PrimeStone Capital LLP

Registered number: OC391867

Members' report and audited financial statements

For the year ended 31 March 2020

Registered number: OC391867

Contents

Registered number: OC391867

Partnership information

Designated members	PrimeStone Capital Services (UK) Limited Mr Franck Falezan Mr Benoit Colas Mr Jean-Pierre Millet
Members	Mr Kjetil Stoeve Mr Benjamin Devaux Mr Martin Donnelly Mr Adam Anthony Lister Mr Damian Hahnloser
Registered office	17a Curzon Street London United Kingdom W1J 5HS
Independent auditor	Moore Kingston Smith LLP Betchworth House 57-65 Station Road Redhill, Surrey United Kingdom RH1 1DL

Registered number: OC391867

Members' report
For the year ended 31 March 2020

The members present their annual report and the audited financial statements of PrimeStone Capital LLP ("the LLP") for the year ended 31 March 2020.

Principal activity

The principal activity of the LLP is to provide investment advisory services to PrimeStone Capital Management SLP ("the SLP"), an entity registered in Jersey. The LLP is authorised by the Financial Conduct Authority ("FCA") to carry out FCA regulated activities.

The members do not anticipate any change in the nature of the LLP's activities in the foreseeable future.

Future developments

There are no plans which will significantly change the activities and risks of the LLP.

Results and allocation to members

The results for the year and the financial position of the LLP at the year end, as detailed on pages 8 and 9 respectively, were considered satisfactory by the members and were in line with their expectations.

Profits are shared among the members as decided by the Executive Committee and governed by the LLP Agreement dated 14 January 2015.

Post balance sheet events

There have been no significant events affecting the LLP since the year end.

Policy for members' drawings, subscriptions and repayment of members' capital

Policies for members' drawings, subscriptions and repayment of members' capital are governed by the LLP Agreement dated 14 January 2015. Members' capital is not repayable except where allowed under the rules of the FCA.

Members

The members of the LLP during the year and up to the date of this report were as follows:

* PrimeStone Capital Services (UK) Limited
* Mr Franck Falezan
* Mr Benoit Colas
* Mr Jean-Pierre Millet
Mr Kjetil Stoeve
Mr Benjamin Devaux
Mr Martin Donnelly
Mr Adam Anthony Lister
Mr Damian Hahnloser (Appointed 30 September 2019)

* denotes designated member

Registered number: OC391867

Members' report (continued)
For the year ended 31 March 2020

Statement of disclosure of information to auditors

At the date of approving this report, so far as each member is aware, there is no relevant audit information of which the LLP's auditors are unaware. The members have taken all the steps that they ought to have taken as members to make themselves aware of any relevant audit information and to establish that the auditors are also aware of that information.

Pillar 3 disclosures

The Pillar 3 disclosures of the LLP, as required by the FCA Prudential Sourcebook for Banks, Building Societies and Investment Firms (BIPRU) Chapter 11 - Disclosure (Pillar 3), are included as an appendix to these financial statements. These disclosures are unaudited.

COVID-19

The worldwide outbreak of the COVID-19 virus represents a significant event since the end of the financial period. The members continue to monitor the impact that the COVID-19 pandemic has on the LLP, the asset management industry and the economies in which the LLP operates.

Given that the LLP's revenue and profitability are derived solely through investment management fees paid from PrimeStone Capital Management SLP, which is fixed in nature, it is expected that the impact upon the LLP will be minimal. The members have performed a COVID-19 impact analysis as part of their going concern assessment using information available to the date of issue of these financial statements. The analysis has considered the LLP's revenue, liquidity and capital position over the next financial year. The members have a number of actions that they are able to take to protect profitability, liquidity and capital and therefore the members believe regulatory capital requirements will continue to be met and the LLP has sufficient liquidity to meet its liabilities for the next 12 months, based on the analysis performed. Therefore the members have a reasonable expectation that the LLP has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the members' report and financial statements.

Independent auditor

The auditor, Moore Kingston Smith LLP, were appointed during the year and have indicated their willingness to continue in office. A resolution concerning their re-appointment will be proposed at the members' meeting to approve these financial statements.

This report was approved by the members on 27 July 2020 and signed on their behalf by:

Martin W. Donnelly

Mr Martin Donnelly
Member

Statement of members' responsibilities
For the year ended 31 March 2020

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

The Companies Act 2006 as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "2008 Regulations") made under the Limited Liability Partnerships Act 2000 requires the members to prepare financial statements for each financial year. Under this regulation the members have elected to prepare 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' ("FRS 102"). Under Company law, as applied to LLPs, 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 judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business; and
- follow applicable accounting standards subject to material departures being disclosed and explained in the financial statements.

The members confirm that they have complied with the above requirements in preparing the financial statements.

Under Regulation 6 of the 2008 Regulations, the members are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the LLP and that enable them to ensure that the financial statements comply with those regulations. 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.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF PRIMESTONE CAPITAL LLP

Opinion

We have audited the financial statements of PrimeStone Capital LLP ("the Limited Liability Partnership") for the year ended 31 March 2020 which comprise the statement of comprehensive income, statement of financial position, reconciliation of members' interests, statement of cash flows and notes to the financial statements, 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 Limited Liability Partnership'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;
- have been prepared in accordance with the requirements of the Statement of Recommended Practice, Accounting by Limited Liability Partnerships; and
- have been prepared in accordance with the requirements of the Companies Act 2006 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Limited Liability Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 Limited Liability Partnership'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.

Registered number: OC391867

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF PRIMESTONE CAPITAL LLP (CONTINUED)

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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Members

As explained more fully in the statement of Members' responsibilities, 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 Limited Liability Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Members either intend to liquidate the Limited Liability Partnership or to cease operations, or have no realistic alternative but to do so.

Registered number: OC391867

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF PRIMESTONE CAPITAL LLP (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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

Moore Kingston Smith LLP

Ian Matthews (Senior Statutory Auditor)
For and on behalf of Moore Kingston Smith LLP, statutory auditor
London, UK
27 July 2020

Moore Kingston Smith LLP is a limited liability partnership registered in England and Wales (with registered number OC317343).

Registered number: OC391867

Statement of comprehensive income
For the year ended 31 March 2020

	Note	2020 £	2019 £
Revenue	4	4,549,510	2,806,771
Administrative expenses		(2,627,675)	(1,141,007)
Operating profit	5	1,921,835	1,665,764
Interest receivable and similar income		3,939	8
Profit for the year available for discretionary division among members		1,925,774	1,665,772
Other comprehensive income for the year			
Other comprehensive income		-	-
Total comprehensive income for the year		1,925,774	1,665,772

All amounts relate to continuing operations.

The notes on pages 12 to 17 form an integral part of these financial statements.

Registered number: OC391867

Statement of financial position
As at 31 March 2020

	Note	2020	2019
		£	£
Current assets			Restated
Debtors	8	1,498,403	2,624,891
Cash at bank		832,276	308,972
		2,330,679	2,933,863
Creditors: amounts falling due within one year	10	(96,511)	(445,027)
Net current assets		2,234,168	2,488,836
Net assets attributable to members		2,234,168	2,488,836
Represented by:			
Loans and other debts due to members within one year			
Amounts due to members	11	429,386	168,536
Members' other interests			
Other reserve		633,482	-
Members' capital classified as equity		1,171,300	2,320,300
		1,804,782	2,320,300
		2,234,168	2,488,836
Total members' interests			
Amounts due from members (included in debtors)	8	(585,405)	(2,366,948)
Loans and other debts due to members		429,386	168,536
Members' other interests		1,804,782	2,320,300
		1,648,763	121,888

The financial statements on pages 8 to 17 were approved by the members on 27 July 2020 and signed on their behalf by:

....

Mr Martin Donnelly
Member

The notes on pages 12 to 17 form an integral part of these financial statements.

Reconciliation of members' interests
As at 31 March 2020

	EQUITY			DEBT	
	Members' capital (classified as equity) £	*Other reserves* £	*Total members' other interests* £	*Loans and other debts due to/(from) members* £	*Total members' interests* £
Members' interests as at 1 April 2018	2,275,000	(257,288)	2,017,712	4,709,648	6,727,360
Prior year adjustment (note 15)	(849,700)	-	(849,700)	261,265	(588,435)
Members' interests at 1 April 2018 (restated)	1,425,300	(257,288)	1,168,012	4,970,913	6,138,925
Profit for the year available for discretionary division among members	-	1,665,772	1,665,772	-	1,665,772
Members' interests after profit for the year (restated)	1,425,300	1,408,484	2,833,784	4,970,913	7,804,697
Profit allocation to members	-	(1,408,484)	(1,408,484)	1,408,484	-
Drawings	-	-	-	(1,848,114)	(1,848,114)
Other transactions with members	-	-	-	(5,834,695)	(5,834,695)
Capital repaid	(5,000)	-	(5,000)	5,000	-
Capital introduced	900,000	-	900,000	(900,000)	-
Members' interests as at 31 March 2019 (restated)	2,320,300	-	2,320,300	(2,198,412)	121,888
Profit for the year available for discretionary division among members	-	1,925,774	1,925,774	-	1,925,774
Members' interests after profit for the year	2,320,300	1,925,774	4,246,074	(2,198,412)	2,047,662
Profit allocation to members	-	(1,292,292)	(1,292,292)	1,292,292	-
Drawings	-	-	-	(520,500)	(520,500)
Repayment of prior year drawings	-	-	-	1,943,691	1,943,691
Other transactions with members	-	-	-	(1,822,090)	(1,822,090)
Capital repaid (note 12)	(1,150,000)	-	(1,150,000)	1,150,000	-
Capital introduced	1,000	-	1,000	(1,000)	-
Members' interests as at 31 March 2020	1,171,300	633,482	1,804,782	(156,019)	1,648,763

	2020 £	*2019* £
Amounts due to members	429,386	168,536
Amounts due from members	(585,405)	(2,366,948)
Net amount due from members	(156,019)	(2,198,412)

The notes on pages 12 to 17 form an integral part of these financial statements.

Registered number: OC391867

Statement of cash flows
For the year ended 31 March 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Profit for the year		1,925,774	1,665,772
Adjustments for:			
Interest receivable and similar income		(3,939)	(8)
Unrealised foreign exchange gains		(26,912)	-
(Increase)/decrease in debtors	8	(655,054)	6,107,606
(Decrease)/increase in creditors	10	(348,516)	69,206
Net cash generated from operating activities		891,353	7,842,576
Cash flows from investing activities			
Interest received		3,939	8
Cash flows from financing activities			
Payments to members		(517,900)	(1,848,114)
Repayments from members		1,943,691	-
Other transactions with members		(1,824,690)	(5,834,695)
Net cash used in financing activities		(398,899)	(7,682,809)
Cash and cash equivalents at the beginning of the year		308,972	149,197
Increase in net cash during the year		496,393	159,775
Foreign exchange differences on cash and cash equivalents		26,912	-
Cash and cash equivalents at the end of year		832,276	308,972

As the LLP has no net debt, an analysis of changes in debt has not been presented.

The notes on pages 12 to 17 form an integral part of these financial statements.

Notes to the financial statements
For the year ended 31 March 2020

1. General information

PrimeStone Capital LLP ("the LLP") is a limited liability partnership incorporated in England and Wales. The address of the LLP's registered office address and place of business is 17a Curzon Street, London, United Kingdom, W1J 5HS.

2. Accounting policies

2.1 Statement of compliance

The financial statements have been prepared using the going concern basis, under the historical costs convention and in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in December 2018.

2.2 Going concern

The worldwide outbreak of the COVID-19 virus represents a significant event since the end of the financial period. The members continue to monitor the impact that the COVID-19 pandemic has on the LLP, the asset management industry and the economies in which the LLP operates.

Given that the LLP's revenue and profitability are derived solely through investment management fees paid from PrimeStone Capital Management SLP which is fixed in nature, it is expected that the impact upon the LLP will be minimal. The members have performed a COVID-19 impact analysis as part of their going concern assessment using information available to the date of issue of these financial statements. The analysis has considered the LLP's revenue, liquidity and capital position over the next financial year. The members have a number of actions that they are able to take to protect profitability, liquidity and capital and therefore the members believe regulatory capital requirements will continue to be met and the LLP has sufficient liquidity to meet its liabilities for the next 12 months, based on the analysis performed.

Based on the above, the members have a reasonable expectation that the LLP has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future. Accordingly, the members continue to adopt the going concern basis in preparing the members' report and financial statements.

2.3 Basis of preparation of financial statements

The financial statements are presented in pounds sterling ("£") which is the functional currency of the LLP.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the LLP's accounting policies as detailed in note 3.

The following principal accounting policies have been applied:

2.4 Revenue recognition

Revenue is recognised on an accruals basis to the extent that it is probable that the economic benefits will flow to the LLP and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes.

Notes to the financial statements (continued)
For the year ended 31 March 2020

2.5 Interest income

Interest income is recognised on an accruals basis in the statement of comprehensive income.

Interest receivable and similar income comprises interest received on bank deposits only.

2.6 Financial instruments

Financial assets

The LLP's financial assets comprise basic financial instruments, being debtors and cash and bank balances.

Debtors are measured at amortised cost less any impairment losses. An impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the LLP would receive for the asset if it were to be sold at the reporting date. Any impairment losses are recognised in the statement of comprehensive income.

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of no more than 24 hours. The LLP does not hold any cash equivalents.

Financial assets are derecognised when contractual rights to the cash flows from the financial asset expire or are settled, or when substantially all the risks and rewards of ownership have been transferred.

Financial liabilities

The LLP's financial liabilities comprise basic financial liabilities, being trade creditors, loans and other debts due to members. These are measured at transaction price.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Loans and other debts due to members are repayable on demand and therefore are classified as current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the statement of financial position when there is an 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.

2.7 Taxation

No provision has been made for taxation in the financial statements. Each member is exclusively liable for any tax liabilities arising out of their interest in the LLP. Tax is assessed on the individual members and not on the LLP.

Notes to the financial statements (continued)
For the year ended 31 March 2020

3. Judgements in applying accounting policies and key sources of uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the statement of financial position and the amounts reported for revenues and expenses during the year.

Critical accounting estimates and assumptions

The LLP makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed in note 8.

4. Turnover

Turnover, which is stated net of any value added tax, represents fees receivable for investment advisory services provided to PrimeStone Capital Management SLP.

All turnover arose from continuing activities in the United Kingdom.

5. Profit for the year

Profit for the year is stated after charging/(crediting):

	2020 £	*2019* £
(Gain) / Loss on foreign exchange	(56,967)	5,003
Fees payable to the LLP's auditors for the audit of the LLP's annual accounts	6,730	5,850

6. Staff costs

The LLP has no employees, only members.

Key management personnel of the LLP comprise the members, who did not receive any remuneration other than distributions of profit, details of which are disclosed in note 7.

Notes to the financial statements (continued)
For the year ended 31 March 2020

7. Information in relation to members

A member's share in the profit or loss for the year is governed by the LLP Agreement dated 14 January 2015 which outlines how profits or losses are allocated.

Amounts due to members in respect of profits are debited to equity and credited to members' current accounts in the period when the allocation occurs.

	2020 £	*2019* £
Profit for the year available for discretionary division among members	1,925,774	1,665,772
Profit attributable to the member with the largest entitlement	463,932	592,823

	2020	*2019*
Average number of members	9	9

8. Debtors

	2020 £	*2019* £ *Restated*
Amounts due from PrimeStone Capital Management SLP	816,007	-
Amount due from PrimeStone Capital Special Limited Partner SCSp	-	161,938
Other debtors	96,991	96,005
Amounts due from members	585,405	2,366,948
	1,498,403	2,624,891

Amounts due from PrimeStone Capital Management SLP and PrimeStone Capital Special Limited Partner SCSp ("the SCSp") are unsecured, interest-free and receivable on demand. During the year, the amount due from the SCSp was assigned to the SLP and the SCSp was liquidated. The LLP makes the judgment that the amount due from Primestone Capital Management SLP and from other debtors are recoverable and therefore no impairment is required.

9. Supplemental information to the Statement of cash flows

The following major non-cash movements took place during the year:

- Return of capital of £1,150,000 settled via an intercompany entry.
- Repayment of member's overdrawn accounts by way of an interim profit allocation of £774,392.
- Assignment of £3,000,000 debt due from PrimeStone Capital Management SLP in exchange for settlement of £3,000,000 debt due to PrimeStone Capital Services (UK) Limited.

Notes to the financial statements (continued)
For the year ended 31 March 2020

10. Creditors: amounts falling due within one year

	2020 £	2019 £ Restated
Trade creditors	79,385	69,206
Accruals	16,226	11,050
Amounts due to PrimeStone Capital Management SLP	-	364,771
Other creditors	900	-
	96,511	445,027

11. Loans and other debts due to members

	2020 £	2019 £ Restated
Amounts due in respect of profits	362,982	-
Other amounts	66,404	168,536
	429,386	168,536

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

12. Related party transactions

PrimeStone Capital Services (UK) Limited is a corporate member of the LLP. During the year, PrimeStone Capital Services (UK) Limited billed the LLP for its services for £2,626,893 (2019 - £1,077,475). During the year the LLP returned capital of £1,150,000 to PrimeStone Capital Services (UK) Limited (2019 - £900,000 additional capital contribution), this has been approved by the board and the FCA. As at the date of the statement of financial position, £539,830 (2019 - £53,626 due to) was due from PrimeStone Capital Services (UK) Limited, with this amount included in debtors. During the year an amount of £3,000,000 (2019: £7,000,000) due to PrimeStone Capital Services (UK) Limited was discharged by way of assignment of this amount to PrimeStone Capital Management SLP, this has been approved by the members.

PrimeStone Capital Management SLP, an entity incorporated in Jersey, is under common control to the LLP. During the year, the LLP received management and performance fees of £4,549,510 (2019 - £2,806,771) from the SLP in respect of investment advisory services. As at the date of the statement of financial position, £816,007 (2019 - £364,771 due to) was due from the SLP, with this amount included in debtors. During the year £3,000,000 (2019: £7,000,000) of the intercompany balance receivable by LLP was assigned to PrimeStone Capital Services (UK) Limited for the partial satisfaction of an outstanding loan owed to PrimeStone Capital Services (UK) Limited by the LLP.

PrimeStone Capital Special Limited Partner SCSp, an entity incorporated in Luxembourg, is under common control to the company. During the year, the LLP settled an amount of £Nil (2019 - £161,938) on behalf of PrimeStone Capital Special Limited Partner SCSp. As at the statement of financial position date, £Nil (2019 - £161,938) was due from PrimeStone Capital Special Limited Partner SCSp, due to the balance being assigned to PrimeStone Capital Management SLP, prior to the liquidation of the SCSp.

Notes to the financial statements (continued)
For the year ended 31 March 2020

13. Ultimate controlling parties

The ultimate controlling party of the LLP is the Executive Committee, which is comprised of the Class A Partners identified by the LLP Agreement dated 14 January 2015 to be the following members: Mr Franck Falezan, Mr Benoit Colas and Mr Jean-Pierre Millet.

14. Subsequent events

Since the LLP's year end the world has been plunged into a healthcare emergency arising from the COVID-19 pandemic, the possible extent of which cannot yet be assessed. This will likely have an adverse impact on most entities. Given that the LLP's revenue and profitability are derived solely through investment management fees paid from PrimeStone Capital Management SLP, which is fixed in nature, it is expected that the impact upon the LLP will be minimal. Further details of the impact assessment on the LLP are given in note 2.2. There are no other significant post balance sheet events requiring adjustment and/or disclosure in these financial statements at the date of signing.

15. Prior period adjustment

Each of the Class A Partners of the LLP (note 13) is also a limited partner of PrimeStone Capital Management SLP. During 2014 the class A Partners made capital contributions totalling £850,000 into the SLP ("SLP contributions"). On 16 June 2015 each Class A Partner entered into a supplementary agreement with PrimeStone Capital LLP setting out their individual terms. These supplementary agreements incorrectly recorded the SLP contributions as capital contributions of the Class A Partners to the LLP. The books and records of the LLP have subsequently been prepared reflecting the capital contributions stated in the supplementary letters. During the year the LLP supplements have been revised and reissued with an effective date of 16 June 2015 to record the correct capital contributions of the Class A partners to the LLP being £300 in total. The opening total members' interests at 1 April 2018 have been restated to reflect the correction in the recording of the capital contributions and to remove the associated incorrect entries in the LLP books resulting from the error. This change has had the following effect on the primary statements of the LLP:

Primary statements	Amount previously reported 2019	Adjustment	Restated amount 2019
Statement of financial position			
Debtors	2,956,572	(331,681)	2,624,891
Amounts due to members	15,288	153,248	168,536
Members' capital classified as equity	3,170,000	(849,700)	2,320,300
Amounts due from members (included in debtors)	2,474,965	(108,017)	2,366,948
Creditors	80,256	364,771	445,027
Total members' interests	710,323	(588,435)	121,888
Reconciliation of members' interests			
Members' capital at 1 April 2018	2,275,000	(849,700)	1,425,300
Amounts due to/(from) members at 1 April 2018	4,709,648	261,265	4,970,913
Total members' interests at 1 April 2018	6,727,360	(588,435)	6,138,925

Appendix 1
Unaudited Pillar 3 disclosure
For the year ended 31 March 2020

Introduction

PrimeStone Capital LLP ("Firm") is required by the Financial Conduct Authority ("FCA") to disclose information relating to the capital it holds and each material category of risk it faces in order to encourage market discipline.

In accordance with the FCA's rules, the Firm will disclose the information set out in BIPRU 11 (the Pillar 3 rule) on at least an annual basis. This disclosure also satisfies the remuneration requirements under both MiFID and AIFMD.

The Capital Requirements Directive ("CRD") creates a revised regulatory capital framework across Europe covering how much capital financial services firms must retain. In the United Kingdom, rules and guidance are provided in the General Prudential Sourcebook ("GENPRU") for Banks, Building Societies and Investments Firms ("BIPRU").

The FCA framework consists of three "Pillars":

- Pillar 1 sets out the minimum capital requirements that companies need to retain to meet their credit, market and operational risk;
- Pillar 2 requires companies to assess whether their Pillar 1 capital is adequate to meet their risks and is subject to annual review by the FCA;
- Pillar 3 requires companies to develop a set of disclosures which will allow market participants to assess key information about its underlying risks, risk management controls and capital position. These disclosures are seen as complimentary to Pillar 1 and Pillar 2.

Rule 11 of BIPRU sets out the provisions for Pillar 3 disclosure. The rules provide that companies may omit one or more of the required disclosures if such omission is regarded as immaterial. Information is considered material if its omission or mis-statement could change or influence the decision of a user relying on the information. In addition, companies may also omit one or more of the required disclosures where such information is regarded as proprietary or confidential. The Firm believes that the disclosure of this document meets its obligation with respect to Pillar 3.

The Firm may omit information it deems as immaterial, in accordance with the rules. Materiality is based on the criterion that the omission or misstatement of any information would be likely to change or influence the decision of a reader relying on that information. Accordingly, where the Firm has considered an item to be immaterial it has not been disclosed.

In addition, if the required information is deemed to be proprietary or confidential, then the Firm may take the decision to exclude it from the disclosure. In the Firm's view, proprietary information is that which, if it were shared, would undermine its competitive position. Information is considered to be confidential where there are obligations binding the Firm to confidentiality with our customers, suppliers or counterparties. Where information is omitted for either of these reasons this is stated in the relevant section of the disclosure, along with the jurisdiction.

Appendix 1
Unaudited Pillar 3 disclosure (continued)
For the year ended 31 March 2020

Firm Overview

The Firm is incorporated in the UK and is authorised and regulated by the FCA as a Full Scope Alternative Investment Fund Manager. The Firm's activities give it the prudential categorisation of a Collective Portfolio Management Investment ("CPMI") firm.

The Firm is not required to prepare consolidated reporting for prudential purposes.
The Governing Body of the Firm has the daily management and oversight responsibility. It generally meets quarterly and is composed of:

- Jean Pierre Millet
- Benoît Colas
- Franck Falézan
- Martin Donnelly

The Governing Body is responsible for the entire process of risk management, as well as forming its own opinion on the effectiveness of the process. In addition, the Governing Body decides the Firm's risk appetite or tolerance for risk and ensures that the Firm has implemented an effective, ongoing process to identify risks, to measure its potential impact and then to ensure that such risks are actively managed. Senior Management is accountable to the Governing Body for designing, implementing and monitoring the process of risk management and implementing it into the day-to-day business activities of the Firm.

Pillar 1 - Own Funds

As at the reporting date, on a solo basis the Firm's regulatory capital resources comprised of the following:

	GBP
Tier 1 Capital	£442,004
Tier 2 Capital	£0
Tier 3 Capital	£0
Total Capital	**£442,004**

The Firm's Tier 1 Capital is made up of fully paid up members' capital.

Pillar 1 - Own Fund Requirement

As a CPMI, the Firm is subject to the requirement as set out in IPRU(INV) chapter 11, GENPRU and BIPRU, which sets out that the Firm must have own funds in excess of the:

Appendix 1
Unaudited Pillar 3 disclosure (continued)
For the year ended 31 March 2020

- Funds under management requirement of €125,000 plus 0.02% of the AIF AUM exceeding €250,000,000;
- The sum of its market and credit risk requirements; and
- Fixed Overhead Requirement (which is essentially 25% of the firm's operating expenses less certain variable costs).

Plus

- Professional Negligence Requirement.

As at 31 March 2020, the Firm's Pillar 1 capital requirement was £203,146.

Pillar 2

The Firm has adopted the "Structured" approach to the calculation of its Pillar 2 Minimum Capital Requirement as outlined in the Committee of European Banking Supervisors Paper, 27 March 2006 which takes the higher of Pillar 1 and 2 as the ICAAP capital requirement. It has assessed Business Risks by modeling the effect on its capital planning forecasts and assessed Operational Risk by considering if Pillar 2 capital is required taking into account the adequacy of its mitigation.
Since the Firm's Internal Capital Adequacy Assessment Process (ICAAP or Pillar 2) process has not identified capital to be held *over* and *above* the Pillar 1 requirement, the capital resources detailed above are considered adequate to continue to finance the Firm *over* the next year. No additional capital injections are considered necessary and the Firm expects to continue to be profitable.

Risk Management

The Governing Body of the Firm determines the business strategy and risk appetite along with the design and implementation of defined and transparent risk management policies and procedures. Risk Management is viewed as a core part of the investment process.

Senior management meet on a regular basis to discuss all key business issues including: current projections for profitability; cash flow; regulatory capital management and business planning; and risk management. An identification of risks to the Firm are considered and the Firm's resultant exposure is assessed after management and mitigation of these risks. Furthermore, the Firm then conduct a series of stress tests and scenario analyses on these risks to determine the effect they would have on the Firm. As new risks arise, the relevant policies and procedures are updated where necessary. If necessary the Firm would allocate extra capital to the relevant risk.

Senior management have identified the main risks to the Firm as per below:

Appendix 1
Unaudited Pillar 3 disclosure (continued)
For the year ended 31 March 2020

Operational Risk

The Firm has identified a number of key operational risks to manage. These relate to loss of key staff, systems failure, failure of a third-party provider, potential for serious regulatory breaches, market abuse, fraud, financial promotions, trading error, or failure in administrative tasks. The Firm places strong reliance on the operational procedures and controls that it has in place in order to mitigate risk and seeks to ensure that all personnel are aware of their responsibilities in this respect.
The Firm places strong reliance on the operational procedures and controls that it has in place in order to mitigate risk and seeks to ensure that all personnel are aware of their responsibilities in this respect.
Operational risk is managed by a number of means, including the establishment of robust internal policies and controls, as well as taking out adequate comprehensive insurance.

Business Risk

The most significant business risk faced by the Firm is that of a substantial and sustained reduction in funds under management, caused by adverse market conditions or investor redemptions, resulting in a loss of management fee income. Regular stress and scenario testing is conducted in order to assess and evaluate the ongoing potential impact of the various key business risks.

Market Risk

The Firm has limited exposure to market risk. Market risk is limited to exposure to foreign exchange fluctuations of the management fee, denominated in US dollars. Management fee income is normally converted from US dollars into sterling on a monthly basis and US dollar management fee income is retained only to the extent that it is required to match US dollar denominated liabilities.

Credit Risk

The Firm is exposed to limited credit risk in respect of its debtors, investment management fees billed and cash held on deposit.

The number of credit exposures relating to the Firm's investment management clients is limited. Management fees are drawn promptly when due from the funds managed and the Firm frequently monitors the credit worthiness of its banking counterparty.

The Firm has concluded that its Tier 1 capital is sufficient to cover its Pillar 1 and Pillar 2 requirements.
The Firm has adopted the standardised approach to credit risk, and therefore follows the provision within BIPRU 3 standardised credit risk of the FCA handbook. The Firm applies a credit risk capital component of 8% to its non-trading book risk weighted exposure. As the Firm does not make use of an external credit rating agency, it is obligated to use a risk weight of 100% to all non-trading book credit exposures, except cash and cash equivalents which are held by investment grade firms and currently attract a risk weighting of 20%.

Appendix 1
Unaudited Pillar 3 disclosure (continued)
For the year ended 31 March 2020

The table below sets forth the Firm's credit exposures and corresponding capital resource requirements as at the reporting date:

Solo Basis (delete if not applicable)	**Credit Exposure**	**Risk Weighted Exposure**
National Governments	£0	£0
Fixed assets	£0	£0
Debtors	£684,143	£684,143
Accrued Income	£0	£0
Cash at bank	£832,277	£166,455
Prepayments	£0	£0
Other	£96,992	£71,155
	---------------	------------
Total	£1,613,412	£921,753
	=========	=======
Credit Risk Capital Component (8% of risk weighted exposure)		**£73,740**

The Firm has decided to cover professional liability risks by holding appropriate professional indemnity insurance cover.

The Firm has adopted a remuneration policy and procedures that comply with the requirements of chapter 19B of the FCA's Senior Management Arrangements, Systems and Controls Sourcebook ("SYSC"), and in accordance with ESMA's Guidelines on sound remuneration policies. The Firm have considered all the proportionality elements in line with the FCA Guidance. Remuneration is designed to ensure that the Firm does not encourage excessive risk taking and staff interests are aligned with those of the clients.

The Governing Body, as the Remuneration Committee, is directly responsible for the overall remuneration policy which is reviewed annually. Variable remuneration is adjusted in line with capital and liquidity requirements as well as the Firm's performance. The Governing Body will review the remuneration strategy on an annual basis together with the Remuneration ("Code Staff").

The Firm ensures that its remuneration structure promotes effective risk management and balances the fixed and variable remuneration components for all Code and Non-Code staff. Total Remuneration is based on balancing both financial and non-financial indicators together with the performance of the Firm and the staff member's business unit. The Firm will monitor the fixed to variable compensation to ensure SYSC 19B is adhered to with respect to Total Compensation where applicable.

In accordance with SYSC 19B, the Firm makes the following quantitative remuneration disclosure:

Appendix 1
Unaudited Pillar 3 disclosure (continued)
For the year ended 31 March 2020

Code Staff Quantitative Remuneration

The Firm is required to disclose aggregate information on remuneration in respect of its Code Staff, broken down by business area and by senior management and other Code Staff. Senior management and members of staff whose actions have a material impact on the risk profile of the Firm are classified as Code Staff. The relatively small size and lack of complexity of the firm's business is such that the Firm only has the one business area, investment management and does not regard itself as operating, or needing to operate, separate 'business areas' and the following aggregate remuneration data should be read in that context. The aggregate remuneration of Code Staff for the year ending March 2020 was £1,292,292.