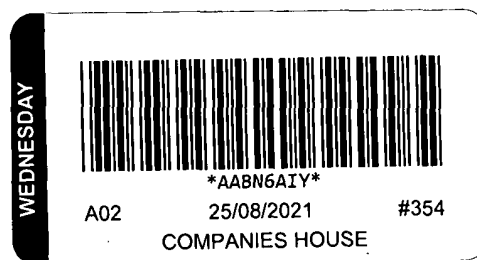


**AVENTICUM CAPITAL MANAGEMENT (UK)  
LLP  
Members' Report and Financial Statements  
2020**

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REGISTRATION NUMBER: OC389954



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**Partnership Information**

**Members as at 6 May 2021**

**The Corporate Members are:**

Aventicum Real Estate Ltd  
(formerly known as 'Aventicum Capital Management (UK) I Holding Ltd' until 27 April 2021)

Aventicum Capital Management (UK) II Holding Ltd

**Registered Office**

4 Sloane Terrace  
London SW1X 9DQ  
United Kingdom

Registration Number: OC389954

**Independent Auditors**

PricewaterhouseCoopers ('PwC') LLP  
Statutory Auditors  
7 More London  
London  
SE1 2RT

## MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

### Profile

Aventicum Capital Management (UK) LLP ('ACMUK' or the 'LLP'), is a Limited Liability Partnership, incorporated in the United Kingdom ('UK') on 17 December 2013. Aventicum Real Estate Ltd (formerly known as 'Aventicum Capital Management (UK) I Holding Ltd' until 27 April 2021) and Aventicum Capital Management (UK) II Holding Ltd ('ACMH2') are Corporate Members of the LLP. Each made 50% of the LLP's total capital contributions and has the right together to appoint the Members of the LLP's Reserved Matters Management Committee ('RMMC'). Both are, in turn, wholly owned by Aventicum Capital Management Holding AG ('ACMH'). ACMH was established as a 60/40 joint venture between Credit Suisse Asset Management International Holdings Ltd ('CSAMI') and Qatar Holding LLC ('QH') in December 2012. The ultimate parent company of CSAMI is Credit Suisse Group AG, which is incorporated in Switzerland.

### Principal activities

The business of the LLP is to provide investment management services including acting as an Alternative Investment Fund Manager ('AIFM') as defined under Directive 2011/61/EU on AIFM and any related services.

The LLP is authorised and regulated by the Financial Conduct Authority ('FCA') in the UK.

### Members

There are no Ordinary Members at the date of signing the financial statements.

The Corporate Members are:

<b>Name</b>	<b>Since</b>
Aventicum Real Estate Ltd (formerly known as 'Aventicum Capital Management (UK) I Holding Ltd' until 27 April 2021)	December 2013
Aventicum Capital Management (UK) II Holding Ltd	December 2013

Changes from 1 January 2020 to the date of signing of this report are as follows:

#### Withdrawals:

- Sergio Ivan Delgado ceased to be a member on 10 January 2021;
- Catherine Campbell ceased to be a member on 28 February 2021;
- Loic De Robert Hautequere ceased to be a member on 1 March 2021;
- Robert Francis Rowe ceased to be a member on 1 March 2021; and
- Thomas Fitzpatrick ceased to be a member on 30 April 2021.

### Pillar 3 disclosures

Pillar 3 disclosures can be found separately at [www.aventicum.com](http://www.aventicum.com)

## MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

### Business Review

#### Results for the year and allocation to Members

The loss for the year ended 31 December 2020 attributable to Members amounted to £1,105k (2019: loss of £550k). The LLP has incurred higher losses during the year largely due to incremental costs, including winding up costs which include severance.

The Ordinary Members did not participate in the losses of the LLP. The negative return on total assets for the year 2020 was 58% (2019: negative return of 22%). The LLP's balance sheet as detailed on page 12 shows a position with Members' interests amounting to £286k. (2019: £1,044k)

<b>Return on Total assets</b>	<b>2020</b>	<b>2019</b>
Net loss (£000)	(1,105)	(550)
Total Assets (£000)	1,891	2,556
% Return on Total assets	(58)	(22)

#### Future developments

The members intend to liquidate the LLP in next 12 months and therefore do not consider it appropriate to adopt the going concern basis of accounting in preparing these financial statements. Accordingly these financial statements have been prepared on a basis other than going concern.

#### Risk management

The LLP's financial risk management objectives and policies are outlined in Note 18 – Risk management.

#### Capital

During the year, the Corporate Members made a further equity capital contribution of £700k (2019: £400k) and can make further capital contributions to the LLP in accordance with the Limited Liability Partnership Agreement of the LLP (the 'Partnership Agreement'). No Member is entitled to interest on their capital contribution.

#### Auditors

During 2020, the Members and shareholders approved PwC LLP as the new statutory auditors for ACM UK, effective for the fiscal year ended 31 December 2020.

**MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

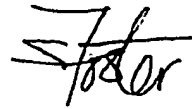
**Statement as to disclosure of information to auditors**

The Members are not aware of any relevant audit information (as defined by section 418 of the Companies Act 2006) of which the LLP's auditors are unaware. The Members also confirm that they have taken all steps required to make themselves aware of any relevant audit information and establish that the LLP's auditors are also aware of that information.

On behalf of the Members



Stephen Foster  
Aventicum Real Estate Ltd  
(formerly known as 'Aventicum Capital Management  
(UK) I Holding Ltd' until 27 April 2021)



Stephen Foster  
Aventicum Capital Management (UK) II Holding Ltd

4 Sloane Terrace  
London SW1X 9DQ  
United Kingdom

6 May 2021  
Registration Number: OC389954

## STATEMENT OF MEMBERS RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

Company law, as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations"), requires the members to prepare financial statements for each financial year. Under that law the members have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, as applied to limited liability partnerships, 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 the financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- 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 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.

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



# Independent auditors' report to the members of Aventicum Capital Management (UK) LLP

## Report on the audit of the financial statements

### Opinion

In our opinion, Aventicum Capital Management (UK) LLP's financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 December 2020 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); 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.

We have audited the financial statements, included within the Members' Report and Financial Statements (the "Annual Report"), which comprise: statement of financial position as at 31 December 2020; statement of comprehensive income, statement of changes in members' interests and cash flow statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2 to the financial statements which describes the members' reasons why the financial statements have been prepared on a basis other than going concern.



## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the members for the financial statements**

As explained more fully in the statement of members' responsibilities in respect of members' report and the financial statements, the members are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The members are also responsible for such internal control as they 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the LLP and industry, we identified that the principal risks of non-compliance with laws and regulations related to financial products and services (including conduct of business) as set out by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as 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. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to potential for manual journal entries being recorded in order to manipulate financial performance.. Audit procedures performed included:

- Enquiring of management and those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading key correspondence with regulatory authorities (the FCA) in relation to compliance with regulations;
- Reading relevant governance committee minutes to identify any significant or unusual transactions;

- Identifying and, where relevant, testing journal entries; and
- Incorporating unpredictability into the nature, timing and extent of audit procedures performed.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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

#### Use of this report

This report, including the opinions, has been prepared for and only for the members of the partnership as a body in accordance with 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 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the LLP, 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.

We have no exceptions to report arising from this responsibility.



Amena Shaista (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
7 May 2021

STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	<b>2020</b> <b>£000</b>	<b>2019</b> <b>£000</b>
Management fees	3	1,756	1,622
Net change in fair value		—	13
Other income	4	43	46
Net foreign exchange gain/(loss)		12	(37)
<b>Total revenues</b>		<b>1,811</b>	<b>1,644</b>
Staff costs	5	(630)	(146)
Depreciation		—	(8)
Audit fees	6	(25)	(20)
Rental of buildings under operating leases	7	(210)	(204)
General and administrative expenses	8	(1,152)	(885)
<b>Total expenses</b>		<b>(2,017)</b>	<b>(1,263)</b>
<b>(Loss)/Profit for the financial year before Members' remuneration and profit shares</b>		<b>(206)</b>	<b>381</b>
Members' remuneration charged as an expense	9	(899)	(931)
<b>(Loss) for the financial year available for discretionary division among Members</b>		<b>(1,105)</b>	<b>(550)</b>

Net foreign exchange gain/(loss) has been moved from expenses to revenues in 2020.

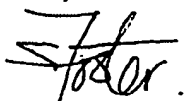
There were no items of other comprehensive income during the year.

The notes on pages 15 to 27 form an integral part of these financial statements.

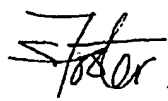
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
<b>Non-current assets</b>			
Investments	12	—	290
<b>Non-current assets</b>		<b>—</b>	<b>290</b>
<b>Current assets</b>			
Cash at Bank	11	1,399	1,313
Investments	12	—	350
Other assets	13	492	603
<b>Current assets</b>		<b>1,891</b>	<b>2,266</b>
<b>Current liabilities</b>			
Amounts owed to CS group companies		992	765
Accruals and deferred remuneration	14	613	457
<b>Current liabilities</b>		<b>1,605</b>	<b>1,222</b>
<b>Net current assets</b>		<b>286</b>	<b>1,044</b>
<b>Total assets less current liabilities</b>		<b>286</b>	<b>1,334</b>
<b>Non-current liabilities</b>			
Accruals and deferred remuneration	14	—	290
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<b>286</b>	<b>1,044</b>
<b>REPRESENTED BY:</b>			
<b>Members' other interest</b>			
Members' capital classified as equity	15	13,700	13,000
Members' other interest - other reserves	15	(13,414)	(11,956)
<b>Total Members' interest</b>		<b>286</b>	<b>1,044</b>

The financial statements on pages 11 to 27 were approved by the Members on 6 May 2021 and signed on their behalf by:



Stephen Foster  
Aventicum Real Estate Ltd  
(formerly known as 'Aventicum Capital Management (UK) I Holding Ltd' until 27 April 2021)



Stephen Foster  
Aventicum Capital Management (UK) II Holding Ltd

6 May 2021  
Registration Number: OC389954

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Members' capital classified as equity	Members' other interest - other reserves	Total members' equity
		£000	£000	£000
<b>Balance as at 1 January 2020</b>		<b>13,000</b>	<b>(11,956)</b>	<b>1,044</b>
Loss for the year		—	(1,105)	(1,105)
Additional capital contribution by Corporate Members	15	700	—	700
VAPP allocation to Ordinary Members	15	—	(353)	(353)
<b>Balance as at 31 December 2020</b>		<b>13,700</b>	<b>(13,414)</b>	<b>286</b>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Members' capital classified as equity	Members' other interest - other reserves	Total members' equity
		£000	£000	£000
<b>Balance as at 1 January 2019</b>		<b>12,600</b>	<b>(11,091)</b>	<b>1,509</b>
Loss for the year		—	(550)	(550)
Additional capital contribution by Corporate Members	15	400	—	400
VAPP allocation to Ordinary Members	15	—	(315)	(315)
<b>Balance as at 31 December 2019</b>		<b>13,000</b>	<b>(11,956)</b>	<b>1,044</b>

The notes on pages 15 to 27 form an integral part of these financial statements.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £000	2019 <sup>1</sup> £000
<b>Cash flows from operating activities</b>			
(Loss)/Profit for the financial year before Members' remuneration and profit shares		(206)	381
<b>Adjustments to reconcile net (loss)/profit to net cash used in operating activities</b>			
<b>Non-cash items included in profit for the financial year available for discretionary division among members</b>			
Depreciation	10	—	8
Net foreign exchange (gain)/loss		(12)	64
Net change in fair value		—	(13)
<b>Cash (used)/generated before changes in operating assets and liabilities</b>		<b>(218)</b>	<b>440</b>
Decrease/(increase) in other assets	13	111	(208)
<b>Total net decrease/(increase) in operating assets</b>		<b>111</b>	<b>(208)</b>
Increase in amounts owed to CS group companies		227	212
Increase/(decrease) in other accruals and deferred remuneration <sup>1,2</sup>		523	(30)
<b>Total net decrease in operating liabilities</b>		<b>750</b>	<b>182</b>
<b>Net cash (used in)/generated from operating activities before transactions with Members</b>		<b>643</b>	<b>414</b>
Members' remuneration charged as an expense	9	(899)	(931)
<b>Net cash used in operating activities</b>		<b>(256)</b>	<b>(517)</b>
<b>Cash flows from investing activities</b>			
Purchase of investments in Class M shares		(184)	(158)
Sale of investments in Class M shares <sup>1</sup>		—	310
<b>Net cash generated from investing activities</b>		<b>(184)</b>	<b>152</b>
<b>Cash flows from financing activities</b>			
Capital introduced by Corporate Members	15	700	400
Cash bonus paid to Ordinary Members		(176)	(157)
<b>Net cash generated from financing activities</b>		<b>524</b>	<b>243</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>84</b>	<b>(122)</b>
Cash and cash equivalents at the beginning of the year		1,313	1,452
Effect of exchange rate fluctuations on cash and cash equivalents held		2	(17)
<b>Cash and cash equivalents at the end of the year</b>	11	<b>1,399</b>	<b>1,313</b>

The notes on pages 15 to 27 form an integral part of these financial statements.

<sup>1</sup>'Sale of investments in Class M shares' under investment activities and 'other accruals and deferred remuneration' under operating liabilities reported for the year 2019 are restated to exclude non cash transactions to the extent of £403k.

<sup>2</sup>Increase/(decrease) in other accruals and deferred remuneration excludes non-cash movement of £(657)k (2019: £153k).

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### **1. General**

Aventicum Capital Management UK LLP is a Limited Liability Partnership incorporated in England and Wales. The address of the LLP's registered office is 4 Sloane Terrace, London SW1X 9DQ. The financial statements were authorised for issue by the Corporate Members (pursuant to the terms of the Partnership Agreement) on 6 May 2021.

### **2. Accounting policies**

#### **a) Basis of preparation**

The members intend to liquidate the LLP in next 12 months and therefore the financial statements have been prepared on a basis other than going concern and in accordance with the Statement of Recommended Practice on Accounting by Limited Liability Partnerships (December 2018) ('SORP') and in accordance with the FRS 102 as amended in December 2017. The financial statements are presented in Pound Sterling ('£' or 'GBP'), rounded to the nearest thousand. As it is the intention of the members to liquidate the LLP, all non-current assets have been presented as current assets in the financial statements. No other adjustments were necessary to reduce assets to their realisable values or to provide for liabilities arising from the decision.

Certain reclassifications and remeasurements have been made to the prior year financial statements of the Company to conform to the current year's presentation and none had any impact on net profit/ (loss) or total shareholders' equity of the Company.

An adjustment was made to the Cash flow statement in the financial statements. Please refer to the Cash flow statement for further details.

#### **b) Revenue**

Revenue for the LLP represents mainly asset management fees and performance fees and is based on different services provided by the LLP. Asset management fees are calculated as a percentage of the value of the underlying assets under management. Performance-linked fees or fee components are those that are earned by the LLP once the AQS Emerging Markets Corporate Debt Total Return Fund delivers the required performance and are recognised upon receipt.

#### **c) Investments**

The buyout shares and VAPP deferred share awards invested by the LLP in the name of the Ordinary Members in Class M shares of the master-feeder fund sold during the year and the liability has been settled.

#### **d) Trade and other debtors/ creditors**

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example, if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

#### **e) Cash at bank**

Cash and due from banks is defined as short-term, highly liquid instruments with original maturities of three months or less and that are held for cash management purposes. Cash at bank comprises cash deposited with related companies.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020  
(CONTINUED)

**f) Leases**

The lease entered into by the LLP is an operating lease. The total payments made under operating leases are charged to the Statement of Income on a straight-line basis over the period of the lease. There are no incentives attached to individual leases.

**g) Members' remuneration**

Discretionary VAPP awards (cash and deferred) are debited directly to equity in the year in which the division occurs. A discretionary division of profits that takes place after the balance sheet date is a non-adjusting event under section 32 of FRS 102 *Events after the End of the Reporting Period*.

The Ordinary Members were also subject to a deferred variable remuneration arrangement. For certain Ordinary Members, it was agreed to buy out the deferred compensation from their previous firm ('buyout shares'). These shares have a three year vesting period. The LLP recognises the corresponding compensation expense over the vesting period on a front loading basis. The buyout shares have been invested in the shares of an unconsolidated fund launched by the LLP. The deferred compensation liability is measured at fair value through Statement of Income with reference to the valuation of Class M shares.

The share of profits and losses is governed by the Partnership Agreement.

Under the Partnership Agreement, net profits shall be divided up among the Members in the following manner:

- firstly, to each Ordinary Member, a Fixed Annual Partnership Profit ('FAPP');
- secondly, to each Ordinary Member, a Variable Annual Partnership Profit ('VAPP'); and
- thirdly, a share of the Residual Annual Partnership Profits, if any ('RAPP'). RAPP is first divided among the Ordinary Members (as a whole) and the Corporate Members (as a whole). The portion of RAPP allocated to the Ordinary Members as a whole may then be allocated to one, some or all the Ordinary Members. Part of RAPP allocated to an Ordinary Member (if any) is deferred over a three year period.

The Members shall draw the following to the extent of funds in their capital accounts:

- on account of FAPP, up to an amount equal to one twelfth of such Ordinary Members' FAPP;
- on account of VAPP, up to an amount equal to the vested cash portion of such Member; and
- on account of RAPP, up to an amount equal to the vested cash portion of such Member.

**h) Income tax**

The taxation payable on the partnership profits is the personal liability of the Members. Consequently, neither partnership taxation nor related deferred taxation are accounted for in the financial statements.

**i) Employee benefits**

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020  
(CONTINUED)**

**j) Foreign currency translation**

The LLP's functional currency is Pound Sterling ('£' or 'GBP'). Transactions denominated in currencies other than the functional currency of the LLP are recorded by re-measuring to the functional currency of the LLP at the exchange rate ruling at the date of the transaction. At the reporting date, monetary assets and liabilities such as receivables and payables are reported using the spot exchange rates applicable at that date. Non-monetary assets and liabilities denominated in foreign currencies at the reporting date are not revalued for movements in foreign exchange rates. Foreign exchange differences arising from re-measurement are recognised in the Statement of Income.

**k) Interest income**

Interest income is accounted for on accrual basis.

**Critical accounting estimates and judgements**

There are no critical accounting estimates or judgements.

**3. Management fees**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Management fees	1,756	1,622

The LLP earns asset management fees on the feeder fund.

**4. Other income**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Other income	43	46

Other income includes £24k receivable on account of directors fees paid on behalf of the Corporate Members and reimbursable by Credit Suisse Asset Management ('CSAM') Ltd for the year 2020.

**5. Staff costs**

Staff costs during the year were as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Salaries and bonuses	(101)	(95)
Social security costs	(15)	(12)
Pension costs	(13)	(10)
Other personnel costs*	(501)	(29)
<b>Total staff costs</b>	<b>(630)</b>	<b>(146)</b>

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020  
(CONTINUED)**

\*Includes severance cost of £308k and directors fees paid on behalf of the Corporate Members and reimbursable by CSAM Ltd during the year 2020 amounting to £24k.

The average number of employees (excluding Ordinary Members) during the year was 2 (2019: 2).

The average number of Ordinary Members during the year was 5 (2019: 5).

**6. Audit fees**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Audit fees	(25)	(20)

Audit fees includes statutory audit fees of £20k (2019: £15k) and Client Asset Sourcebook ('CASS') audit fees of £5k (2019: £5k).

**7. Rental of buildings under operating leases**

The LLP leases office space under an operating lease arrangement. The lease term will terminate on 31st March 2021 due to the planned liquidation of the partnership.

The future aggregate minimum lease payments under operating leases are as follows:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Up to 1 year	(73)	(286)
From 1 year up to 5 years	—	(429)
<b>At 31 December</b>	<b>(73)</b>	<b>(715)</b>

The following table sets forth details of rental expenses for all operating leases:

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Rental expenses	(210)	(204)

**8. General and administrative expenses**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Legal fees	(119)	(30)
Other outsourced services	(295)	(212)
Travel and entertainment	(1)	(43)
Information technology expenses	(262)	(247)
Expenses reimbursed to CS group companies	(446)	(314)
Other expenses	(29)	(39)
<b>Total General and administrative expenses</b>	<b>(1,152)</b>	<b>(885)</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020  
(CONTINUED)

**9. Ordinary Members' remuneration charged as an expense**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
FAPP paid to Members	(875)	(919)
Pension costs	(24)	(12)
<b>Total Members' remuneration charged as an expense</b>	<b>(899)</b>	<b>(931)</b>

**Members' share of losses**

Losses are shared by the Corporate Members at the end of the year in accordance with agreed profit and loss sharing arrangements governed by the Partnership Agreement. The Ordinary Members did not participate in losses.

The average number of Members, including Ordinary and Corporate Members, during the year was 7 (2019: 7).

**10. Furniture and equipment**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Cost</b>		
As at 1 January	96	96
Additions	—	—
<b>Cost as at 31 December</b>	<b>96</b>	<b>96</b>
<b>Accumulated depreciation</b>		
As at 1 January	(96)	(88)
Charge for the year	—	(8)
<b>Accumulated depreciation as at 31 December</b>	<b>(96)</b>	<b>(96)</b>
<b>Net book value</b>		
As at 1 January	—	8
<b>As at 31 December</b>	<b>—</b>	<b>—</b>

**11. Cash at bank**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Cash at bank	1,399	1,313

The book value of cash at bank approximates its fair value.

**12. Investments**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Amount due after one year	—	290
Amount due within one year	—	350

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020  
(CONTINUED)**

The investments were transferred to the Ordinary Members during the year. Investments represented Class M shares of underlying funds launched by the LLP to finance deferred compensation pay out to the Members which comprise buyout shares and VAPP.

**13. Other assets**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Amount due within one year</b>		
Management fees receivable	—	269
VAT receivable	142	82
Amounts owed by CS group companies	261	156
Prepayments	16	37
Other receivables	14	—
Rental deposit	59	—
<b>Total amount due within one year</b>	<b>492</b>	<b>544</b>
<b>Amount due after one year</b>		
Rental deposit	—	59
<b>Total Other assets</b>	<b>492</b>	<b>603</b>

None of the above are deemed impaired therefore no provision is required for bad and doubtful debts.

**14. Accruals and deferred remuneration**

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
<b>Accruals and deferred remuneration: amounts falling due within one year</b>		
Accrual for employees' bonus	—	11
Accrual for pension costs for Members and employees	16	19
Accrual for deferred remuneration	416	349
Accruals for operating expenses	181	76
Other payables	—	2
<b>Total accruals and deferred remuneration due within one year</b>	<b>613</b>	<b>457</b>
<b>Accruals and deferred remuneration: amounts falling due after one year</b>		
Accruals for deferred remuneration	—	290
<b>Total accruals and deferred remuneration</b>	<b>613</b>	<b>747</b>

Accrual for deferred remuneration represents deferred compensation pay-outs to the Ordinary Members which comprise VAPP. The categorisation into less or more than one year in 2019 is based on the vesting schedule of the Class M shares.

The amount in other payables is unsecured.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020  
(CONTINUED)

**15. Members' interests**

£000	2020			2019
	Equity			
	Members' other interests			Total
	Members' capital (Classified as equity)	Other reserves	Total Equity	
Amounts due to Members	13,000	(11,956)	1,044	1,509
<b>Balance as at 1 January</b>	<b>13,000</b>	<b>(11,956)</b>	<b>1,044</b>	<b>1,509</b>
Loss for the year available for discretionary division among Corporate Members	—	(1,105)	(1,105)	(550)
<b>Members' interests after loss for the year</b>	<b>13,000</b>	<b>(13,061)</b>	<b>(61)</b>	<b>959</b>
Equity capital introduced by Corporate Members	700	—	700	400
VAPP allocation to Ordinary Members	—	(353)	(353)	(315)
<b>Amounts due to Members</b>	<b>13,700</b>	<b>(13,414)</b>	<b>286</b>	<b>1,044</b>
<b>Amounts due from Members</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Balance as at 31 December</b>	<b>13,700</b>	<b>(13,414)</b>	<b>286</b>	<b>1,044</b>

Capital is repayable in accordance with the terms set out in the Partnership Agreement. The obligation to settle members' capital and other debts are after unsecured creditors paid out in the event of liquidation.

**16. Capital adequacy**

The LLP's capital adequacy and capital resources are managed and monitored based on practices developed by the Basel Committee on Banking Supervision (the 'Basel Committee') and governed by European Union directives and regulations. These directives and regulations are implemented in the UK by the FCA and incorporated within its prudential sourcebooks. The LLP's overall capital needs are continually reviewed to ensure that its capital base can support the anticipated needs of its businesses. The capital management framework at CSG is designed to monitor the sufficiency of capital resources to support underlying risks of the business activity, to meet the objectives of management and to meet the requirements of regulators, rating agencies and market participants.

**Available capital**

The LLP must at all times monitor and demonstrate compliance with all the relevant regulatory capital requirements of the FCA. The LLP has put in place processes and controls to monitor and manage its capital adequacy. There was a regulatory breach in December 2020 related to the orderly wind-down of the firm. As a result of increased losses relating to wind-down costs, the capital resources decreased significantly, and as a result the LLP could not meet its capital adequacy test. The FCA was informed of the wind-down and breach and no further action was taken.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020  
(CONTINUED)

Regulatory capital resources comprise a number of 'tiers'. Tier 1 capital principally comprises Members' other interests classified as equity. This is supplemented by Tier 2 capital, which consists mainly of subordinated debt instruments. Total capital resources equal the sum of these, less regulatory deductions and adjustments specified by the regulators. The LLP currently has no Tier 2 capital.

The following table sets out details of LLP's regulatory capital resources at 31 December:

	2020	2019
	£000	£000
Capital contribution reserve	13,700	13,000
Accumulated losses	(13,414)	(11,956)
<b>Total Members' contribution</b>	<b>286</b>	<b>1,044</b>
<b>Tier 1 capital</b>	<b>286</b>	<b>1,044</b>
<b>Total regulatory capital resources</b>	<b>286</b>	<b>1,044</b>

**17. Related party transactions**

The copies of group financial statements of Credit Suisse AG ('CS AG') and Credit Suisse Group AG ('CSG AG'), which are those of the smallest and largest groups in which the results of the LLP are consolidated, are available to the public and may be obtained from Credit Suisse Group AG, Paradeplatz 8, 8070 Zurich, Switzerland and UK Companies House, Crown Way, Cardiff CF14 3UZ, United Kingdom.

The Ordinary and Corporate Members are also treated as related parties of the LLP. The LLP did not have any guarantees given and received from the related parties. All related party transactions are based on pre-existing business arrangements. The key management personnel of the entity are represented by the Ordinary Members. Please refer to Note 9 – Ordinary Members' remuneration charged as an expense for their compensation.

**a) Related party assets and liabilities**

2020	£000		
	Ordinary Members	Holding Companies	Fellow group companies
<b>Assets</b>			
Cash at bank	—	—	1,399
Other assets	—	186	74
<b>Total assets</b>	<b>—</b>	<b>186</b>	<b>1,473</b>
<b>Liabilities</b>			
Amounts owed to CS group companies	—	—	992
Accruals and deferred remuneration	430	—	—
<b>Total liabilities</b>	<b>430</b>	<b>—</b>	<b>992</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020  
(CONTINUED)

2019	£000		
	Ordinary Members	Holding Companies	Fellow group companies
<b>Assets</b>			
Cash at bank	—	—	1,313
Other assets	—	124	32
<b>Total assets</b>	<b>—</b>	<b>124</b>	<b>1,345</b>
<b>Liabilities</b>			
Amounts owed to CS group companies	—	—	765
Accruals and deferred remuneration	653	—	—
<b>Total liabilities</b>	<b>653</b>	<b>—</b>	<b>765</b>

Accruals and deferred remuneration for Ordinary Members represent pension costs and deferred compensation accruals.

**b) Related party revenues and expenses**

2020	£000		
	Ordinary Members	Holding Companies	Fellow group companies
Members' remuneration charged as an expense	(899)	—	—
General and administrative expenses	—	—	(447)
Other income	—	—	24

2019	£000		
	Ordinary Members	Holding Companies	Fellow group companies
Members' remuneration charged as an expense	(931)	—	—
General and administrative expenses	—	—	(314)

**18. Risk management**

**Introduction**

The LLP's risk management framework was based on transparency, management accountability and independent oversight. Risk management plays an integral role in the LLP's business planning process and was strongly supported by senior management and the RMMC.

The primary risks faced by the LLP were operational and investment risks. The LLP did not trade on its own behalf and did not take proprietary market risk positions. The LLP was exposed to investment and market risk to the extent that market valuations impacted the value of assets under management which in turn might have impacted investment management fees received.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

The LLP may have been adversely affected by a change in the business environment, which may have impacted in one or more of the following areas:

1. Operational risk; and
2. Investment risk.

The LLP sought to mitigate risks in these areas by way of a thorough and detailed business plan, leveraging the long term experience and knowledge of the RMMC, partners and employees and the establishment of policies and procedures wherever applicable.

The LLP had an in-house risk management function run by a dedicated Chief Risk Officer ('CRO') who was responsible for establishing policies and procedures to identify measure, manage and monitor risks relating to the LLP and also to the funds managed. In addition, Credit Suisse Asset Management, Risk Management provided independent risk oversight across the business.

Risk Management was an integral part of the LLP's core culture, and the LLP's members sought to manage risk for the LLP and the funds managed in the most effective manner. The LLP's risk management framework was designed to identify, monitor and manage risks present in its activities.

The LLP established and implemented quantitative and/or qualitative risk limits for each fund managed before termination. These limits took into account all the relevant risks to which the LLP considered that each Fund was exposed (i.e. market, credit, liquidity, counterparty and operational).

The LLP followed Credit Suisse policies and was subject to Credit Suisse risk management oversight.

### **Credit Risk**

Credit risk is the risk that financial obligations due from counterparties are not met and credit risk arises on its receivables from third-parties and other CS group companies. Cash is deposited only with other CS group companies.

No credit risk mitigation techniques were applied, and no exposures were covered by funded or unfunded credit protection.

### **Operational Risk**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, systems or external events. The LLP mitigated such risk through early identification, recording, assessment, monitoring and management reporting to prevent operational risk, wherever possible.

#### *Operational risk framework*

The LLP's operational risk framework was a network of processes, procedures, reports and responsibilities that were used to monitor and manage the operational risks of the firm. These included governance committees, day-to-day management practices such as the collection and analysis of loss data and strategic and cultural practices.

#### *Roles and responsibilities*

The LLP's operational risk model worked on three levels:

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020  
(CONTINUED)**

Level 1

=> Individuals' Responsibilities

- Ultimate risk ownership resided with the Managing Member;
- Each staff member should have owned, understood and taken an active role in management of their business risks; and
- Operational risks should have been identified and addressed early.

Level 2

=> Independent Checks

- An independent perspective from the investment level helped to ensure operational risks were adequately owned, understood, assessed, monitored, mitigated and escalated if necessary in a timely manner;
- This level was supported by other functions such as Operations, Financial Accounting, Compliance and Risk Management; and
- Additionally, the LLP outsourced Administration, Custody and Middle Office duties to a leading, experienced third party provider. The LLP met regularly with the third party providers' teams to ensure systems, controls and processes were appropriate and performing satisfactorily.

Level 3

=> Internal and External Audit, Regulator

- Internal Audit performed intensive reviews and operated as an independent check on the effectiveness of internal controls; and
- External Auditors and the Regulator provided additional feedback on effectiveness of controls.

The LLP applied a structured approach to identify, assess, monitor, and mitigate operational risks across the business working closely with third party service providers on a daily basis to ensure early identification of any potential events of failure.

The LLP operated an operational risk framework and identified operational risk events on an internal register. An analysis of operational risk was considered as part of the LLP's assessment of capital adequacy and related insurance cover which was reviewed at least annually. The LLP conducted Risk and Control Self Assessments and is subject to a regular internal audit programme.

**Investment Risk**

There is no investment risk to the LLP due to the funds having been terminated during the year and because the LLP is expected to be liquidated within 12 months.

**Risk Declaration**

The CRO was responsible for reviewing the effectiveness of risk management, systems and internal controls. These were designed to manage rather than eliminate the risks of not achieving business objectives and as such offered reasonable but not absolute assurance against fraud, material misstatement and loss. The CRO considered that adequate systems and controls were in place with regard to its profile and strategy and an appropriate array of assurance mechanisms, adequately resourced and skilled, had been established to avoid or minimise loss.

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020  
(CONTINUED)**

**19. Events after the balance sheet date**

During the period 1 January 2021 to 6 May 2021 all of the Ordinary Members withdrew from the partnership.

On 27 April 2021, Aventicum Capital Management (UK) I Holding Ltd, Corporate Member of the LLP, has changed its name to 'Aventicum Real Estate Ltd'.

In April 2021, the LLP received capital contributions amounting to £600k from its Corporate Members.