pages 12-17 form an integral part of these Financial Statements.

**LETTERONE TECHNOLOGY (UK) LLP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. Accounting policies

General information

LetterOne Technology (UK) LLP acts as an investment advisor relating to investments in the technology sector, providing advice to LIHS Corporate Advisor Limited ("LIHSCAL"). On 1 June 2021, the Partnership began providing advice to Letterone Core Investments S.à r.l. ("LCIS"), and ceased providing advice to LIHSCAL. The Partnership, LCIS, and LIHSCAL share the same ultimate controlling party, Letterone Investment Holdings S.A.

The Partnership is a limited liability partnership and is incorporated and domiciled in England. The Partnership's registered office is Devonshire House, One Mayfair Place, London W1J 8AJ.

Basis of preparation

The Financial Statements have been prepared on the going concern basis, under the historical cost convention. The Financial Statements have been prepared in accordance with generally accepted accounting practice in the United Kingdom, including section 1A of Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland* ("FRS102") and the requirements of the Statement of Recommended Practice *Accounting by Limited Liability Partnerships* (sixth edition, published 14 December 2018). The principal accounting policies are set out below and have been consistently applied throughout the year.

Going concern

The Partnership has adequate financial resources and as a consequence the Partners believe that the Partnership is well placed to manage its business risks successfully. The Partners have a reasonable expectation that the Partnership has adequate financial resources to continue in operational existence and meet its liabilities as they fall due for at least the next 12 months from the date of this report. Additionally, if required, financial support would be made available by the parent company. Accordingly, the going concern basis has been adopted in preparing the Financial Statements.

Cash flow statement

The Partnership has taken advantage of the exemption under FRS102 from disclosing a cash flow statement as the Partnership qualifies as a "small" entity.

Turnover

Turnover represents fees receivable for the investment advice relating to investments in the technology sector recognised on an accruals basis, as the services are performed.

Tangible Fixed assets

Tangible fixed assets are stated at cost less depreciation. Costs include the original purchase price of the asset and any costs attributable to bringing it to the condition intended for its working use. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|------------------------|---|
| Leasehold improvements | Over the period of the lease on a straight line basis |
| Furniture and fittings | Over 60 months on a straight line basis |
| Office equipment | Over 36 months on a straight line basis |

Foreign currencies

Assets and liabilities in foreign currencies are translated into US dollars at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into US dollars at the month end exchange rate. All exchange differences are recognised in the statement of comprehensive income.

Expenses

Expenses incurred are recognised on an accruals basis.

Members' allocation of profits

A Member's share in the profit or loss for the period is accounted for as an allocation of profits. Where such profit shares are allocated automatically (or are not discretionary), these allocations are treated as Members' remuneration charged as an expense in the statement of comprehensive income. Discretionary allocations of profit are recognised when formally approved by the Management Committee and are treated as an appropriation of equity. Any unpaid but allocated profits, or drawings in excess of profits allocated, are included within loans and other amounts due to/from Members. Profits of the Partnership (after deducting Partners' remuneration charged as an expense) that have been ascertained but which have not yet been divided among the Members are shown under 'Other reserves' on the balance sheet, within Equity, pending a decision to divide the profits among the Members. There are no restrictions or limitations on the ability of the Members to reduce or allocate this amount.

**LETTERONE TECHNOLOGY (UK) LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

1. Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the partnership's balance sheet when the partnership becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the partnership transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the partnership's contractual obligations expire or are discharged or cancelled.

Critical accounting estimates

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. There are no accounting estimates likely to have a material impact on the Financial Statements.

2. Accounting policies (continued)

The Partnership recognises an accrual for accumulated annual leave accrued by employees as a result of services rendered in the current period for which employees can carry forward and use within the next year. The accrual is measured at the gross salary cost of the respective employee in relation to the period of absence.

3. Operating profit for the financial year before Members' remuneration and profit shares

Operating profit is stated after charging:

| | | |
|--|--------------------------|--------------------------|
| | 31 March 2021 | 31 March 2020 |
| | \$ | \$ |
| Operating lease payments | - | - |
| Depreciation – owned assets | 99,375 | 92,914 |
| Auditors' remuneration: | | |
| - fees payable to auditors for audit of financial statements | 10,500 | 13,393 |
| - fees payable to auditors for tax and similar advice | - | 92,625 |

4. Employee costs and information

| | 31 March 2021 \$ | 31 March 2020 \$ |
|--|------------------------|------------------------|
| Employee costs of the Partnership during the year amounted to: | | |
| Salaries and wages | 2,673,750 | 1,933,814 |
| Social security costs | 335,177 | 213,077 |
| | <u>3,008,927</u> | <u>2,146,891</u> |

| | 2021 Number | 2020 Number |
|--|----------------|----------------|
| Average number of employees during the year: | | |
| Administration | 5 | 3 |
| Investments | 3 | 2 |
| Finance and legal | 1 | 1 |
| | <u>9</u> | <u>6</u> |

5. 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 Partnership. Taxation is assessed on the individual Members and not on the Partnership.

6. Particulars of Members

| | 2021 Number | 2020 Number |
|--|----------------|----------------|
| Average number of Members during the year: | 9 | 8 |

The largest entitlement to profit of any Member for 2021 was \$2,347,474 (2020: \$2,006,100).

LETTERONE TECHNOLOGY (UK) LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

7. Tangible assets

| | Office Equipment \$ | Furniture and Fittings \$ | Total \$ |
|---------------------------------|---------------------------|---------------------------------|----------------|
| COST | | | |
| At 1 April 2020 | 45,676 | 416,395 | 462,071 |
| Additions | 11,576 | - | 11,576 |
| Disposals | - | - | - |
| At 31 March 2021 | 57,252 | 416,395 | 473,647 |
| ACCUMULATED DEPRECIATION | | | |
| At 1 April 2020 | 14,851 | 129,711 | 144,562 |
| Charge for year | 16,096 | 83,279 | 99,375 |
| Eliminated on disposal | - | - | - |
| At 31 March 2021 | 30,947 | 212,990 | 243,937 |
| NET BOOK VALUE | | | |
| At 31 March 2021 | 26,305 | 203,405 | 229,710 |
| At 31 March 2020 | 30,825 | 286,684 | 317,509 |

8. Debtors

| | 31 March 2021 \$ | 31 March 2020 \$ |
|---|------------------------|------------------------|
| Prepayments | 168,683 | 130,050 |
| Accrued income due from related parties | 4,810,451 | 3,250,422 |
| Other amounts due from entities within the same group | 29,843 | 5,625 |
| Other debtors | 62,518 | 19,066 |
| Other taxes | 267,169 | 165,882 |
| | 5,338,664 | 3,571,045 |

Amounts due from other entities within the same group are unsecured, interest free and repayable on demand.

9. Creditors: amounts falling due within one year

| | 31 March 2021 \$ | 31 March 2020 \$ |
|--|------------------------|------------------------|
| Trade creditors | 484,849 | 181,163 |
| Other taxes and social security | 332,107 | 266,496 |
| Amount due to entities within the same group | 476,190 | 862,803 |
| Accruals | 738,358 | 791,175 |
| | 2,031,504 | 2,101,637 |

The amounts due to entities within the same group are unsecured, interest free and repayable on demand.

LETTERONE TECHNOLOGY (UK) LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

10. Provisions for liabilities

| 31 March 2021 | Onerous contracts on property \$ | Leave pay \$ | Total \$ |
|-------------------|---|-----------------|-------------|
| Opening | - | (33,581) | (33,581) |
| Additions in year | - | (3,237) | (3,327) |
| Utilised in year | - | - | - |
| Closing | - | (36,818) | (36,818) |

| 31 March 2020 | Onerous contracts on property \$ | Leave pay \$ | Total \$ |
|-------------------|---|-----------------|-------------|
| Opening | (87,035) | (28,063) | (115,098) |
| Additions in year | - | (5,518) | (5,518) |
| Utilised in year | 87,035 | - | 87,035 |
| Closing | - | (33,581) | (33,581) |

11. Related Party Disclosures

The Partnership received fees for investment advisory services from LIHSCAL, a company incorporated in Gibraltar, during the year. The amount of income earned from LIHSCAL during the year was \$13,048,814 (2020: \$10,599,653). Of this income, \$4,810,451 (2020: \$3,250,422) was accrued for at the year end and is included in Note 8 *Debtors*, within accrued income due from related parties. The Partnership and LIHSCAL share the same ultimate controlling party, Letterone Investment Holdings S.A.

The Partnership is recharged certain expenses by LTS Advisory Limited. The amount charged by LTS Advisory Limited during the year ending 31 March 2021 was \$2,681,119 (2020: \$1,227,815). At 31 March 2021, the Partnership did not owe anything to LTS Advisory Limited in respect of these recharges (31 March 2020: \$545,771). The Partnership and LTS Advisory Limited share the same ultimate controlling party, Letterone Investment Holdings S.A.

The Partnership may enter into transactions with LetterOne Technology (Jersey) LLP from time to time, for example in order to manage working capital. At 31 March 2021, the Partnership owed \$326,833 to LetterOne Technology (Jersey) LLP (31 March 2020: \$123,329). The balance of \$326,833 has been repaid since the balance sheet date. The Partnership and LetterOne Technology (Jersey) LLP share the same ultimate controlling party, Letterone Investment Holdings S.A.

The Partnership is recharged certain expenses by LetterOne Office Services S.à r.l. ("LOSS"). The amount charged by LOSS during the year ending 31 March 2021 was \$93,974 (2020: \$40,395). The amount due from the Partnership to LOSS was \$NIL at 31 March 2021 (31 March 2020: \$17,995). The Partnership and LOSS share the same ultimate controlling party, Letterone Investment Holdings S.A.

The Partnership owed \$149,357 (31 March 2020: \$175,748) to its Corporate Partner, LIHS Corporate Partner S.à r.l. This amount relates to profits that have been allocated but not yet paid in cash. The Partnership and LIHS Corporate Partner S.à r.l. share the same ultimate controlling party, Letterone Investment Holdings S.A.

**LETTERONE TECHNOLOGY (UK) LLP
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

12. Events occurring after the end of the year

LetterOne Technology (UK) LLP acts as an investment advisor relating to investments in the technology sector, providing advice to LIHS Corporate Advisor Limited ("LIHSCAL"). On 1 June 2021, the Partnership began providing advice to Letterone Core Investments S.à r.l. ("LCIS"), and ceased providing advice to LIHSCAL. The Partnership, LCIS, and LIHSCAL share the same ultimate controlling party, Letterone Investment Holdings S.A.

No other events have occurred subsequent to the end of the year.

13. Parent undertaking and ultimate controlling party

The Partnership's immediate parent undertaking is LIHS Corporate Partner S.à r.l., which is incorporated in Luxembourg and has its registered office at 1-3 Boulevard de la Foire, L-1528 Luxembourg. The Partnership's ultimate controlling party is Letterone Investment Holdings S.A., which has its registered office at the same address.