Limited Liability Partnership Registration No. OC388541 (England and Wales)

PERENNA CAPITAL MANAGEMENT LLP

ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

PERENNA CAPITAL MANAGEMENT LLP

LIMITED LIABILITY PARTNERSHIP INFORMATION

Designated members	Ms G Davies Mr W Verbeek Mr H Peacocke
Limited liability partnership number	OC388541
Registered office	66 Prescot Street London E1 8NN
Accountants	Carter Backer Winter LLP 66 Prescot Street London E1 8NN

PERENNA CAPITAL MANAGEMENT LLP

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PERENNA CAPITAL MANAGEMENT LLP

MEMBERS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The members present their annual report and financial statements for the year ended 31 March 2021. The LLP has not conducted any regulated activity during the year.

Members' drawings, contributions and repayments
The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

A member's capital requirement is linked to their share of profit and the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so the retiring members are repaid their capital at "par".

Designated members
The designated members who held office during the year and up to the date of signature of the financial statements were as follows:

Ms G Davies
Mr W Verbeek
Mr H Peacocke

Small companies exemption
This report has been prepared in accordance with the special provisions relating to small Limited Liability Partnerships within Part 15 of the Companies Act 2006.

Approved by the members on 18 June 2021 and signed on behalf by:

Ms G Davies
Designated Member

PERENNA CAPITAL MANAGEMENT LLP

MEMBERS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

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

Company law (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. 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 limited liability partnership and of the profit or loss of the limited liability partnership for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the limited liability partnership will continue in business.

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

CHARTERED ACCOUNTANTS' REPORT TO THE MEMBERS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF PERENNA CAPITAL MANAGEMENT LLP FOR THE YEAR ENDED 31 MARCH 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Perenna Capital Management LLP for the year ended 31 March 2021 set out on pages 4 to 8 from the limited liability partnership's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at http://www.icaew.com/en/members/regulations-standards-and-guidance.

This report is made solely to the limited liability partnership's members of Perenna Capital Management LLP, as a body, in accordance with the terms of our engagement letter dated 20 May 2019. Our work has been undertaken solely to prepare for your approval the financial statements of Perenna Capital Management LLP and state those matters that we have agreed to state to the limited liability partnership's members of Perenna Capital Management LLP, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Perenna Capital Management LLP and its members as a body, for our work or for this report.

It is your duty to ensure that Perenna Capital Management LLP has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Perenna Capital Management LLP. You consider that Perenna Capital Management LLP is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Perenna Capital Management LLP. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Carter Backer Winter LLP

18 June 2021

Chartered Accountants

66 Prescot Street
London
E1 8NN

PERENNA CAPITAL MANAGEMENT LLP

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
Administrative expenses	-	(51)
Interest receivable and similar income	136	487
Profit for the financial year before members' remuneration and profit shares available for discretionary division among members	136	436

PERENNA CAPITAL MANAGEMENT LLP

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Current assets					
Cash at bank and in hand		152,110		151,974	
Net current assets and net assets attributable to members			152,110		151,974
Represented by:					
Loans and other debts due to members within one year					
Amounts due in respect of profits			2,110		1,974
Members' other interests					
Members' capital classified as equity			150,000		150,000
			152,110		151,974
Total members' interests					
Loans and other debts due to members			2,110		1,974
Members' other interests			150,000		150,000
			152,110		151,974

For the financial year ended 31 March 2021 the limited liability partnership was entitled to exemption from audit under section 477 of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) relating to small limited liability partnerships.

The members acknowledge their responsibilities for complying with the requirements of the Act (as applied to limited liability partnerships) with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to limited liability partnerships subject to the small limited liability partnerships regime.

The financial statements were approved by the members and authorised for issue on 18 June 2021 and are signed on their behalf by:

Ms G Davies
Designated member

Limited Liability Partnership Registration No. OC388541

1 Accounting policies

Limited liability partnership information

Perenna Capital Management LLP is a limited liability partnership incorporated in England and Wales. The registered office is 66 Prescot Street, London, E1 8NN.

The limited liability partnership's principal activities are disclosed in the Members' Report.

1.1 Accounting convention

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in December 2018, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the limited liability partnership. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Members' participating interests

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

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with section 22 of FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

All amounts due to members that are classified as liabilities are presented within 'Loans and other debts due to members' and, where such an amount relates to current year profits, they are recognised within 'Members' remuneration charged as an expense' in arriving at the relevant year's result. Undivided amounts that are classified as equity are shown within 'Members' other interests'. Amounts recoverable from members are presented as debtors and shown as amounts due from members within members' interests.

Where there exists an asset and liability component in respect of an individual member's participation rights, they are presented on a gross basis unless the LLP has both a legally enforceable right to set off the recognised amounts, and it intends either to settle on a net basis or to settle and realise these amounts simultaneously, in which case they are presented net.

Once an unavoidable obligation has been created in favour of members through allocation of profits or other means, any undrawn profits remaining at the reporting date are shown as 'Loans and other debts due to members' to the extent they exceed debts due from a specific member.

1.3 Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks.

1 Accounting policies **(Continued)**

1.4 Financial instruments

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

Financial instruments are recognised in the limited liability partnership's statement of financial position when the limited liability partnership becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

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

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

Derecognition of financial assets

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

1 Accounting policies (Continued)

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the limited liability partnership after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction. Financial liabilities classified as payable within one year are not amortised.

Other financial liabilities
Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities
Financial liabilities are derecognised when the limited liability partnership's obligations expire or are discharged or cancelled.

2 Employees

The average number of persons (excluding members) employed by the partnership during the year was:

	2021 Number	2020 Number
Total	-	-

3 Loans and other debts due to members

In the event of a winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

Disclosure policy

The Capital Requirements Directive ("CRD") is the framework for implementing Basel II in the European Union. Basel II implements a risk sensitive framework for the calculation of regulatory capital. This was implemented in the United Kingdom through changes to the Financial Conduct Authority ("FCA") Handbook of Rules and Guidance, and specifically through the creation of the General Prudential Sourcebook ("GENPRU") and the Prudential Sourcebook for Banks, Building Societies and Investment Firms ("BIPRU"), specifically BIPRU 11.

The framework consists of three pillars:
Pillar 1 – sets out the minimum capital requirements for the investment manager;
Pillar 2 – deals with the Internal Capital Adequacy Assessment Process ("ICAAP") undertaken by the Firm to assess the adequacy of capital held in relation to its material risks; and
Pillar 3 – requires the Firm to publicly disclose its policies on risk management, capital resources and capital requirements.

The Pillar 3 disclosure of Perenna Capital Management LLP Limited ("PCM" or the "Firm") is set out below. The regulatory aim of the disclosure is to improve market discipline.

PCM makes Pillar 3 disclosures annually, via the annual accounts. The information contained in this disclosure is accurate as at 31 March 2021. It does not constitute any form of financial statement.

Certain information relating to BIPRU 11.5 has been omitted on the basis that it has been deemed to be immaterial or proprietary/confidential. The Firm regards information as material in the disclosure if its omission or misstatement could change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions. The Firm regards information as proprietary/confidential if sharing that information with the public would undermine its competitive position. Proprietary/confidential information may include information on products or systems which, if shared with competitors, would render the Firm's investments therein less valuable. Further, the Firm must regard information as confidential if there are obligations to customers or other counterparty relationships binding the Firm to confidentiality.

Background to the Firm

The Firm is authorised and regulated by the FCA and as such is subject to minimum regulatory capital requirements. The Firm is categorised by the FCA, for capital purposes, as a collective portfolio management investment ("CPMI") firm. It is an investment management firm and has no trading book exposures.

Capital Resources Requirement

Pillar 1 – Minimum Capital Requirements

The Firm has not traded and has not launched a Fund so the initial capital requirement of €125k is therefore used for the purposes of the Pillar 1 calculation.

PCM calculates the credit risk to its non AIFM activities under the simplified approach.

Pillar 2 – ICAAP

The Firm's ICAAP includes an assessment of the design and performance of the internal controls in place to mitigate risks, the probability of the risk occurring, the potential financial and reputational impact, and the adequacy of the Firm's capital base.

The ICAAP is the process through which PCM determines that it is able to identify and manage its key risks on an on-going basis and ensure that it has sufficient capital in respect of such risks. The process is forward looking and is an integral part of the management of the Firm. The Financial Controller, in co-ordination with the Compliance Officer, is responsible for the ICAAP within PCM and consulted other appropriate members of staff to ensure the accuracy of his findings.

The Firm's senior management formally reviews and approves a finalised ICAAP document on at least an annual basis (or more frequently if there are material changes to the Firm's business model and risk exposures). The senior management, as part of its review of the ICAAP, sets the Firm's risk appetite, confirms that the Firm's key material risks have been considered and assessed, and validates the stress testing scenarios.

Capital Resources

The main features of the Firm's Capital Resources are as follows:

Capital item	£'000s
Tier 1 capital	150
Total capital resources, net of deductions	150

Risk Management Objectives and Policies

Due to the nature, size and complexity of the Firm, PCM does not have an independent risk management function. Senior management is responsible for the management of risk within the Firm and individual responsibilities are clearly defined. PCM has clearly documented policies and procedures, which are designed to minimise risks to the Firm and all staff are required to confirm that they have read and understood them.

PCM undertakes an ICAAP at least annually, which is the process through which PCM determines that it is able to identify and manage its key risks on an on-going basis and that it has sufficient capital in respect of such risks. The process is forward looking and is an integral part of the management of the Firm.

Following the completion of the ICAAP, the Firm has concluded that its Tier 1 capital is sufficient to cover its Pillar 1 and Pillar 2 requirements.

Remuneration

PCM must comply with the remuneration rules as per SYSC 19C ("the BIPRU Remuneration Code"). As the Firm has not traded, no specific compliance is required to be described at this point.

Quantitative Information

The following business areas received the following aggregate amount of remuneration:

AIFM management fees	Nil
Unregulated activites	Nil