Registered number OC386497

# CROSSLANE PARTNERS LLP

Report and consolidated financial statements
For the year ended 31 December 2022

# CROSSLANE PARTNERS LLP

## Report and consolidated financial statements
## At 31 December 2022

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## Members and advisors

| | |
|---|---|
| **Designated members:** | GS Investments SLP<br>Gierynski Investments Limited<br>Lissington Limited<br>SJR Holdings Limited<br>Jerzy Zygmunt Swirski<br>Neil Morrison Milne<br>Pawel Gierynski<br>Stephen John Richmond |
| **Independent Auditor:** | Ernst & Young LLP<br>25 Churchill Place<br>London E14 5EY |
| **Registered office:** | Smithfield House<br>92 North Street<br>Leeds<br>LS2 7PN<br>United Kingdom |
| **Bankers:** | Eurobank Cyprus Ltd<br>41 Arch. Makarios Avenue<br>1065 Nicosia<br>Cyprus |
| **Solicitors:** | Travers Smith LLP<br>10 Snow Hill<br>London<br>EC1A 2AL |

## Report of the Members

The members present their report and the consolidated financial statements of Crosslane Partners LLP (the "Partnership") and its subsidiaries, together the "Group" for the year ended 31 December 2022.

**Incorporation**
Crosslane Partners LLP was incorporated in the United Kingdom on 9 July 2013 as a limited liability partnership under the Limited Liability Partnerships Act 2000.

**Principal activities**
The principal activity of the Group is the provision of investment management services to Abris CEE Mid-Market Fund LP, Abris CEE Mid-Market Fund II LP, Abris CEE Mid-Market Fund II-A LP, Abris CEE Mid-Market Fund III LP and China-CEE Management S.a.r.l., along with holding an investment in Edgeborough Partners LP, Edgeborough Partners II GP (Limited) and Edgeborough Partners Co-Investments (GP) Limited. The Partnership's activities commenced on 21 November 2013 following the acquisition of certain subsidiaries by contribution from its members.

**Review of current position, future developments and significant risks**
The Group's development to date, financial results and position as presented in the financial statements are considered satisfactory. The members are satisfied that the Group is expected to remain profitable, that income will be received on a timely basis to meet liabilities as they fall due, and that the Group will continue as a going concern. The most significant risks faced by the Group and the steps taken to manage these risks, are described in note 3 of the financial statements.

The current crisis in Ukraine is considered to be a non-adjusting balance sheet event and as such no adjustments have been made to the valuation of assets and liabilities as at 31 December 2022. For further discussion concerning the management assessment the Ukrainian crisis impact on the Group refer to note 2.

**Results**
The Group's results for the year are set out on page 6. The priority profit share of the Partnership for the year was all charged as an expense to the members as remuneration.

**Policy with respect to members' drawings and subscription and repayments of amounts subscribed or otherwise contributed by members**
Members holding Services Units of the Partnership 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 year. New members may be admitted to the Partnership pursuant to a Members' Consent. The contribution of the New Member shall be agreed between such New Member and the Members by a Members' Consent.

**Responsibilities of the management committee**
The management committee are responsible for preparing the Members' report and the financial statements in accordance with applicable law and regulations.

Company law as applied to limited liability partnerships 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 management committee have elected to prepare the financial statements in accordance with UK Adopted International Accounting Standards. Under Company law as applied to limited liability partnerships 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 Partnership and of the profit or loss of the Partnership for that year.

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;
- state whether applicable accounting standards have been followed subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

## Report of the Members (continued)

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Partnership and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Registered office:
Smithfield House
92 North Street
Leeds
LS2 7PN
UK

Signed on behalf of the members

On behalf of Lissington Limited
Designated member

## Independent auditor's report to the members of Crosslane Partners LLP

**Opinion**
We have audited the financial statements of Crosslane Partners LLP (the Partnership) and its subsidiaries (the Group) for the year ended 31 December 2022 which comprise the Statements of comprehensive income, the Statements of financial position, the Statements of changes in equity, the Statements of cash flows and the related notes 1 to 21, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards as regards to the limited liability partnership, as applied in accordance with section 408 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 Group's and Limited Liability Partnership's affairs as at 31 December 2022 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
  the Limited Liability Partnership financial statements have been properly prepared in accordance with UK adopted International Accounting Standards as applied in accordance with section 408 of the Companies Act 2006 as applied to limited liability partnerships; and
- the financial statements 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 and the Group 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 and the Group'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 and the Group'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 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

**Matters on which we are required to report by exception**
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to Limited Liability Partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Limited Liability Partnership, or returns adequate for our audit have not been received from branches not visited by us; or

- the Limited Liability Partnership 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 Report of the Members' Responsibilities Statement set out on page 2, 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 and the Group'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 the Group and determined that the most significant are the applicable law and UK adopted International Accounting Standards.
- We understood how the Partnership and the Group are complying with those frameworks by making inquiries of management and seeking representation from those charged with governance to understand how the Directors maintain and communicate its policies and procedures in these areas, and corroborated this by reviewing supporting documentation.
- We assessed the susceptibility of the Partnership's and the Group's financial statements to material misstatement, including how fraud might occur by the risk of management override of internal control. We tested specific transactions backing to source documentation or independent confirmation, ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations with a particular focus on revenue recognition and the complex and material judgements involved.

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 Partnership's 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

**Ahmer Huda (Senior statutory auditor)**
**for and on behalf of Ernst & Young LLP, Statutory Auditor**
**London**
**Date: 14 December 2023**

## Statements of comprehensive income
## Year ended 31 December 2022

| | Note | Group 2022 € | Group 2021 € | LLP 2022 € | LLP 2021 € |
|---|---|---|---|---|---|
| **Revenue** | 5 | **23,865,391** | 20,685,777 | **13,196,427** | 6,032,041 |
| Administrative expenses | 6 | **(20,513,951)** | (18,214,227) | **(96,451)** | (85,676) |
| **Operating profit** | | **3,351,440** | 2,471,550 | **13,099,976** | 5,946,365 |
| Net finance expense | 8 | **(114,335)** | (85,446) | **(6,576)** | (2,610) |
| **Profit before tax** | | **3,237,105** | 2,386,104 | **13,093,400** | 5,943,755 |
| Tax | 9 | **(369,006)** | (574,020) | **-** | - |
| **Net profit for the year** | | **2,868,099** | 1,812,084 | **13,093,400** | 5,943,755 |
| **Comprehensive (loss) / income** | | | | | |
| Net (loss) / gain on equity instruments | | **(14,305,306)** | 22,585,843 | **-** | - |
| Exchange differences on translation of foreign operations | | **783,266** | (64,389) | **-** | - |
| **Total comprehensive (loss) / income for the year before members' remuneration and profit shares** | | **(10,653,941)** | 24,333,538 | **13,093,400** | 5,943,755 |
| Members' remuneration charged as an expense | | **(2,013,650)** | (2,016,567) | **(2,013,650)** | (2,016,567) |
| Distributions | | **(13,834,721)** | - | **(13,834,721)** | - |
| **Total comprehensive (loss) / income for the year** | | **(26,502,312)** | 22,316,971 | **(2,754,971)** | 3,927,188 |
| Attributable to: | | | | | |
| Equity holders of the parent | | **(28,861,884)** | 15,855,053 | **(2,754,971)** | 3,927,188 |
| Non-controlling interests | | **2,359,572** | 6,461,918 | **-** | - |
| | | **(26,502,312)** | 22,316,971 | **(2,754,971)** | 3,927,188 |

All of the activities of the Group and the Partnership are from continuing operations.

The notes on pages 10 to 22 form an integral part of these financial statements.

## Statements of financial position
## At 31 December 2022

| | Note | Group 2022 € | Group 2021 € | LLP 2022 € | LLP 2021 € |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| **Non-current assets** | | | | | |
| Investments | 10 | **23,746,084** | 35,198,492 | **575,054** | 575,054 |
| Equipment, fittings and intangible assets | 11 | **66,215** | 76,219 | **-** | - |
| Right-of-use assets | 12 | **835,584** | 1,016,509 | **-** | - |
| | | **24,647,883** | 36,291,220 | **575,054** | 575,054 |
| **Current assets** | | | | | |
| Trade and other receivables | 13 | **4,598,473** | 5,875,594 | **1,259,671** | 3,187 |
| Prepayments and accrued income | 13 | **525,286** | 12,820,795 | **803,653** | 806,375 |
| Cash at bank and in hand | 14 | **4,037,802** | 10,571,536 | **44,412** | 4,012,823 |
| | | **9,161,561** | 29,279,924 | **2,107,736** | 4,822,385 |
| **Total assets** | | **33,809,444** | 65,559,145 | **2,682,790** | 5,397,439 |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity and reserves** | | | | | |
| Members' capital | 15 | **446,808** | 446,808 | **446,808** | 446,808 |
| Translation reserves | | **289,493** | (493,773) | **-** | - |
| Other reserves | 16 | **10,038,309** | 22,853,852 | **-** | - |
| Accumulated profits | | **9,437,175** | 26,266,781 | **1,172,657** | 3,927,628 |
| | | **20,211,785** | 49,073,668 | **1,619,465** | 4,374,436 |
| Non-controlling interests | | **5,893,415** | 8,784,254 | **-** | - |
| | | **26,105,200** | 57,857,922 | **1,619,465** | 4,374,436 |
| **Current liabilities** | | | | | |
| Trade and other payables | 17 | **7,022,054** | 6,858,428 | **1,063,325** | 1,023,003 |
| | | **7,022,054** | 6,858,428 | **1,063,325** | 1,023,003 |
| Long term liabilities | 18 | **682,190** | 842,795 | **-** | - |
| **Total liabilities** | | **7,704,244** | 7,701,223 | **1,063,325** | 1,023,003 |
| **Total equity and liabilities** | | **33,809,444** | 65,559,145 | **2,682,790** | 5,397,439 |

The members acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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On behalf of Lissington Limited
Designated Member
Date: 19 December 2023
Registered number: OC386497

The notes on pages 10 to 22 form an integral part of these financial statements.

# CROSSLANE PARTNERS LLP

## Statements of changes in equity
## Year ended 31 December 2022

| Group | Members' capital € | Other reserves € | Translation reserves € | Accumulated profits € | Total € | Non-controlling interests € | Total equity € |
|---|---|---|---|---|---|---|---|
| At 31 December 2020 | 446,808 | 6,089,566 | (446,994) | 28,642,160 | 34,731,540 | 3,767,791 | 38,499,331 |
| Distributions and dividends | - | - | - | (1,512,925) | (1,512,925) | (1,445,454) | (2,958,379) |
| Net profit for the year | - | - | - | 1,154,114 | 1,154,114 | 657,970 | 1,812,084 |
| Other comprehensive income for the year | - | 16,764,286 | (46,780) | - | 16,717,506 | 5,803,948 | 22,521,454 |
| Members' remuneration | - | - | - | (2,016,567) | (2,016,567) | - | (2,016,567) |
| At 31 December 2021 | 446,808 | 22,853,852 | (493,773) | 26,266,781 | 49,073,668 | 8,784,254 | 57,857,922 |
| Distributions and dividends | - | - | - | (13,834,721) | (13,834,721) | (5,250,411) | (19,085,132) |
| Net profit for the year | - | - | - | (981,235) | (981,235) | 3,849,334 | 2,868,099 |
| Other comprehensive loss for the year | - | (12,815,543) | 783,266 | - | (12,032,277) | (1,489,762) | (13,522,039) |
| Members' remuneration | - | - | - | (2,013,650) | (2,013,650) | - | (2,013,650) |
| **At 31 December 2022** | **446,808** | **10,038,309** | **289,493** | **9,437,175** | **20,211,785** | **5,893,415** | **26,105,200** |

| LLP | Members' capital € | Accumulated profits € | Total € |
|---|---|---|---|
| At 31 December 2020 | 446,808 | 440 | 447,248 |
| Net profit for the year | - | 5,943,755 | 5,943,755 |
| Members' remuneration | - | (2,016,567) | (2,016,567) |
| At 31 December 2021 | 446,808 | 3,927,628 | 4,374,436 |
| Net profit for the year | - | 13,093,400 | 13,093,400 |
| Members' remuneration | - | (2,013,650) | (2,013,650) |
| Distributions | | (13,834,721) | (13,834,721) |
| **At 31 December 2022** | **446,808** | **1,172,657** | **1,619,465** |

The notes on pages 10 to 22 form an integral part of these financial statements.

# CROSSLANE PARTNERS LLP

## Statements of cash flows
## Year ended 31 December 2022

| | Note | **Group 2022** | Group 2021 | **LLP 2022** | LLP 2021 |
|---|---|---|---|---|---|
| | | **€** | € | **€** | € |
| **CASH FLOWS USED IN OPERATING ACTIVITIES** | | | | | |
| **Profit before tax** | | **3,286,192** | 2,386,104 | **13,093,400** | 5,943,755 |
| Adjustments to reconcile profit before tax to net cash flows: | | | | | |
| Depreciation of equipment, fittings and right-of-use asset | | **403,376** | 432,435 | - | - |
| Amortisation of Placing Agent fees receivables | 11 | - | 109,453 | - | - |
| Net finance costs | 8 | **114,335** | 85,446 | **6,576** | 2,610 |
| Working capital adjustments: | | | | | |
| Decrease in accruals | 17 | **(39,728)** | (1,621,384) | **(674)** | (8,066) |
| Increase / (decrease) in other payables | 17 | **203,354** | (383,624) | **40,998** | 62,809 |
| Decrease / (increase) in receivables | 13 | **13,572,630** | 2,870,918 | **(1,253,762)** | (97,384) |
| | | **17,491,072** | 3,882,438 | **11,886,537** | 5,903,724 |
| Interest received | | **1,044** | 7,368 | - | - |
| Bank charges and interest paid | | **(115,379)** | (92,814) | **(6,576)** | (2,610) |
| Tax paid | | **(407,738)** | (671,373) | - | - |
| **Net cash flows from operating activities** | | **16,968,999** | 3,125,530 | **11,879,961** | 5,901,114 |
| | | | | | |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Addition of intangible assets | 12 | - | (1,073) | - | - |
| Net addition of property, plant and equipment | 12 | **(13,368)** | (82,686) | | |
| Payment for purchase of investments | 10 | **(2,756,824)** | (12,000) | - | - |
| Disposal of investments | 10 | - | 455,927 | - | - |
| **Net cash flows (used in)/ from investing activities** | | **(2,770,192)** | 360,168 | - | - |
| | | | | | |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | | |
| Distributions to members | | **(13,834,721)** | - | **(13,834,721)** | - |
| Dividends paid by subsidiaries | | **(5,250,411)** | (2,958,379) | - | - |
| Repayment of lease liabilities | | **(417,025)** | (12,947) | - | - |
| Members' remuneration paid under LLP agreement | | **(2,013,650)** | (2,016,567) | **(2,013,650)** | (2,016,567) |
| **Net cash flows used in financing activities** | | **(21,515,807)** | (4,987,893) | **(15,848,371)** | (2,016,567) |
| | | | | | |
| **Net (decrease) / increase in cash and cash equivalents** | | **(7,317,000)** | (1,502,196) | **(3,968,410)** | 3,884,547 |
| Cash and cash equivalents: | | | | | |
| Net foreign exchange difference | | **783,266** | (64,389) | - | - |
| At beginning of the period | | **10,571,536** | 12,138,121 | **4,012,822** | 128,275 |
| At end of the period | 15 | **4,037,802** | 10,571,536 | **44,412** | 4,012,822 |

The notes on pages 10 to 22 form an integral part of these financial statements.

## Notes to the consolidated financial statements
## For the year ended 31 December 2022

### 1. Incorporation and principal activities

**Country of incorporation**
Crosslane Partners LLP was incorporated in the United Kingdom on 9 July 2013 as a limited liability partnership under the Limited Liability Partnerships Act 2000. Its registered office is Smithfield House, 92 North Street, Leeds LS2 7PN, United Kingdom.

**Principal activities**
The principal activity of the Group is the provision of investment management services to Abris CEE Mid-Market Fund LP, Abris CEE Mid-Market Fund II LP, Abris CEE Mid-Market Fund II-A LP, Abris CEE Mid-Market Fund III LP and China-CEE Management S.a.r.l., along with holding an investment in Edgeborough Partners LP, Edgeborough Partners II GP (Limited) and Edgeborough Partners Co-Investments (GP) Limited. The Partnership's activities commenced on 21 November 2013 following the acquisition of certain subsidiaries through contribution from its members.

### 2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

**Basis of preparation**
The Members have agreed that the Partnership's accounts will be prepared in accordance with UK Adopted International Accounting Standards to simplify the preparation of the consolidated accounts due to all of its subsidiaries being prepared under IFRS. The financial statements are therefore prepared under the historical cost convention and in accordance with UK Adopted International Accounting Standards.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

On 24 February 2022, Russia launched a military operation in Ukraine. Many governments are taking increasingly stringent measures against Russia and Belarus. These measures have already slowed down the economies both in Cyprus but globally as well with the potential of having wider impacts on the respective economies as the measures persist for a greater period of time. The conflict may have serious consequences on the Cyprus economy and also worldwide, which are difficult to precisely estimate. The main concern at the moment is the rise of inflation, the uncertainty mainly about financial services and the increase in the price of fuel, which will affect business operating costs.

Management continues to monitor the impact that the Ukraine crisis and post-pandemic recovery has on the Group / Partnership, the private equity industry and the economies in which the Group operates. Management does not consider that these will have a material direct financial impact on the Group. The Group derives management fee income from the provision of investment advisory services and these are based on either the funds' investment acquisition cost or the funds' commitments, and not on the fair value of the funds' investments. The Group's ability to generate fees will not change over the next year.

In February 2023 the Manager of Abris CEE Mid-Market Fund LP ("the Fund") took the decision to liquidate the Fund, following the final outcome of the arbitration award procedure to its final investment PL Holdings S.à r.l.. In December 2022, the judgement of the Swedish Supreme Court found against PL Holdings S.à r.l. and ruled that Poland was under no legal obligation to pay the compensation previously awarded. This judgement effectively ends any possibility of receiving payment of the compensation which was fairly awarded by the arbitration process. While other legal opportunities outside the EU remain open to PL Holdings S.à r.l., this would be an expensive and long-term process, therefore a decision to sell PL Holdings S.à r.l. to a litigation funder was made. The total potential consideration payable is €7m. €2.3m was paid on completion and these proceeds were used to settle the costs awarded to the Republic of Poland. Up to a further €4.7m could become payable in future if certain criteria are met. There is a high degree of uncertainty about these future payments and so the fair value of PL Holdings S.à r.l. as at 31 December 2022 was considered to be €nil and the Fund's Manager decided to dissolve the partnership. As at 31 December 2022, the subsidiary Abris Capital Partners (Fund I) had an outstanding debtor from the Fund of approximately €12.8m. Whilst this receivable has always been fully justifiable and deemed recoverable by the Manager based on the deep understanding and assessment of the arbitration process (through its various stages), due to extraordinary circumstances and unfortunate developments, the balance has become unrecoverable. In light of these developments this balance has been written off

**2. Accounting policies (continued)**

**Basis of preparation (continued)**

causing the Group to incur a write off of receivables totalling €12.8m.

The Group's most significant cost is investment advisory fees paid to related parties under common control which is charged on the basis of being agreed from time to time. The cost base of the advisor, and the fees paid by the Group to meet these costs, could be reduced if required by deferring and/or reducing staff costs, which are the largest cost of the advisory business.

Having performed this analysis the Partners believe the Group will have sufficient liquidity to meet its liabilities for the for the next 12 months and that the preparation of the financial statements on a going concern basis remains appropriate as the Group expects to be able to meet its obligations as and when they fall due for the foreseeable future.

**Basis of consolidation**
The consolidated financial statements comprise the financial statements of Crosslane Partners LLP and its subsidiaries Abris Private Equity Limited, Burnwater Limited (liquidated 15 March 2023), Abris Group Holdings Limited, CEE Equity Partners Limited and all indirect subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

All intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions are eliminated in full on consolidation.

Subsidiaries have coterminous year ends and are fully consolidated from the date of acquisition, being the date on which the parent obtains control, and continue to be consolidated until the date that such control ceases.

**Adoption of new and revised standards**
During the current year the Group adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 1 January 2022.

The adoption of these standards did not have a material effect on the consolidated financial statements.

**Standards issued but not yet effective**
At the date of approval of these consolidated financial statements the following accounting standards were issued by the International Accounting Standards Board but were not yet effective:

(i) **Issued by the IASB and adopted by the European Union**

- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (issued on 9 December 2021)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021)
- IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (issued on 25 June 2020)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021

(ii) **Issued by the IASB but not yet adopted by the European Union**

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current Date (issued on 23 January 2020); Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020); Non-current Liabilities with Covenants (issued on 31 October 2022)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022)

The above are expected to have no significant impact on the Group's consolidated financial statements when they become effective.

## 2. Accounting policies (continued)

**Revenue recognition**
Revenue comprises the invoiced amount for the provision of investment advisory services net of rebates and discounts. Revenues earned by the Group are recognised on the following basis:

- **Rendering of services**
  Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.
- **Income from investments**
  Dividend income from investments is recognised when the right to receive payment is established. Profits or losses from the sale of investments represent the difference between the net proceeds and the carrying amount of the investments sold and are transferred to the statement of comprehensive income.

**Debtors and allowance for bad debts**
Bad debts are written off to the group statement of comprehensive income and a specific allowance is made, where it is considered necessary. No general allowance for bad debts is made. Trade debtors are stated after deducting the specific allowance for bad and doubtful debts, if any.

**Employee benefits**
The Group's subsidiaries and its employees contribute to local Government Social Insurance Funds based on employees' salaries. The Group's contributions are expensed as incurred and are included in staff costs. The Group has no legal or constructive obligations to pay further contributions if the scheme does not hold sufficient assets to pay all employees benefits relating to employee service in the current period.

**Foreign currency translation**

(1) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

(2) Translation of foreign operations
The assets and liabilities of foreign operations with different functional currencies to the Group are translated into the presentation currency at the rate of exchange ruling at the reporting date. Income and expenses are translated at the weighted average exchange rates for the period. The resulting exchange differences are recognised in other comprehensive income. On disposal of the foreign operation, the deferred cumulative amount recognised in equity relating to the particular foreign operation is recognised as income.

**Finance income**
Finance income includes interest income which is recognised at amortised cost.

**Finance costs**
Interest expense and other borrowing costs are charged to the statement of comprehensive income using the effective interest rate.

**Expenses**
Expenses are recognised in the statement of comprehensive income on an accruals basis.

**Investments**
The Partnership holds investments in its subsidiaries at cost. Group subsidiary investments include equity investments held as equity instruments with subsequent changes in the fair value of the investment presented through other comprehensive income and determine the classification of investments at initial recognition.

Equity instruments as at fair value through other comprehensive income are measured at fair value, being the transaction consideration plus any directly attributable transaction costs. Assets are recognised on the trade date, being the date at which the Group becomes legally entitled to the risks and rewards of ownership.

Unrealised gains and losses arising from subsequent changes in the fair value of the equity instruments are recognised in other comprehensive income. When equity instruments are sold or impaired, the accumulated fair value adjustments will remain in other comprehensive income as assessed under IFRS 9.

## 2. Accounting policies (continued)

**Tax**
The Group's Cypriot subsidiaries are subject to income tax at the standard rate of 12.5%, whilst its Polish subsidiary is subject to income tax at the standard rate of 19%, and its Romanian subsidiary at the standard rate of 16%. The Group's Jersey subsidiaries are not subject to taxation.

**Property, plant and equipment**
Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on the straight-line method so as to write off the cost of each asset to its residual value over its estimated useful life. The annual depreciation rates used are as follows:

| | % |
|---|---|
| Furniture, fixtures and office equipment | 15 |

The residual values of the assets and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Where the carrying amount of an asset is greater than its estimated recoverable amount, the asset is written down immediately to its recoverable amount.

Expenditure for repairs and maintenance of property, plant and equipment is charged to the statement of comprehensive income in the year in which it is incurred. The cost of major renovations and other subsequent expenditure are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposal of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in the statement of comprehensive income.

**Leases**
*Right-of-use asset*
The Partnership recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Partnership is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis following principles disclosed in Note 4. Right-of-use assets are subject to impairment.
*Lease liabilities*
Lease liabilities are measured at the present value of the fixed and variable lease payments net of any incentives that are not paid at the balance date. Lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate as judged by management to achieve a constant rate of interest on the remaining balance of the liability.

**Deferred income**
Deferred income represents income receipts which relate to future years and is recognised on an accruals basis.

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

<u>Trade receivables</u>
Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost. Impairment losses are calculated using the simplified approach under IFRS 9 and any impairment losses are recognised in profit or loss. The impairment loss recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

**2. Accounting policies (continued)**

**Financial instruments (continued)**

Cash and cash equivalents
For the purposes of the statements of cash flows, cash and cash equivalents comprise cash in hand. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

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

**Provisions**
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

## 3. Financial risk factors

The Group is exposed to interest rate risk, credit risk, liquidity risk, currency risk, compliance risk, litigation risk, reputation risk and capital management risk arising from the financial instruments it holds. The risk management policies employed by the Group to manage these risks are discussed below:

**(3.1) Interest rate risk**
Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

**(3.2) Credit risk**
Credit risk arises when a failure by counterparties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Group has policies in place to ensure that sales and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Group has policies to limit the amount of credit exposure to any financial institution. The maximum exposure to credit risk for the Group is €29,771,642 (2021: €54,987,609).

**(3.3) Liquidity risk**
Liquidity risk is the risk that the Group cannot meet its liabilities as they fall due. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Group has procedures with the objective of minimising such losses such as maintaining sufficient cash and other highly liquid current assets. As the Group has only short term operational liabilities no maturity analysis has been presented in these financial statements.

**(3.4) Currency risk**
Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. Currency risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the Group functional currency. The Group is exposed to foreign exchange risk arising primarily with respect to the US Dollar. As at 31 December 2022 the consolidated financial statements used foreign currency exchange rates of US$1.0675 (2021: US$1.1324). The following table demonstrates the sensitivity to a reasonable possible change in US Dollar exchange rates, with the impact on the Group's profit before tax and pre-tax equity being the changes in the fair value of monetary assets.

| | Change in USD rate | Effect on profit before tax € | Effect on pre-tax equity € |
|---|---|---|---|
| 2022 | +10% | (1,446,699) | (1,446,699) |
| 2022 | -10% | 1,446,699 | 1,446,699 |
| 2021 | +10% | (327,254) | (327,254) |
| 2021 | -10% | 327,254 | 327,254 |

### 3. Financial risk factors (continued)

**(3.5) Compliance risk**
Compliance risk is the risk of financial loss, including fines and other penalties, which arises from non-compliance with laws and regulations of the states in which the Group operates. The risk is limited to a significant extent due to the supervision applied by the Compliance Officer, as well as by the monitoring controls applied by the Group.

**(3.6) Capital management risk**
The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

**(3.7) Fair value estimation**

The carrying amounts and fair values of certain financial assets and liabilities are as follows:

| | Group Carrying amounts 2022 € | Group Fair value 2022 € | LLP Carrying amounts 2022 € | LLP Fair value 2022 € |
|---|---|---|---|---|
| **Financial assets** | | | | |
| Cash | 4,037,802 | 4,037,802 | 44,412 | 44,412 |
| Investments at fair value through other comprehensive income | 23,746,084 | 23,746,084 | - | - |
| | **27,083,886** | **27,083,886** | **44,412** | **44,412** |

The Group assessed that cash deposits, short term trade and other receivables as well as trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

### 4. Critical accounting estimates and judgements

Estimates 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.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Impairment of trade receivables in the amount of expected credit loss**
  The Group reviews its trade and other receivables for evidence of impairment loss. The Partnership applies the simplified approach under IFRS 9 to calculate the impairment loss of trade receivables. The Partnership reviews such evidence including the customer's payment record and the customer's overall financial position. If indications of credit loss exist, an impairment loss on trade receivables is made. The amount of impairment loss is charged through the statement of comprehensive income. The review of credit risk is continuous and the methodology and assumptions used for estimating the impairment loss on trade receivables are reviewed regularly and adjusted accordingly.
- **Income taxes**
  Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

### 4. Critical accounting estimates and judgements (continued)

- **Fair value considerations of investments**
  The Group periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investments in subsidiaries may be impaired, the estimated future undiscounted cash flows associated with these subsidiaries would be compared to their carrying amounts to determine if a write-down against cost is necessary. The Group also makes assumptions regarding the value of the Priority Profit Share investment in Abris CEE Mid-Market Fund II GP LP which is held at fair value, as it does not take into account future expenditure by Abris CEE Mid-Market Fund II GP LP which would decrease the amount of PPS available.
- **Lease Liabilities**
  The Group has three right-of-use assets being for two offices based in Poland and one office in Romania, with lease terms expiring in June 2027, June 2023 and June 2022 respectively - the right-of-use asset in Romania due to expire in June 2022 has subsequently been extended to July 2025. These assets have been recognised using the modified retrospective approach. To measure the lease liabilities, the Group has used its incremental borrowing rate as it cannot readily determine the interest rate implicit in the lease. Taking into account the expected incremental borrowing rate given the terms of the leases and the fact that the Group does not have external financing the below was also considered:

  - the high levels of collateralisation implied by the property;
  - the relatively short duration of the lease; and
  - the presumption that the Group is a going concern.

  Based on the above a discount rate of 2.5% has been assessed on the right-of-use assets.

### 5. Revenue

| | **Group 2022 €** | Group 2021 € | **LLP 2022 €** | LLP 2021 € |
|---|---|---|---|---|
| Rendering of services | **9,328,066** | 20,841,315 | **2,087,278** | 2,106,375 |
| Directors fees | **-** | 6,455 | **-** | - |
| Other operating income | **20,694** | (161,993) | **-** | - |
| Dividends received from subsidiaries | **14,516,631** | - | **11,109,149** | 3,925,666 |
| | **23,865,391** | 20,685,777 | **13,196,427** | 6,032,041 |

### 6. Operating profit

Operating profit is stated after charging the following items:

| | **Group 2022 €** | Group 2021 € | **LLP 2022 €** | LLP 2021 € |
|---|---|---|---|---|
| Staff costs including directors in their executive capacity (note 7) | **9,700,136** | 8,594,247 | **-** | - |
| Auditors remuneration including subsidiaries | **229,227** | 118,343 | **28,343** | 35,236 |
| Legal and professional costs | **5,374,956** | 5,385,737 | **29,556** | 25,704 |
| Placing agent fees | **-** | 109,453 | **-** | - |
| Travel and subsistence | **578,215** | 290,693 | **36,013** | 17,772 |
| Depreciation and amortisation of tangible, intangible and right-of-use assets (notes 12, 13) | **403,376** | 432,435 | **-** | - |
| Foreign currency revaluation | **89,101** | 76,833 | **-** | - |
| Loan write off | **468,388** | - | **-** | - |

## Notes to the consolidated financial statements (continued)
## For the year ended 31 December 2022

### 7. Staff costs

| | Group 2022 € | Group 2021 € | LLP 2022 € | LLP 2021 € |
|---|---|---|---|---|
| Wages | **1,264,103** | 1,105,989 | - | - |
| Social insurance | **110,138** | 112,430 | - | - |
| Other contributions | **271,335** | 270,571 | - | - |
| Consultancy fees | **7,824,383** | 6,867,378 | - | - |
| Directors' fees | **230,177** | 237,879 | - | - |
| | **9,700,136** | 8,594,247 | - | - |

### 8. Net finance income / (expense)

| | Group 2022 € | Group 2021 € | LLP 2022 € | LLP 2021 € |
|---|---|---|---|---|
| Interest income | **1,044** | 7,368 | - | - |
| Bank charges and interest expense | **(72,347)** | (41,332) | **(6,576)** | (2,610) |
| Interest expense on lease liability | **(43,032)** | (51,482) | - | - |
| | **(114,335)** | (85,446) | **(6,576)** | (2,610) |

### 9. Tax

The Group has an income tax liability arising in its Cypriot jurisdiction where the Group's subsidiaries are tax resident, because of taxable profits arising in 2022. At 31 December 2022, Abris Group Holdings Limited had taxable loss after non-deductible costs of €4,344 (2021: €9,897 profit) resulting in a tax charge after a credit for the year of €Nil (2021: €Nil), Abris Private Equity Limited had taxable losses after non-deductible costs of €142,615 (2021: €13,108) resulting in a tax charge for the year of €Nil (2021: €Nil) and CEE Equity Partners Limited had taxable profits after non-deductible costs of €1,944,903 (2021: €3,349,506) resulting in a tax charge for the year of €243,763 (2021: €414,635). The Abris-CEE Holdings Limited Group including its Polish and Romanian subsidiaries had taxable profits after non-deductible costs of €1,603,820 for the year ended 31 December 2022 (2021: €1,791,018), resulting in a tax charge of €125,242 (2021: €159,385).

At 31 December 2022, the Group had tax losses carried forward of Nil (2021: Nil).

### 10. Investments

The Group has interests in thirteen companies held indirectly via its subsidiaries as detailed below. The Partnership has three direct subsidiary companies which were transferred into the Partnership as part of the initial contributions agreed with the members in return for the relevant class of units (note 16), and one further direct subsidiary Abris Private Equity Limited which was subsequently incorporated and its issued share capital paid up by the Partnership.

**Investments in subsidiaries**

| | LLP € |
|---|---|
| At 31 December 2021 | 575,054 |
| Additions | - |
| At 31 December 2022 | **575,054** |

The Groups' subsidiaries CEE Equity Partners Limited, Burnwater Limited (cancelled 14 September 2021 and liquidated 15 March 2023), Abris CEE Mid-Market Fund II GP Ltd, Abris CEE Mid-Market Fund III GP Ltd, Edgeborough Partners II (GP) Limited and Edgeborough Co-Investments (GP) Ltd hold investments at net realisable value – the movement for the year is detailed below:

## Notes to the consolidated financial statements (continued)
## For the year ended 31 December 2022

### 10. Investments (continued)

**Group investments**

| | At fair value | At cost | Total |
|---|---|---|---|
| | € | € | € |
| At 31 December 2021 | 35,193,757 | 4,735 | 35,198,492 |
| Disposals | - | - | - |
| Additions | - | 2,756,824 | 2,756,824 |
| Net loss on equity instruments | (14,209,232) | - | (14,209,232) |
| At 31 December 2022 | 20,984,525 | 2,761,559 | 23,746,084 |

The details of the investments are as follows below – there were no changes to these holdings during 2022:

**LLP**

| Name | Country of incorporation | Principal activities | Holding % |
|---|---|---|---|
| Abris Group Holdings Limited | Cyprus | The granting of licences for the use of trademarks | 100.00 |
| CEE Equity Partners Limited | Cyprus | Provision of investment advisory fees to China-CEE Management S.a.r.l. | 74.00 |
| Abris Private Equity Limited | Cyprus | Holding company for the investment advisory subsidiaries | 59.47 |

**Group**

| Name | Country of incorporation | Principal activities | Holding % |
|---|---|---|---|
| Abris Capital Partners Limited | Jersey | Provision of investment management services to Abris CEE Mid-Market Fund II LP, Abris CEE Mid-Market Fund II-A LP and Abris CEE Mid-Market Fund III LP | 100.00 |
| Abris Capital Partners (Fund I) Limited | Jersey | Provision of investment management services to Abris CEE Mid-Market Fund LP | 100.00 |
| Abris-CEE Holdings Limited | Cyprus | Investment advisory | 100.00 |
| Abris Capital Partners Sp. z o.o. | Poland | Investment advisory | 100.00 |
| Abris Capital Partners SRL | Romania | Investment advisory | 100.00 |
| Abris Capital Partners TOV | Ukraine | Investment advisory (in liquidation) | 100.00 |
| CEE Executive Team (GP) Ltd | Jersey | General Partner to CEE Executive Team LP | 74.00 |
| Edgeborough Partners II (GP) Ltd | Jersey | General Partner and Limited Partner in Edgeborough Partners II LP | 100.00 |
| Edgeborough Co-Investments (GP) Ltd | Jersey | General Partner and Limited Partner in Edgeborough Co-Investments LP | 100.00 |
| Fastpast Limited | Cyprus | Dormant | 74.00 |
| Severika Limited | Cyprus | Dormant | 74.00 |
| Abris CEE Mid-Market Fund II GP Limited | Jersey | General Partner of the general partner and co-investor in Abris CEE Mid-Market Fund II LP and Abris CEE Mid-Market Fund II-A LP | 100.00 |
| Abris CEE Mid-Market Fund III GP Limited | Jersey | General Partner of the general partner and co-investor in Abris CEE Mid-Market Fund III LP | 100.00 |
| Abris Capital Partners Fund 4 GP Sarl | Luxembourg | General Partner to Abris CEE Mid-Market Fund IV LP (dormant) | 100.00 |

The Group subsidiary Abris CEE Mid-Market Fund II GP Limited is entitled to 39.433% priority profit share in Abris CEE Mid-Market Fund II GP LP and Abris CEE Mid-Market Fund III GP Limited is entitled to 39.48% priority profit share in Abris CEE Mid-Market Fund III GP LP. Collectively these were deemed to have a fair value as at 31 December 2022 of €5,276,411 (2021: €4,884,177) using the International Private Equity and Venture Capital Valuation Guidelines. On 24 August 2018 Edgeborough Co-Investments (GP) Limited was transferred Class C and Class E capital in Edgeborough Co-Investments LP and Edgeborough Partners II (General Partner) Limited was transferred 3.72% of the capital commitment and 3.0% of the carry capital in Edgeborough Partners II LP and were subsequently transferred out of the Group in December 2021.

## Notes to the consolidated financial statements (continued)
## For the year ended 31 December 2022

### 11. Equipment, fittings and intangible assets

| | Furniture, fixtures and office equipment Group € |
|---|---|
| **Cost** | |
| At 1 January 2021 | 814,551 |
| Additions | 83,759 |
| At 31 December 2021 | 898,310 |
| Additions | 13,368 |
| **At 31 December 2022** | **911,678** |
| **Accumulated depreciation** | |
| At 1 January 2021 | (778,816) |
| Charge for the year | (43,275) |
| At 31 December 2021 | (822,091) |
| Charge for the year | (23,372) |
| **At 31 December 2022** | **(845,463)** |
| **Net book value** | |
| At 31 December 2021 | 76,219 |
| **At 31 December 2022** | **66,215** |

The Partnership does not hold any property, plant or equipment.

The above includes €4,998 of intangible assets (2021: €3,925) with €4,352 of associated amortisation (2021: €3,925).

### 12. Right-of-use assets

| | Right of use: Buildings Group € |
|---|---|
| **Cost** | |
| At 1 January 2021 | 1,494,434 |
| Additions | 530,870 |
| At 31 December 2021 | 2,025,304 |
| Additions | 200,438 |
| **At 31 December 2022** | **2,225,742** |
| **Accumulated depreciation** | |
| At 1 January 2021 | (619,635) |
| Charge for the year | (389,160) |
| At 31 December 2021 | (1,008,795) |
| Charge for the year | (381,363) |
| **At 31 December 2022** | **(1,390,158)** |
| **Net book value** | |
| At 31 December 2021 | 1,016,509 |
| **At 31 December 2022** | **835,584** |

The Partnership does not hold any Right-of-use assets.

## Notes to the consolidated financial statements (continued)
## For the year ended 31 December 2022

### 13. Trade and other receivables

| | Group 2022 € | Group 2021 € | LLP 2022 € | LLP 2021 € |
|---|---|---|---|---|
| Trade receivables | 992,162 | 3,584,777 | 49,451 | - |
| Other receivables | 3,606,311 | 2,290,817 | 1,210,220 | 3,187 |
| Prepayments | 525,286 | 538,182 | - | - |
| Accrued income | - | 12,282,613 | 803,653 | 806,375 |
| | 5,123,759 | 18,696,389 | 2,063,324 | 809,562 |

### 14. Cash and cash equivalents

For the purposes of the cash flow statements, the cash and cash equivalents include the following:

| | Group 2022 € | Group 2021 € | LLP 2022 € | LLP 2021 € |
|---|---|---|---|---|
| Cash at bank | 4,037,802 | 10,571,536 | 44,412 | 4,012,823 |
| | 4,037,802 | 10,571,536 | 44,412 | 4,012,823 |

### 15. Members capital

The Members have different interests and entitlements in respect of the different business divisions in the Group and in order to give effect to this, a separate class of units is created for each business division, and the profits and losses of each business division shall be apportioned to the relevant Class. Subject to clause 4.4 of the LPA, the units of each class represent the interest of members to share in the profits of the relevant business division that are related to such class. On 14 September 2021 an amended and restated Limited Partnership Agreement was signed by the Members which both cancelled all the U units and issued new units to the existing Members, thus the Burnwater unit was cancelled. On 22 November 2022 new Class E Units were issued.

| | APEL Preference B Units | C Units | D Units | E Units | Services Units |
|---|---|---|---|---|---|
| Jerzy Swirski | - | - | - | - | 1 |
| Neil Milne | - | - | - | - | 1 |
| Pawel Gierynski | - | - | - | - | 1 |
| Stephen Richmond | - | - | - | - | 1 |
| GS Investments SLP | 30,000 | 30 | 30 | 30 | - |
| Gierynski Investments Limited | - | 30 | 30 | 30 | - |
| Lissington Limited | 30,000 | 30 | 30 | 30 | - |
| SJR Holdings Limited | - | 10 | 10 | 10 | - |
| | 60,000 | 100 | 100 | 100 | 4 |

**Contributed capital**

| | 2022 € | 2021 € |
|---|---|---|
| As at 1 January | 446,808 | 446,808 |
| Additions during the period | - | - |
| As at 31 December | 446,808 | 446,808 |

## Notes to the consolidated financial statements (continued)
## For the year ended 31 December 2022

### 16. Other reserves

Other reserves relates to the revaluation of the Group's 39.433% PPS Capital Commitment in Abris CEE Mid-Market Fund II GP LP held via its subsidiary Abris CEE Mid-Market Fund II GP Limited, 39.48% PPS Capital Commitment in Abris CEE Mid-Market Fund III GP LP held via its subsidiary Abris CEE Mid-Market Fund III GP Limited, the 7.893% interest in Edgeborough Partners LP via the subsidiary Burnwater Limited (cancelled 14 September 2021) and the investment in CEE Executive Team LP by CEE Equity Partners Limited.

| | **Group 2022 €** | Group 2021 € |
|---|---|---|
| At 1 January | **22,853,852** | 6,089,566 |
| (Loss) / gain on revaluation of equity instruments | **(12,815,543)** | 16,764,286 |
| At 31 December | **10,038,309** | 22,853,852 |

### 17. Trade and other payables

| | **Group 2022 €** | Group 2021 € | **LLP 2022 €** | LLP 2021 € |
|---|---|---|---|---|
| Other creditors | **454,830** | 441,249 | **230,758** | 136,143 |
| Trade payables | **357,722** | 164,626 | **5,803** | 59,421 |
| Lease liabilities less than one year | **247,755** | 251,078 | **-** | - |
| Accruals | **5,961,747** | 6,001,475 | **826,764** | 827,438 |
| | **7,022,054** | 6,858,428 | **1,063,325** | 1,023,002 |

The Group has financial risk management policies in place to ensure that all payables are paid within the credit timeframe. The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

### 18. Long term liabilities

| | **Group 2022 €** | Group 2021 € | **LLP 2022 €** | LLP 2021 € |
|---|---|---|---|---|
| Lease liabilities greater than one year but not more than five years | **682,190** | 842,795 | **-** | - |
| | **682,190** | 842,795 | **-** | - |

The Group applied the modified retrospective approach transition method and has presented Right-of-use assets separately in the Statement of financial position, and lease liabilities are included in current and long term liabilities in the Statement of financial position.

### 19. Related party transactions

The following transactions were carried out with related parties:

The Group's subsidiary CEE Equity Partners Limited made investment commitment loans totalling €Nil during the period (2021: €Nil) to the related party CEE Executive Team LP, bringing the total loan amount after revaluation to €6,249,305 as at 31 December 2022 (2021: €5,956,845). These investment loans accrue no interest and have no fixed repayment date.

The Partnership received investment advisory services fees totalling €2,087,278 (2021: €2,106,375) during the year from Abris CEE Holdings with €49,451 outstanding fees and €803,653 accrued income at the year end (2021: €Nil outstanding fees and €806,375 accrued income).

### 20. Ultimate controlling party

The Group is considered to have no ultimate controlling party.

### 21. Post balance sheet events

As at December 2023, there are no material events after the reporting date which would have a bearing on the understanding of the financial statements. The current crisis in Ukraine is considered to be non-adjusting balance sheet event and as such no adjustments have been made to the valuation of assets and liabilities as at 31 December 2022.

Abris Capital Partners (Fund I) is currently undergoing the process of liquidation which is expected to be completed by the end of December 2023, with Abris CEE Mid-Market Fund LP and its General Partner being liquidated earlier in 2023.