

Registered number. OC414923

**Capital Generation Holdings LLP**  
**REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended 31 December 2021



# Capital Generation Holdings LLP

## DESIGNATED MEMBERS AND ADMINISTRATIVE INFORMATION

---

### DESIGNATED MEMBERS

Khaled Said  
Charlotte Thorne  
Ian Barnard

### REGISTERED OFFICE

Berkeley Square House  
Berkeley Square  
London  
W1J 6BX

### AUDITOR

RSM UK Audit LLP  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

### LEGAL ADVISERS

Farrer & Co  
66 Lincoln's Inn Fields  
London  
WC2A 3LH

### BANKERS

Coutts & Co  
440 Strand  
London  
WC2R 0QS

# Capital Generation Holdings LLP

## MEMBERS' REPORT

---

### Report of the Members

Capital Generation Holdings LLP ("the Limited Liability Partnership") was incorporated on 2 December 2016. Full details of the basis of accounting is set out in the accounting policies including the basis of consolidation.

The members present their report and the audited financial statements for the year ended 31 December 2021.

The firm's revenue is fairly well protected, as a large portion of the firm's income is on a fixed fee basis, and is agreed on annually using a contractual formula, meaning a large proportion of the firm's income is fixed in sterling terms until June 2022.

Further details of Members' assessment of the ability of the Group and LLP to continue as a going concern for at least twelve months from the approval of the financial statements have been included within the going concern accounting policy on page 16.

### Principal Activities

The principal activity of the Limited Liability Partnership is that of a holding limited liability partnership.

The principal activity of the group is that of providing clients with investment advice and investment management services across a range of asset classes. Capital Generation Partners LLP, a subsidiary of the Limited Liability Partnership, is an FCA-authorised firm which is registered with the SEC as an investment adviser.

### Results for the year and allocation to members

The group made a profit of £4,035,619 (2020: £3,393,150).

The designated members consider the results for the year to be satisfactory and that future results will be of a similar nature.

### Designated members

The following were designated members of the Limited Liability Partnership during the year and, unless otherwise stated, continued to be members after that date:

Khaled Said  
Ian Barnard  
Charlotte Thorne

### Policy with respect to members' drawings and subscription and repayments of amounts subscribed or otherwise contributed by members

The profit of the Limited Liability Partnership in respect of each financial year is allocated and distributed, after taking into account the Limited Liability Partnership's working capital and regulatory requirements. Profits are divided among the members in accordance with profit sharing arrangements.

The following policies exist and are covered in the Limited Liability Partnership agreement dated 13 February 2017:

# Capital Generation Holdings LLP

## MEMBERS' REPORT

---

- Transfers from debt to equity and equity to debt.
- Subscriptions of amounts subscribed or otherwise contributed by members as equity or debt.
- Repayment of amounts subscribed or otherwise contributed by members.
- The cash requirements of the business are prioritised over drawings by members where such conflicts occur and all drawings and or contributions by members are treated as a net amount due to or from members as drawn against unallocated profits.
- Capital is contributed by members and is repaid to retiring members in accordance with the partnership deed.

### Charitable Donations

Charitable donations were made during the year to the London Music Project £1,000 (2020: £Nil), The Felix Project £40,000 (2020: £20,078) and The Children's Trust £Nil (2020: £9,333).

### Statement of disclosure of information to the auditor

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

- (a) So far as each member is aware, there is no relevant audit information of which the partnership's auditor is unaware; and
- (b) Each member has taken all the steps that ought to have been taken as a member, including making appropriate enquiries of fellow members and the partnership's auditor for that purpose, in order to be aware of any information needed by the partnership's auditor in connection with preparing its report and to establish that the partnership's auditor is aware of that information.

### Auditor

RSM UK Audit LLP had indicated its willingness to continue in office as auditor to the limited liability partnership. In accordance with section 485 of the Companies Act 2006, a resolution proposing that it be re-appointed will be put at a members' meeting.

These financial statements were approved by the members and authorised for issue on 20<sup>th</sup> April 2022 and are signed on their behalf by

  
Charlotte Thorne  
Designated Member

# Capital Generation Holdings LLP

## MEMBERS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

---

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

Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under the 2008 Regulations, 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 group and of the partnership and of the profit or loss of the group for that period.

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

- a) Select suitable accounting policies and then apply them consistently;
- b) Make judgements and estimates that are reasonable and prudent;
- c) State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership and the group as a whole will continue in business.

Under the 2008 Regulations the members are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the group and of the partnership and to enable them to ensure that the financial statements comply with the requirements of those Regulations. They are also responsible for safeguarding the assets of the group and of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the partnership's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

These responsibilities are exercised by the designated members on behalf of the members.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPITAL GENERATION HOLDINGS LLP

---

## Opinion

We have audited the financial statements of Capital Generation Holdings LLP (the 'parent limited liability partnership') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, limited liability partnership statement of financial position, consolidated reconciliation of members' interests, limited liability partnership reconciliation of members' interests, consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 group's and parent limited liability partnership's affairs as at 31 December 2021 and of the group's 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 Companies Act 2006 as applied to limited liability partnerships.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent limited liability partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

## Other information

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

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

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPITAL GENERATION HOLDINGS LLP

---

We have nothing to report in this regard.

## **Matters on which we are required to report by exception**

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

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

## **Responsibilities of members**

As explained more fully in the Members' Responsibilities Statement set out on page 3, 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 group's and parent 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 group or parent limited liability partnership or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

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

## **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CAPITAL GENERATION HOLDINGS LLP

---

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent limited liability partnership operates in and how the group and parent limited liability partnership is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and the LLP SORP 2018. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are the rules and principles set by the Financial Conduct Authority (FCA) as regulator for the financial services industry in the UK. We performed audit procedures to inquire of management and those charged with governance whether the regulated subsidiary company is in compliance with these laws and regulations. We inspected compliance documentation including, but not limited to, regulatory returns and correspondence with the FCA as well as considering compliance with the conditions for authorisation and other regulatory obligations.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included, but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 to limited liability partnerships. 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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

DAVID FENTON (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

Date: 26 April 2022



# Capital Generation Holdings LLP

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

Registration No. OC414923

	Notes	2021 £	2020 £
Turnover	3	10,424,089	8,705,993
Administrative expenses		(6,370,073)	(5,567,937)
Exceptional Items	4	-	213,957
Operating profit	5	4,054,016	3,352,013
Interest receivable and similar income		-	217
Interest payable and similar charges	6	(18,947)	(5,580)
Share of profits of associate	9	550	46,500
<b>Profit for the financial year before members' remuneration &amp; profit shares</b>		<b>4,035,619</b>	<b>3,393,150</b>
Members' remuneration charged as an expense		-	-
<b>Profit for the financial year available for discretionary division among members</b>		<b>4,035,619</b>	<b>3,393,150</b>

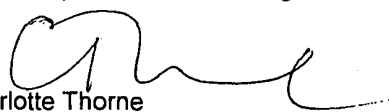
The profit for the year arises from the group's continuing operations.

**Capital Generation Holdings LLP**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

Registration No. OC414923

	Notes	2021	2020
		£	£
<b>Fixed assets</b>			
Intangible assets	8A	35,386	-
Tangible assets	8B	746,338	758,293
Investment in joint associate	9	595	135,927
		<u>782,319</u>	<u>894,220</u>
<b>Current assets</b>			
Debtors	10	3,634,113	3,236,209
Cash at bank and in hand		2,625,540	2,039,123
		<u>6,259,653</u>	<u>5,275,332</u>
<b>Creditors: amounts falling due within one year</b>	11	(1,043,600)	(763,118)
<b>Net current assets</b>		<u>5,216,053</u>	<u>4,512,214</u>
<b>Total assets less current liabilities</b>		<u>5,998,372</u>	<u>5,406,434</u>
<b>Net assets attributable to members</b>		<u>5,998,372</u>	<u>5,406,434</u>
<b>Represented by:</b>			
<b>Loans and other debts due to members</b>			
Amounts due to members		-	55,240
Other amounts		1,095,695	1,229,671
		<u>1,095,695</u>	<u>1,284,911</u>
<b>Members' other interests</b>			
Members' capital classified as equity		830,000	830,000
Other reserves classified as equity		4,052,677	3,271,523
		<u>4,882,677</u>	<u>4,101,523</u>
<b>Non-controlling interests</b>		<u>20,000</u>	<u>20,000</u>
		<u>5,998,372</u>	<u>5,406,434</u>
<b>Total members' interests</b>			
Members' other interests		4,882,677	4,101,523
Loans and other debts due to members		1,095,695	1,284,911
Amounts due from members		(749,104)	(871,188)
		<u>5,229,268</u>	<u>4,515,246</u>

The financial statements on pages 7 to 27 were approved by the members and authorised for issue on 20<sup>th</sup> April 2022 and are signed on their behalf by:

  
Charlotte Thorne  
Designated member

# Capital Generation Holdings LLP

## LIMITED LIABILITY PARTNERSHIP STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

Registration No. OC414923

	Notes	2021	2020
		£	£
<b>Fixed assets</b>			
Investments	9	<u>830,045</u>	<u>830,045</u>
		830,045	830,045
<b>Current assets</b>			
Debtors	10	2,764,135	1,352,740
Cash at bank and in hand		<u>84,978</u>	<u>-</u>
		2,849,113	1,352,740
<b>Creditors: amounts falling due within one year</b>	11	(664,500)	(933,073)
<b>Net current assets</b>		<u>2,184,613</u>	<u>419,667</u>
<b>Total assets less current liabilities</b>		<u>3,014,658</u>	<u>1,249,712</u>
<b>Net assets attributable to members</b>		<u>3,014,658</u>	<u>1,249,712</u>
<b>Represented by:</b>			
<b>Members' other interests</b>			
Members' capital classified as equity		830,000	830,000
Other reserves classified as equity		<u>2,184,658</u>	<u>419,712</u>
		<u>3,014,658</u>	<u>1,249,712</u>
<b>Total members' interests</b>			
Members' other interests		3,014,658	1,249,712
Amounts due from members		<u>(749,104)</u>	<u>(823,028)</u>
		<u>2,265,554</u>	<u>426,684</u>

A separate statement of comprehensive income for Capital Generation Holdings LLP has not been presented in accordance with the exemption given by section 408 of the Companies Act 2006 as applied to limited liability partnerships. The profit before members' remuneration and profit allocations dealt with in the financial statements of the parent entity was £2,184,658 (2020: £419,712).

The financial statements on pages 7 to 27 were approved by the members and authorised for issue on 20<sup>th</sup> April 2022 and are signed on their behalf by:

  
Charlotte Thorne  
Designated member

**Capital Generation Holdings LLP**  
**RECONCILIATION OF MEMBERS' INTERESTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

Group 2021

	EQUITY			DEBT	TOTAL
	Members' Other Interests			Loans and	MEMBERS'
				other debts	INTERESTS
	Members' Capital	Other	Total	due to members less any amounts due from members in debtors	Total
	(classified as equity)	Reserves			2021
	£	£	£	£	£
Amounts due to members				1,284,911	
Amounts due from members				(871,188)	
Balance at 1 January 2021	830,000	3,271,523	4,101,523	413,723	4,515,246
Profit for the financial year available for discretionary division among members	-	4,035,619	4,035,619	-	4,035,619
Members' interests after profit for the year	830,000	7,307,142	8,137,142	413,723	8,550,865
Repayment of trading amount due to Capital Generation Partners Services Limited	-	-	-	(1,284,911)	(1,284,911)
Allocation and distribution of 2020 profits following finalisation of annual financial statements	-	(3,254,465)	(3,254,465)	871,188	(2,383,277)
Drawings	-	-	-	(749,104)	(749,104)
Service charges due to Capital Generation Partners Services Limited	-	-	-	4,026,823	4,026,823
Payment of service charges to Capital Generation Partners Services Limited	-	-	-	(2,931,128)	(2,931,128)
Balance at 31 December 2021	830,000	4,052,677	4,882,677	346,591	5,229,268
Amounts due to members				1,095,695	
Amounts due from members				(749,104)	
				346,591	

**Capital Generation Holdings LLP**  
**RECONCILIATION OF MEMBERS' INTERESTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

Group 2020	EQUITY			DEBT	TOTAL
	Members' Capital	Other Reserves	Total	Loans and other debts due to members less any amounts due from members in debtors	MEMBERS' INTERESTS
	(classified as equity)				
	£	£	£	£	Total 2020 £
Amounts due to members				111,429	
Amounts due from members				(818,591)	
Balance at 1 January 2020	825,000	2,565,710	3,390,710	(707,162)	2,683,548
Profit for the financial year available for discretionary division among members	-	3,393,150	3,393,150	-	3,393,150
Members' interests after profit for the year	825,000	5,958,860	6,783,860	(707,162)	6,076,698
Introduced by members	5,000	-	5,000	-	5,000
Repayment of trading amount due to Capital Generation Partners Services Limited	-	-	-	(111,429)	(111,429)
Allocation and distribution of 2019 profits following finalisation of annual financial statements	-	(2,687,337)	(2,687,337)	818,591	(1,868,746)
Drawings	-	-	-	(871,188)	(871,188)
Service charges due to Capital Generation Partners Services Limited	-	-	-	3,871,033	3,871,033
Payment of service charges to Capital Generation Partners Services Limited	-	-	-	(2,641,362)	(2,641,362)
Other amounts due to members	-	-	-	55,240	55,240
Balance at 31 December 2020	830,000	3,271,523	4,101,523	413,723	4,515,246
Amounts due to members				1,284,911	
Amounts due from members				(871,188)	
				413,723	

**Capital Generation Holdings LLP**  
**RECONCILIATION OF MEMBERS' INTERESTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

LLP only 2021

	EQUITY			DEBT Loans and other debts due to members less any amounts due from members in debtors £	TOTAL MEMBERS' INTERESTS  Total 2021 £
	Members' Capital (classified as equity) £	Other Reserves £	Total £		
Amounts due from members				(823,028)	
Balance at 1 January 2021	830,000	419,712	1,249,712	(823,028)	426,684
Profit for the financial year available for discretionary division among members	-	2,184,658	2,184,658	-	2,184,658
	830,000	2,604,370	3,434,370	(823,028)	2,611,342
Allocation and distribution of 2020 profits following finalisation of annual financial statements	-	(419,712)	(419,712)	823,028	403,316
Drawings	-	-	-	(749,104)	(749,104)
Balance at 31 December 2021	830,000	2,184,658	3,014,658	(749,104)	2,265,554
Amounts due to members				-	
Amounts due from members				(749,104)	
				(749,104)	

**Capital Generation Holdings LLP**  
**RECONCILIATION OF MEMBERS' INTERESTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

LLP only 2020

	EQUITY			DEBT Loans and other debts due to members less any amounts due from members in debtors	TOTAL MEMBERS' INTERESTS
	Members' Capital (classified as equity) £	Other Reserves £	Total £		
Amounts due to members				-	
Amounts due from members				(60,661)	
Balance at 1 January 2020	825,000	227,168	1,052,168	(60,661)	991,507
Profit for the financial year available for discretionary division among members	-	419,712	419,712	-	419,712
	825,000	646,880	1,471,880	(60,661)	1,411,219
Introduced by members	5,000	-	5,000	-	5,000
Allocation and distribution of 2019 profits following finalisation of annual financial statements	-	(227,168)	(227,168)	60,661	(166,507)
Amount due to members	-	-	-	1,825	1,825
Amount due from members	-	-	-	(824,853)	(824,853)
Balance at 31 December 2020	830,000	419,712	1,249,712	(823,028)	426,684
Amounts due from members				(823,028)	
				(823,028)	

**Capital Generation Holdings LLP**  
**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
<b>OPERATING ACTIVITIES</b>			
Transactions with non-members:			
Cash generated from operations	15	7,957,576	7,211,060
Interest paid		(18,947)	(5,580)
Transactions with members and former members:			
Payments of service charges to Capital Generation Partners Services Limited		(4,216,039)	(2,752,791)
<b>NET CASH FROM OPERATING ACTIVITIES</b>		<b>3,722,590</b>	<b>4,452,689</b>
<b>INVESTING ACTIVITIES</b>			
Transactions with non-members:			
Purchase of intangible fixed assets	8A	(39,836)	-
Purchase of tangible fixed assets	8B	(99,838)	(782,130)
Distribution of profit from joint associate		135,882	-
Interest received		-	217
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(3,792)</b>	<b>(781,913)</b>
<b>FINANCING ACTIVITIES</b>			
Transactions with members and former members:			
Payments to members that represent a return on amounts subscribed or otherwise contributed		(3,132,381)	(2,632,097)
Capital introduced by member		-	5,000
Transactions with non-members:			
Introduced by non-controlling interest		-	10,000
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(3,132,381)</b>	<b>(2,617,097)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>586,417</b>	<b>1,053,679</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>2,039,123</b>	<b>985,444</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>2,625,540</b>	<b>2,039,123</b>



# Capital Generation Holdings LLP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

---

### 1. Accounting policies

#### General information

Capital Generation Holdings LLP ("the Limited Liability Partnership") is a Limited Liability Partnership and is incorporated in Great Britain and registered in England and Wales. The address of the Limited Liability Partnership's registered office is presented on the Designated Members and Administrative Information page of these financial statements.

The group consists of the Limited Liability Partnership and all of its subsidiaries as disclosed in note 9.

The Limited Liability Partnership's and the group's principal activities are disclosed in the Members' Report.

#### Basis of accounting

These financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" issued in December 2018, together with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The consolidated financial statements are presented in sterling which is also the functional currency of the Limited Liability Partnership. Monetary amounts in these financial statements are rounded to the nearest whole £, except where otherwise indicated.

#### Reduced Disclosures – Limited Liability Partnership Only

In accordance with FRS 102, the Limited Liability Partnership has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flows and related notes and disclosures;
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

#### Basis of consolidation

A group reconstruction was undertaken on 13 February 2017 with the addition of the Limited Liability Partnership as the new parent entity to Capital Generation Partners LLP. The group reconstruction has been accounted for using the merger accounting method. The FRS 102 requirements to adopt merger accounting and details of whether these have been met or breached are detailed below.

Section 19.27 (a) of FRS 102 has been complied with as use of the merger accounting method is not prohibited by company law or other relevant legislation.

Section 19.27 (b) of FRS 102 has been complied with as the ultimate equity holders remain the same, and the rights of each equity holder relative to the others are unchanged.

Section 19.27 (c) of FRS 102 has been complied with as no non-controlling interest in the net assets of the group is altered by the transfer.

The capital investment, member interest transfer and group reconstruction has been accounted for using merger accounting principles, in order to meet the overriding requirement under section 404 of the Companies Act 2006 for financial statements to present a true and fair view.

# Capital Generation Holdings LLP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

---

### **Basis of consolidation (continued)**

The members consider that the alternative approach of acquisition accounting, with the restatement of separable assets and liabilities to fair values, the creation of goodwill and inclusion of post reorganisation results only, would not give a true and fair view of the group results and financial position. The substance of the transaction was not the acquisition of a business but a group reconstruction under which a new holding Limited Liability Partnership has been established with all the former members of Capital Generation Partners LLP having the same proportionate interest in the new holding Limited Liability Partnership as they had previously held in Capital Generation Partners LLP. The members consider that it is not practicable to quantify the effect of this departure from the Companies Act 2006 requirements.

The consolidated financial statements incorporate those of the Limited Liability Partnership and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All financial statements are made up to 31 December 2021.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

### **Going concern**

The group headed by the Limited Liability Partnership has multiple client relationships of long standing which means that it has more than sufficient resources to meet its liabilities. The assessment has been based on projections for a period of over 12 months from the approval of these financial statements. For this reason, the members continue to adopt the going concern basis in preparing the financial statements.

### **Foreign currencies**

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

### **Turnover**

Investment advisory fees are recognised on an accruals basis and in line with agreements in place. Income is recognised once the service is delivered.

# Capital Generation Holdings LLP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

---

### **Intangible fixed assets**

Intangible assets are initially recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:

Computer software: Over the remaining life of the software agreement (maximum of 5 years)  
Trademarks: 10 years

Amortisation is revised prospectively for any significant change in useful life. Amortisation is not provided on computer software which is in the course of development. Amortisation of intangible assets is included in administrative expenses.

On disposal the difference between the net disposal proceeds and the carrying amount of the intangible asset is recognised in profit or loss.

### **Impairments of intangible fixed assets**

At each reporting end date, the members review the carrying amounts of the intangible assets of the Limited Liability Partnership to determine whether there is any indication that those assets have suffered an impairment loss. If a such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the members estimate the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

### **Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements: over the remaining life of the lease  
Office furniture: 4 years  
Audio equipment: 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and its credited or charged to profit or loss.

# Capital Generation Holdings LLP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

---

### **Fixed asset investments**

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the Limited Liability Partnership. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

### **Investments in associates**

An associate is an entity, being neither a subsidiary nor a joint venture, in which the LLP holds a long-term interest and where the LLP has significant influence. The LLP considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

### **Impairment of tangible fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

### **Cash and cash equivalents**

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

### **Taxation**

The taxation payable on the group profits is solely the personal liability of the individual members. Consequently, neither group taxation nor related deferred taxation arising in respect of the group are accounted for in these financial statements.

### **Financial instruments**

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

# Capital Generation Holdings LLP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

---

### **Financial assets**

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, including trade, other debtors (including accrued income) and amounts due from group undertakings which are receivable within one year and which do not constitute a financing transaction, are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

### **Financial liabilities**

Financial liabilities are classified as either basic or other financial liabilities.

Basic financial liabilities, including trade creditors, accruals and amounts due to group undertakings, are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

### **Members' participation rights**

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

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

Where profits are automatically divided as they arise, so the Limited Liability Partnership does not

# Capital Generation Holdings LLP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

---

have an unconditional right to refuse payment, the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense and presented as members' remuneration charged as an expense in arriving at the result for the relevant year. To the extent that they remain unpaid at the period end, they are shown as liabilities.

### **Members' participation rights (continued)**

Conversely, where profits are divided only after a decision by the Limited Liability Partnership or its representative, so the Limited Liability Partnership has an unconditional right to refuse payment, such profits are classed as equity rather than as liabilities. They are therefore shown as a residual amount available for discretionary division among members in arriving at the result for the year and are shown as appropriations of equity when they are allocated.

Other amounts applied to members, for example remuneration paid under an employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the Limited Liability Partnership has, in each case, an unconditional right to refuse payment.

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

## **2. Critical accounting judgements**

Judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### *Critical accounting estimates and assumptions*

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

### *Impairment of assets*

Financial and non-financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on the higher of the value in use and fair value less costs to dispose. Value in use is calculated from expected future cash flows using suitable discount rates and includes management assumptions and estimates of future performance.

**Capital Generation Holdings LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2021

---

**3. Turnover**

The turnover and profit are attributable to the one principal activity of the group.

An analysis of turnover is provided below:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
United Kingdom	1,487,022	891,275
Europe	2,905,931	1,647,330
Rest of world	6,031,136	6,167,388
Total	<u>10,424,089</u>	<u>8,705,993</u>

**4. Exceptional items**

The profit and loss for 2021 includes a one-off exceptional item credit of £Nil (2020: £213,957) relating to non-recurring legal costs that have been re-imbursed.

**5. Operating profit**

Operating profit is stated after charging / (crediting):

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Loss/ (Gain) on foreign exchange	4,486	(1,493)
Auditor's remuneration		
-audit of the financial statements	31,250	26,100
-all other non-audit services	6,500	-

Fees paid to associated businesses of the Limited Liability Partnership's auditor were for tax compliance £NIL (2020: £NIL) and other services £6,500 (2020: £NIL).

**6. Interest payable**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Interest payable on bank loan	18,947	
5,580		

**7. Members' remuneration**

The profits of the group in respect of each financial year are allocated and distributed, after taking into account the group's working capital and regulatory requirements. Profits are divided among the members in accordance with profit sharing arrangements. The profit attributable to the highest paid member for the period is £980,436 (2020: £800,851).

**Capital Generation Holdings LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2021

**8A. Intangible assets**

	<b>Trademarks</b>	<b>Computer software costs</b>	<b>Total</b>
		<b>£</b>	<b>£</b>
<b>Cost</b>			
At 1 January 2021	-	355,842	355,842
Additions	37,211	2,625	39,836
At 31 December 2021	37,211	358,467	395,678
<b>Amortisation</b>			
At 1 January 2021		355,842	355,842
Amortisation charged in the year	3,721	729	4,450
At 31 December 2021	3,721	356,571	360,292
<b>Carrying amount</b>			
At 31 December 2021	33,490	1,896	35,386
At 31 December 2020	-	-	-

**8B. Tangible assets**

	<b>Leasehold improvements</b>	<b>Office furniture</b>	<b>Audio Equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 January 2021	618,177	163,953	-	782,130
Additions	48,668	39,857	11,313	99,838
At 31 December 2021	666,845	203,810	11,313	881,968
<b>Depreciation</b>				
At 1 January 2021	15,663	8,174	-	23,837
Depreciation charged in the year	70,884	38,136	2,773	111,793
At 31 December 2021	86,547	46,310	2,773	135,630
<b>Carrying amount</b>				
At 31 December 2021	580,298	157,500	8,540	746,338
At 31 December 2020	602,514	155,779	-	758,293



**Capital Generation Holdings LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2021

---

**9. Fixed asset investments**

**Limited Liability Partnership Investments in subsidiary undertakings**

The Limited Liability Partnership's cost of investment in subsidiaries is £830,000. The Limited Liability Partnership's direct and indirect subsidiaries, all of which are included within the group consolidation, are as follows:

<b>Name of entity</b>	<b>Nature of business</b>	<b>Incorporated</b>
Capital Generation Partners LLP	Investment advice and investment management services	England and Wales
Capital Generation Partners Bermuda Limited	Investment advice and investment management services	Bermuda

The Limited Liability Partnership owns 97.6% of Capital Generation Partners LLP and is the ultimate controlling party of the group. Capital Generation Partners LLP owns 100% of the Ordinary Share Capital of Capital Generation Partners Bermuda Limited.

The registered office address of Capital Generation Partners LLP is Berkeley Square House, Berkeley Square, London, W1J 6BX. The registered office address of Capital Generation Partners Bermuda Limited is C/O Ocorian Services (Bermuda) Limited, Victoria Place, 5th Floor, 31 Victoria Street, PO Box HM 1624, Hamilton, HM GX, Bermuda.

**Limited Liability Partnership Investments in joint associate**

The Limited Liability Partnership holds the following interests in joint associate.

<b>Name of entity</b>	<b>Nature of business</b>	<b>Incorporated</b>
CGE Partners LLP	Private Equity	England and Wales

The Limited Liability Partnership acquired 100% of CGE Partners LLP, for £100, at the date of incorporation on 6th April 2018.

On 8th May, 2019, 55% of the equity was disposed of at cost price.

<b>Group</b>	<b>Investment in joint associate £</b>
As at 1 January 2021	135,927
Prior years' profit share paid to members	(135,882)
Share of profit for the year	550
As at 31 December 2021	<u>595</u>

**Capital Generation Holdings LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2021

---

**9. Fixed asset investments (continued)**

**LLP only**

**Investment in joint  
associate  
£**

As at 1 January 2021 and 31 December 2021

45

**10. Debtors**

**Group**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade debtors	114,482	201,663
Amounts due from members	749,104	871,188
Amounts due from non-controlling interest	466,048	412,064
Amount due from joint associate	32,660	67,740
Other debtors	168,879	260,496
Prepayments and accrued income	2,102,940	1,423,058
	<u>3,634,113</u>	<u>3,236,209</u>

**Debtors**

**LLP**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Accrued Income	1,992,381	329,712
Amounts due from joint associate	22,650	66,667
Amounts due from members	749,104	823,028
Amounts due from group undertakings	-	133,333
	<u>2,764,135</u>	<u>1,352,740</u>

**Capital Generation Holdings LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2021

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

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Trade creditors	236,285	145,702
Accruals and deferred income	805,417	617,416
Other Creditors	1,898	-
	<u>1,043,600</u>	<u>763,118</u>

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

	<b>LLP</b>	
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Amounts due from group undertakings	18,488	10,000
Amounts due to members	646,012	923,073
	<u>664,500</u>	<u>933,073</u>

**12. Financial instruments**

	<b>Group</b>		<b>LLP</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Carrying amount of financial assets measured at fair value through profit or loss	5,224	-	-	-

**13. Hedging**

The group had taken out forward currency exchange contracts with Monex Europe Markets Limited during the year to hedge against a significant increase in the price of sterling as most of the group's expenditure is in sterling and this protects the group against a sterling rebound. The members do not anticipate this hedge having value, but it insures the group against extreme negative events in currency. Two contracts had not been settled at the year end and a net gain of £5,224 is being recognised in fair value gains and losses at 31 December 2021 as follows:

	<b>£</b>
(Loss) on FWD contract \$425,000 at contracted rate of £1: \$1.3715 vs at year end forward rate of £1: \$1.3527	(4,300)
Gain on FWD contract €750,000 at contracted rate of £1: €1.1705 vs at year end forward rate of £1: €1.1882	9,524
Net gain on FWD contracts	<u>5,224</u>
	=====

**14. Members' interests**

Members' capital may be repaid to leaving members subject to the condition within the Limited Liability Partnership Agreement that, following such payment, the total members' capital remains greater than the Limited Liability Partnership's FCA financial resources requirement at the relevant time and with the consent of the Managing Member.

Members' interests rank after unsecured creditors. Loans and other debts due to Members rank pari passu with unsecured creditors in the event of a winding up.

Loans and other debts due to members rank after secured creditors.

**Capital Generation Holdings LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2021

---

**15. Reconciliation of profit to net cash generated from operations**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Group</b>		
Profit for the year	4,035,619	3,393,150
Adjustment for:		
Amortisation of intangible assets	4,450	30,205
Depreciation of tangible assets	111,793	23,837
Share of profits of associate	(550)	(46,500)
Service charges due to Capital Generation Partners Services Limited	4,026,823	3,871,033
Interest receivable	-	(217)
Interest payable	18,947	5,580
Operating cash flows before movements in working capital	8,197,082	7,277,088
Increase in trade and other debtors	(519,989)	(506,196)
Increase in trade and other creditors	280,483	440,168
Cash generated from operations	<u>7,957,576</u>	<u>7,211,060</u>

**16. Analysis of change in net funds**

<b>Group</b>	<b>1 January</b>	<b>Cash flows</b>	<b>31 December</b>
	<b>2021</b>		<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	2,039,123	586,417	2,625,540
	<u>2,039,123</u>	<u>586,417</u>	<u>2,625,540</u>

**Capital Generation Holdings LLP**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 December 2021

---

**17. Related party transactions**

The remuneration of key management personnel is as follows:	<b>2021</b>	<b>2020</b>
	£	£

Amounts determined in the year	4,026,395	3,113,612
--------------------------------	-----------	-----------

Key management remuneration represents amounts determined in the year and excludes amounts drawn on account of profits not yet divided among members.

During the year £5,068,777 (2020: £4,578,102) of income was received from Capital Generation Limited (CGL), a related party, of which Khaled Said is a director. At the end of the year £329,705 (2020: £336,674) was due from CGL in accrued income.

The amounts outstanding are unsecured, non-interest bearing and will be settled in cash. All transactions are on an arm's length basis. No expense has been recognised in the year (2020: £Nil) in respect of bad debts from related parties.

**18. Controlling party**

The ultimate controlling party is considered to be Khaled Said due to the terms of the Limited Liability Partnership agreement.

**19. Lease commitments**

From 7 July 2020, Capital Generation Partners LLP signed a lease at the offices it currently occupies at Berkeley Square House. Under the terms of the lease the company committed to lease the offices at an annual rent of £511,760 per annum, for 9 years and 5 months, with a 5 year tenant break only.

The minimum lease payments under non-cancellable operating leases are:

Group	2021	2020
	£	£
Within 1 year	478,635	478,635
Between 1 and 5 years	1,914,538	1,914,538
After 5 years	1,396,018	1,874,652
	<u>3,789,191</u>	<u>4,267,825</u>