

# Kirkoswald Capital Partners LLP

Report And Financial Statements

*31 March 2020*

Rees Pollock  
Chartered Accountants

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**INFORMATION**

**Designated Members**      Kirkoswald Capital Services (UK) Ltd  
R D Price

**LLP registered number**    OC387588

**Registered office**        39 Sloane Street  
London  
SW1X 9LP

**Independent auditors**    Rees Pollock  
Chartered accountants  
35 New Bridge Street  
London  
EC4V 6BW

**MEMBERS' REPORT**  
**For the Year Ended 31 March 2020**

The members present their annual report together with the audited financial statements of Kirkoswald Capital Partners LLP (the LLP) for the year ended 31 March 2020.

**Principal activities**

The principal activity during the year was the provision of investment management services. The LLP is authorised by the Financial Conduct Authority (FCA).

**Designated members**

Kirkoswald Capital Services (UK) Ltd and R D Price were designated members of the LLP throughout the year. J Saltissi was a designated member of the LLP until his resignation on 19 March 2020.

**Policy with respect to members' drawings and subscription and repayment of members' capital**

Members share profits and losses in accordance with profit sharing arrangements.

Members are permitted to make drawings in anticipation of profits which will be allocated to them. Members are not entitled to repayment of their capital. The amount of capital and drawings is determined by the regulatory capital requirements of the FCA and any trading needs of the LLP.

**Pillar III disclosure**

The LLP has documented the disclosures required by the FCA under BIPRU 11. These are available from the registered office.

**Members' responsibilities statement**

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain

**MEMBERS' REPORT (CONTINUED)**  
**For the Year Ended 31 March 2020**

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

**Disclosure of information to auditors**

Each of the persons who are members at the time when this members' report is approved has confirmed that:

- so far as that member is aware, there is no relevant audit information of which the LLP's auditors are unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

**Auditors**

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

This report was approved by the members on 30 September 2020 and signed on their behalf by:



R D Price  
Designated member

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KIRKOSWALD CAPITAL PARTNERS LLP**

### **Opinion**

We have audited the financial statements of Kirkoswald Capital Partners LLP (the 'LLP') for the year ended 31 March 2020, which comprise the statement of comprehensive income, the balance sheet, the statement of cash flows, the reconciliation of members' interests and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the LLP's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KIRKOSWALD CAPITAL PARTNERS 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 members' responsibilities statement 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 LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

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

### **Use of our report**

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Peter Scott (senior statutory auditor)  
for and on behalf of  
**Rees Pollock**  
Chartered accountants  
Statutory auditor  
35 New Bridge Street  
London  
EC4V 6BW

30 September 2020

**STATEMENT OF COMPREHENSIVE INCOME**  
**For the Year Ended 31 March 2020**

	<b>Note</b>	<b>2020 £</b>	<b>2019 £</b>
Turnover	2	5,528,094	2,778,941
Administrative expenses		(3,848,895)	(44,709)
Other operating charges		-	(2,465,041)
<b>Operating profit</b>	3	<b>1,679,199</b>	<b>269,191</b>
Interest payable and similar charges		(7)	(8)
<b>Profit before tax</b>		<b>1,679,192</b>	<b>269,183</b>
<b>Profit for the year before members' remuneration and profit shares available for discretionary division among members</b>		<b>1,679,192</b>	<b>269,183</b>

There was no other comprehensive income for 2020 or 2019.

The notes on pages 10 to 16 form part of these financial statements.

**BALANCE SHEET**  
**As at 31 March 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible fixed assets	6	17,863	-
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	2,394,509	1,124,243
Cash at bank and in hand		1,096,494	450,950
		<u>3,491,003</u>	<u>1,575,193</u>
Creditors: amounts falling due within one year	8	(1,853,118)	(680,871)
<b>Net current assets</b>		<u>1,637,885</u>	<u>894,322</u>
<b>Total assets less current liabilities</b>		<u>1,655,748</u>	<u>894,322</u>
<b>Net assets attributable to members</b>		<u>1,655,748</u>	<u>894,322</u>
<b>Represented by:</b>			
<b>Loans and other debts due to members within one year</b>			
Other amounts	9	806,832	38,967
<b>Members' other interests</b>			
Members' capital classified as equity		1,300,000	1,300,000
Other reserves classified as equity		(451,084)	(444,645)
		<u>848,916</u>	<u>855,355</u>
		<u>1,655,748</u>	<u>894,322</u>
<b>Total members' interests</b>			
Amounts due from members (included in debtors)	7	-	(231,158)
Loans and other debts due to members	9	806,832	38,967
Members' other interests		848,916	855,355
		<u>1,655,748</u>	<u>663,164</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 30 September 2020.

R D Price  
Designated member



The notes on pages 10 to 16 form part of these financial statements.



**RECONCILIATION OF MEMBERS' INTERESTS**  
**For the Year Ended 31 March 2020**

	<b>EQUITY</b> <b>Members' other interests</b>			<b>DEBT</b> <b>Loans and other debts due to members less any amounts due from members in debtors</b>		<b>Total members' interests</b>
	<b>Members' capital (classified as equity) £</b>	<b>Other reserves £</b>	<b>Total £</b>	<b>Other amounts £</b>	<b>Total £</b>	<b>Total £</b>
Amounts due from members				(267,128)	(267,128)	
<b>Balance at 1 April 2018</b>	320,000	(176,867)	143,133	(267,128)	(267,128)	(123,995)
Profit for the year available for discretionary division among members	-	269,183	269,183	-	-	269,183
<b>Members' interests after profit for the year</b>	320,000	92,316	412,316	(267,128)	(267,128)	145,188
Allocations of profits	-	(536,961)	(536,961)	536,961	536,961	-
Amounts introduced by members	1,000,000	-	1,000,000	-	-	1,000,000
Repayment of capital	(20,000)	-	(20,000)	-	-	(20,000)
Drawings	-	-	-	(321,008)	(321,008)	(321,008)
Other movements	-	-	-	(141,016)	(141,016)	(141,016)
Amounts due to members				38,967	38,967	
Amounts due from members				(231,158)	(231,158)	
<b>Balance at 31 March 2019</b>	1,300,000	(444,645)	855,355	(192,191)	(192,191)	663,164
Profit for the year available for discretionary division among members	-	1,679,192	1,679,192	-	-	1,679,192
<b>Members' interests after profit for the year</b>	1,300,000	1,234,547	2,534,547	(192,191)	(192,191)	2,342,356
Allocations of profits	-	(1,685,631)	(1,685,631)	1,685,631	1,685,631	-
Drawings	-	-	-	(921,582)	(921,582)	(921,582)
Other movements	-	-	-	234,974	234,974	234,974
Amounts due to members				806,832	806,832	
<b>Balance at 31 March 2020</b>	1,300,000	(451,084)	848,916	806,832	806,832	1,655,748

The ability of the members of the LLP to reduce the amount of Members' other interests is restricted by the regulatory capital requirements of the FCA.

**STATEMENT OF CASH FLOWS**  
**For the Year Ended 31 March 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	1,679,192	269,183
<b>Adjustments for:</b>		
Depreciation of tangible assets	18,971	-
Increase in debtors	(1,303,026)	(798,559)
Increase in creditors	1,172,247	98,091
<b>Net cash generated from operating activities</b>	<u>1,567,384</u>	<u>(431,285)</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(258)	-
<b>Net cash from investing activities</b>	<u>(258)</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Members' capital contributed	-	1,000,000
Members' capital repaid	-	(20,000)
Distribution paid to members	(921,582)	(321,008)
<b>Net cash used in financing activities</b>	<u>(921,582)</u>	<u>658,992</u>
<b>Net increase in cash and cash equivalents</b>	<u>645,544</u>	<u>227,707</u>
Cash and cash equivalents at beginning of year	450,950	223,243
<b>Cash and cash equivalents at the end of year</b>	<u><u>1,096,494</u></u>	<u><u>450,950</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<u>1,096,494</u>	<u>450,950</u>
	<u><u>1,096,494</u></u>	<u><u>450,950</u></u>

The notes on pages 10 to 16 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2020**

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

Kirkoswald Capital Partners LLP is a limited liability partnership incorporated in the UK.

The LLP's registered address is 39 Sloane Street, London, SW1X 9LP.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" published in December 2018.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the LLP accounting policies. The designated members do not consider there to be any critical accounting estimates or material judgemental areas in applying the LLP's accounting policies.

The following principal accounting policies have been applied:

**1.2 Going concern**

During the year, the LLP has continued to be profitable. The ultimate parent company has also agreed to provide such funding as may be necessary for the LLP to meet its liabilities as they fall due. Accordingly the members continue to adopt the going concern basis in preparing these accounts.

**1.3 Turnover**

Turnover comprises revenue recognised by the LLP in respect of investment management fees, which are recognised when they are earned based on the underlying contract.

**1.4 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

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

Depreciation is provided on the following basis:

Computer equipment	- 3 years straight line
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**1.5 Operating leases**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2020**

**1. Accounting policies (continued)**

**1.6 Financial instruments**

The LLP does not trade in financial instruments and all such instruments arise directly from operations. All trade and other debtors are initially recognised at transaction value, as none contain in substance a financing transaction. Thereafter trade and other debtors are reviewed for impairment where there is objective evidence based on observable data that the balance may be impaired. The LLP does not hold collateral against its trade and other receivables so its exposure to credit risk is the net balance of trade and other debtors after allowance for impairment.

The LLP's cash holdings comprise on demand balances. All cash is held with banks with strong external credit ratings. At the year end £5,990 (2019: £nil) of the LLP's cash at bank was not available for use by the LLP. This balance relates to cash held in a separate bank account for the purpose of satisfying future liabilities to third party providers of research services. An equivalent balance is included in accruals and deferred income in respect of this amount.

Trade and other creditors and accruals are initially recognised at transaction value as none represent a financing transaction. They are only derecognised when they are extinguished. The LLP only has short term receivables and payables, the latter including amounts due to members. Note 10 provides details of the LLP's liquidity position at the balance sheet date.

**1.7 Foreign currency translation**

**Functional and presentation currency**

The LLP's functional and presentational currency is GBP.

**Transactions and balances**

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

**1.8 Taxation**

The taxation payable on profits is the personal liability of the members during the year.

**1.9 Members' profit allocations**

A members' discretionary share in the profit and loss for the year is accounted for as an allocation of profits. Unallocated profits and losses are included within 'other reserves'.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2020**
**2. Turnover**

The whole of the turnover is attributable to the principal activity of the LLP.

All turnover arose within the United Kingdom.

**3. Operating profit**

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

	2020 £	2019 £
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual financial statements	12,250	11,325
Fees payable to the LLP's auditor and its associates for other services	12,175	-
Exchange differences	(22,399)	(9,858)
Operating lease rentals	324,698	-
	<u>324,698</u>	<u>-</u>

**4. Employees**

	2020 £	2019 £
Wages and salaries	2,054,434	-
Social security costs	275,154	-
Pension costs	5,541	-
	<u>2,335,129</u>	<u>-</u>

The average monthly number of persons employed during the year was as follows:

	2020 No.	2019 No.
	4	-
	<u>4</u>	<u>-</u>

**5. Information in relation to members**

	2020 Number	2019 Number
The average number of members during the year was	4	4
	<u>4</u>	<u>4</u>
	2020 £	2019 £
The amount of profit attributable to the member with the largest entitlement was	715,499	155,497
	<u>715,499</u>	<u>155,497</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2020**

**6. Tangible fixed assets**

	<b>Computer equipment £</b>
<b>Cost</b>	
Additions	<b>258</b>
Transfer from parent	<b>100,119</b>
	<hr/>
At 31 March 2020	<b>100,377</b>
	<hr/>
<b>Depreciation</b>	
Charge for the year	<b>18,971</b>
Transfer from parent	<b>63,543</b>
	<hr/>
At 31 March 2020	<b>82,514</b>
	<hr/>
<b>Net book value</b>	
At 31 March 2020	<b>17,863</b>
	<hr/> <hr/>
At 31 March 2019	<b>-</b>
	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2020

**7. Debtors**

	2020 £	2019 £
Amounts owed by entities under common control	765,580	189,472
Other debtors	215,366	211,246
Prepayments and accrued income	1,413,563	492,367
Amounts due from members	-	231,158
	<u>2,394,509</u>	<u>1,124,243</u>

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

	2020 £	2019 £
Trade creditors	249,609	79,460
Other taxation and social security	937,321	-
Other creditors	532,287	500,000
Accruals and deferred income	133,901	101,411
	<u>1,853,118</u>	<u>680,871</u>

**9. Loans and other debts due to members**

	2020 £	2019 £
Amounts due to members in respect of undrawn profits	497,817	137,813
	<u>497,817</u>	<u>137,813</u>

Loans and other debts due to members rank equally with debts due to ordinary creditors in the event of a winding up.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2020**
**10. Analysis of Net Debt**

	At 1 April 2019 £	Arising from cash flows £	Other non- cash changes £	At 31 March 2020 £
Cash at bank and in hand	450,950	645,544	-	1,096,494
Net debt (before members' debt)	450,950	645,544	-	1,096,494
<i>Loans and other debts due to members</i>				
Other amounts due to members	(38,967)	921,582	(1,689,447)	(806,832)
	<u>411,983</u>	<u>1,567,126</u>	<u>(1,689,447)</u>	<u>289,662</u>

**11. Commitments under operating leases**

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

	2020 £	2019 £
Not later than 1 year	332,910	-
	<u>332,910</u>	<u>-</u>

**12. Related party transactions**

During the year the LLP was recharged expenses of £Nil (2019: £2,465,041) by Kirkoswald Services (UK) Ltd ('KSL'), a related party by virtue of the fact that it has control over the LLP. KSL also transferred fixed assets with net book value £36,576 (2019: £nil) to the LLP during the year. Other transactions with KSL are included within the Reconciliation of Members' Interests.

During the year the LLP received investment management fees totalling £5,528,094 (2019: £2,778,941) from Kirkoswald Asset Management (Cayman) Limited, a company which is incorporated in the Cayman Islands and under common control. At the year end £1,239,137 (2019: £492,367) was outstanding and is included in accrued income.

During the year the LLP advanced \$700,791 (2019: \$250,000) to Kirkoswald Asset Management LLC a company incorporated in the United States of America and under common control. At the balance sheet date the amount due from Kirkoswald Asset Management LLC was \$950,791 (2019: \$250,000).

Other creditors include loans totalling £500,000 (2019: £500,000) advanced by G Coffey, the LLP's controlling party. The loan is repayable on demand and accrues interest at a rate of 1% above the Bank of England based rate.



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year Ended 31 March 2020**

**13. Controlling party**

The immediate parent company is Kirkoswald Capital Services (UK) Ltd, a company incorporated in England and Wales. Kirkoswald Capital Services (UK) Ltd produces consolidated accounts, copies of which are available from Companies House.

The ultimate parent company is Kirkoswald Asset Management (Cayman) Limited.

The ultimate controlling party is G Coffey.