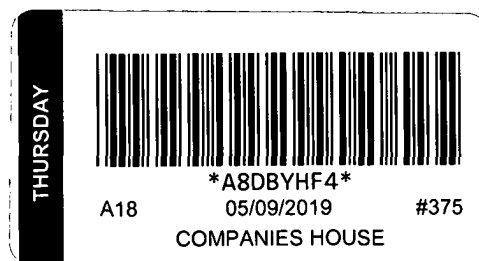


**Apiary Capital LLP**

**31 December 2018**

**Report and Financial Statements**

**Registered Number OC417522**





## Contents

Members' Report .....	2
Statement of members' responsibilities in respect of the members' report and financial statements.....	4
Independent Auditors' Report to the Members of Apiary Capital LLP .....	5
Income Statement .....	7
Statement of Financial Position.....	8
Statement of Changes in Members' Interests .....	9
Notes to the Financial Statements.....	10



## **Members' Report**

The members have pleasure in presenting the report and financial statements of Apiary Capital LLP (the "Partnership") for the year ended 31 December 2018.

### **Principal activity and business review**

The Partnership was incorporated on 25 May 2017 with its principal activity being the provision of investment management services to private equity funds. The Partnership became authorised and regulated by the Financial Conduct Authority on 11 April 2018.

The Partnership acts as the manager to the limited partnerships that collectively comprise Apiary Capital Partners I (Apiary Capital Partners I LP and Apiary Capital Partners I Founder Partner LP; together, the "Fund") which held its final closing on 5 July 2018.

Details of the results for the period are set out in the Income Statement on page 7.

### **Registered office**

6 Warwick Street  
London  
W1B 5LX

### **Designated members**

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

Mark Salter  
Nikola Sutherland

### **Financial statements**

The state of affairs and results of the Partnership as at 31 December 2018 are shown on pages 7 to 15.

The net assets attributable to members as at 31 December 2018 amounted to £751,499 (2017: £160,000).

### **Going Concern**

After making enquiries, the members have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies in the financial statements on page 10.



## **Members' Report (continued)**

### **Policy with respect to member's drawings and subscription and repayment of amounts subscribed or otherwise contributed by members**

Each member is entitled to their capital contribution on liquidation. Members draw a proportion of their profit share in twelve monthly instalments during the period in which the profit is made. The balance of profits for all members is paid in the subsequent year, subject to the cash requirements of the business. Profits before members' remuneration and automatic profit shares are allocated to the members of the Partnership and recognised as an expense on a separate line in the Income Statement.

The Management Committee of the Partnership shall ensure that no distributions or other payments shall be made from or by the Partnership to its members if, as a result of such distributions, the Partnership would no longer have sufficient Regulatory Capital. Capital may only be repaid to members provided that the Regulatory Capital is maintained by transfers into the Regulatory Capital Reserve by members.

### **Insurance**

The Partnership has members' and officers' liability insurance in place.

### **Independent auditors**

A resolution to re-appoint RSM UK Audit LLP as auditors will be put to the Members at the next meeting of the Management Committee.

Signed on behalf of the members on 3 April 2019:

A handwritten signature in black ink, appearing to read "M Salter".

M Salter  
Designated Member

## **Statement of members' responsibilities in respect of the members' report and financial statements**

The members are responsible for preparing the group financial statements in accordance with applicable law and regulations and have elected to prepare a Members' Report.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "2008 Regulations") require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the group financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK 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 partnership and of the profit or loss of the partnership for that year.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent; and
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the partnership 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 partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and enable them to ensure that its financial statements comply with the requirements of those Regulations. They are responsible for safeguarding the assets of the partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent Auditors' Report to the Members of Apiary Capital LLP**

### **Opinion**

We have audited the financial statements of Apiary Capital LLP (the 'limited liability partnership') for the year ended 31 December 2018 which comprise the income statement, the statement of financial position, the statement of changes in members' interests 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 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 limited liability partnership's affairs as at 31 December 2018 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 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 limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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.

### **Other matter – prior period financial statements not audited**

The limited liability partnership was exempt from audit in the year ended 31 December 2017 and consequently the corresponding figures are unaudited.

### **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.

### **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. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Independent Auditors' Report to the Members of Apiary Capital LLP (continued)**

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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 set out on page 4, 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.

### **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 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

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

Date: 3 April 2019

## Income Statement

(stated in GBP)

	Notes	Year ended 31 December 2018	Period ended 31 December 2017
<b>Turnover</b>	3	2,260,320	-
Administrative expenses		(725,244)	(60,542)
<b>Operating Profit</b>	4	<b>1,535,076</b>	<b>(60,542)</b>
<b>Profit/(loss) for the financial year before members' remuneration</b>		<b>1,535,076</b>	<b>(60,542)</b>
Members' remuneration charged as an expense		(793,577)	-
<b>Profit/(loss) for the financial year available for discretionary division among members</b>		<b>741,499</b>	<b>(60,542)</b>

All amounts were derived from continuing operations.

No other comprehensive income was recorded during the year (2017: £nil).

The notes on pages 10 to 15 form part of these financial statements.



**Statement of Financial Position**  
(stated in GBP)

	Notes	As at 31 December 2018	As at 31 December 2017 (restated)
<b>Fixed Assets</b>			
Tangible Assets	6	364,287	574
Investments	7	2	2
		<u>364,289</u>	<u>576</u>
<b>Current Assets</b>			
Debtors	8	439,522	57,008
Amounts due from members		60,542	105,542
Cash at bank and in hand		192,642	10,308
		<u>692,706</u>	<u>172,858</u>
<b>Creditors: amounts falling due within one year</b>	9	(305,496)	(13,434)
<b>Net current assets</b>		<u>387,210</u>	<u>159,424</u>
<b>Total assets less current liabilities</b>		<u>751,499</u>	<u>160,000</u>
<b>Net assets attributable to members</b>		<u>751,499</u>	<u>160,000</u>
<b>Represented by:</b>			
<b>Loans and other debts due to members</b>			
Other amounts		-	150,000
<b>Members' other interests</b>			
Members' capital classified as equity		10,000	10,000
Other reserves		741,499	-
		<u>751,499</u>	<u>160,000</u>
<b>Total members' interests</b>			
Members other interests		751,499	10,000
Loans and other debts due to members		-	150,000
Amounts due from members		(60,542)	(105,542)
		<u>690,957</u>	<u>54,458</u>

The financial statements have been prepared in accordance with the special provisions of the Companies Act 2006 (as applied by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008) applicable to LLPs subject to small LLPs regime.

These financial statements were approved by the members on 3 April 2019 and signed on their behalf by:



M Salter  
Designated Member

Registered Number: OC417522

The notes on pages 10 to 15 form part of these financial statements.

## Statement of Changes in Members' Interests

(stated in GBP)

Year ended 31 December 2018

	Equity		Loans and other debts	Total
	Members' capital	Other reserves	due to members	2018
	classified as equity		Other amounts	
Amounts due to members			150,000	
Amounts due from members			(105,542)	
Balance as at 1 January 2018	10,000	-	44,458	54,458
Members' remuneration charged as an expense	-	-	793,577	793,577
Result for the period available for discretionary division amongst members	-	741,499	-	741,499
Members' interests after result for the period	10,000	741,499	838,035	1,589,534
Introduced by members	-	-	145,000	145,000
Withdrawn by members	-	-	(250,000)	(250,000)
Drawings	-	-	(793,577)	(793,577)
Balance as at 31 December 2018	10,000	741,499	(60,542)	690,957
Amounts due to members			-	
Amounts due from members			(60,542)	
			(60,542)	

Inception to 31 December 2017  
(restated)

	Equity		Loans and other debts	Total
	Members' capital	Other reserves	due to members	2017
	classified as equity		Other amounts	
Balance as at 25 May 2017	-	-	-	-
Result for the period available for discretionary division amongst members	-	(60,542)	-	(60,542)
Allocation during the period	-	60,542	(60,542)	-
Members' interests after result for the period	-	-	(60,542)	(60,542)
Introduced by members	10,000	-	105,000	115,000
Balance as at 31 December 2017	10,000	-	44,458	54,458
Amounts due to members			150,000	
Amounts due from members			(105,542)	
			44,458	

The notes on pages 10 to 15 form part of these financial statements.

## Notes to the Financial Statements

### 1 General information

Apiary Capital LLP (the "Partnership") is a Limited Liability Partnership, incorporated in the United Kingdom, having its registered office at 6 Warwick Street, London, W1B 5LX. The principal activity of the Partnership is the provision of investment management services to private equity funds. The Partnership has presented the monetary items in the financial statements in GBP sterling, rounded to the nearest pound.

### 2 Summary of significant accounting policies

The principal accounting policies applied in the presentation of these Financial Statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### *(a) Basis of Preparation*

The financial statements have been prepared under the historical cost convention in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (published January 2017). The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

#### *(b) Prior period restatement*

The "Amounts due from members" on the face of the Statement of Financial Position for the comparative period has been restated to reflect the members' obligation to fund the loss for that period. The effect of the restatement is an increase in net assets attributable to members, from £99,458 previously reported to £160,000. The restatement did not have any impact on the Income Statement.

#### *(c) Going concern*

On the basis of their assessment of the Partnership financial position and resources, the members believe that the Partnership is well placed to manage its business risks. Therefore, the Partnership Members have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the Financial Statements.

#### *(d) Consolidation*

The Partnership and its subsidiary undertakings listed in note 7 comprise a small group. The Members have therefore adopted the exemption provided by section 398 of the Companies Act 2006, resulting in the presentation of the financial statements on a stand-alone basis.

#### *(e) Turnover*

Turnover, which is stated net of Value Added Tax and accounted for on an accruals basis, principally represents management fees received from the Fund, to which the Partnership provides investment advice and fund management services, plus transaction fees and directors fees associated with the portfolio companies of the Fund.

## Notes to the Financial Statements (continued)

### 2 Summary of significant accounting policies (continued)

#### (f) *Tangible Fixed Assets and Depreciation*

All fixed assets are initially recorded at cost.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer equipment:	33% per annum
Office equipment:	20% per annum
Leasehold improvements:	Straight line over the term of the lease

#### (g) *Operating leases*

Leases that do not transfer all the risks and rewards of ownership are classed as operating leases. Payments under the operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Incentives received to enter into an operating lease are credited to the income statement, to reduce the lease expense, on a straight-line basis over the period of the lease.

#### (h) *Employee benefits*

The Partnership provides a range of benefits to employees, including bonus arrangements and pension contribution plans.

##### i. Short term benefits:

Short-term employee benefits such as salaries and compensated absence are recognised as an expense in the year employees render services to the Partnership.

##### ii. Pension contributions:

Pension contributions to employees' Self Invested Pension Schemes are accounted for in the income statement on an accrual basis.

#### (i) *Cash at bank and in hand*

Cash at bank and in hand includes cash in hand and deposits held at call with banks. Bank overdrafts, when applicable, are shown within creditors in current liabilities.

#### (j) *Debtors*

Short term debtors are initially measured at the transaction price, less any impairment and subsequently at the transaction price less any impairment, deemed to be amortised cost.

#### (k) *Creditors*

Short term creditors are measured at the transaction price. Subsequent to initial recognition they are measured at amortised cost.

## Notes to the Financial Statements (continued)

### 2 Summary of significant accounting policies (continued)

#### *(l) Related parties*

The Partnership has taken advantage of the exemption provided in FRS 102 "Related Party Disclosures" not to make disclosures of transactions with other entities that are wholly owned within the same group.

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

Members' participation rights are the rights of a member against the Partnership that arise under the agreements issued to members by the Management Committee (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the Partnership are analysed between those that are, from the Partnership's perspective, either a financial liability or equity. A member's participation rights results in a liability unless the right to any payment is discretionary on the part of the Partnership.

Amounts subscribed or otherwise contributed by members, for example members' capital, are classified as equity if the Partnership has an unconditional right to refuse payment to members. If the Partnership does not have such an unconditional right, such amounts are classified as liabilities.

Where profits are automatically divided as they arise, so the Partnership does not have an unconditional right to refuse payment, the amounts arising that are due to members are liabilities. They are therefore treated as an expense in the Income Statement. To the extent that they remain unpaid at the end of the period, they are shown as liabilities in the Statement of Financial Position.

Profits available for discretionary division are divided only after a decision by the Management Committee of the Partnership to allocate such profits and are shown as a residual amount available for discretionary division amongst members in the Income Statement and are equity appropriations in the Statement of Financial Position.

Where the Partnership incurs a loss, no member shall be obliged to make any further capital or loan contributions to the Partnership to cover any loss allocated to the members which may be allocated at the discretion of the Management Committee of the Partnership.

All amounts due to members that are classified as liabilities are presented in the Statement of Financial Position within 'Loans and other debts due to members'. Amounts due to members that are classified as equity are shown in the Statement of Financial Position within 'Members' other interests'.

#### *(n) Foreign currencies*

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the date of the Statement of Financial Position. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

## Notes to the Financial Statements (continued)

### 2 Summary of significant accounting policies (continued)

(o) *Administrative expenses*

Administrative expenditure is accounted for on an accruals basis.

(p) *Taxation*

The Partnership is not subject to taxation since the members are individually responsible for taxation of their share of profits from the Partnership.

### 3 Turnover

An analysis of turnover is given below:

	Year ended 31 December 2018 £	Period ended 31 December 2017 £
United Kingdom	2,260,320	-

### 4 Operating Profit

Operating profit is stated after charging:

	Year ended 31 December 2018 £	Period ended 31 December 2017 £
Operating lease rentals – land and buildings	119,953	14,192
Depreciation (see note 7)	9,513	43

Fees payable to the Partnership's auditors:

	Year ended 31 December 2018 £	Period ended 31 December 2017 £
Audit of the Financial Statements	14,000	-
Other non-audit services	3,000	-
Taxation services	23,000	-
	40,000	-

### 5 Staff Costs

The monthly average number of employees employed by the Partnership during the year ended 31 December 2018 was 1 (2017: nil).

## Notes to the Financial Statements (continued)

### 6 Tangible Assets

	Computer Equipment £	Office Equipment £	Leasehold Improvements £	Total £
<b>Cost</b>				
1 January 2018	617	-	-	617
Additions	27,865	147,443	197,918	373,226
Disposals	-	-	-	-
<b>31 December 2018</b>	<b>28,482</b>	<b>147,443</b>	<b>197,918</b>	<b>373,843</b>
<b>Accumulated Depreciation</b>				
1 January 2018	43	-	-	43
Charge for the period	2,239	4,472	2,802	9,513
Disposals	-	-	-	-
<b>31 December 2018</b>	<b>2,282</b>	<b>4,472</b>	<b>2,802</b>	<b>9,556</b>
<b>Net Book Value</b>				
1 January 2018	574	-	-	574
<b>31 December 2018</b>	<b>26,200</b>	<b>142,971</b>	<b>195,116</b>	<b>364,287</b>

### 7 Investments

	As at 31 December 2018 £	As at 31 December 2017 £
Apiary Managing Member Limited	1	1
Apiary Second Member Limited	1	1
	<u>2</u>	<u>2</u>

	Nature of Business	Percentage Shareholding
Apiary Managing Member Limited	Holding Company	100%
Apiary Second Member Limited	Holding Company	100%
Apiary Capital Partners I GP LLP *	General Partner	100%

Apiary Capital Partners I GP LLP is the general partner to those limited partnerships that collectively comprise Apiary Capital Partners I.

All subsidiaries are registered at 6 Warwick Street, London, W1B 5LX.

## Notes to the Financial Statements (continued)

### 8 Debtors

	As at 31 December 2018 £	As at 31 December 2017 £
<b>Current assets</b>		
Amounts owed by related undertakings	105,736	42,743
Rent deposit	264,507	7,800
Prepayments	39,054	6,465
Other debtors	30,225	-
	<u>439,522</u>	<u>57,008</u>

### 9 Creditors

	As at 31 December 2018 £	As at 31 December 2017 £
Trade creditors	146,740	13,434
Other taxation and social security	2,460	-
Accruals	154,157	-
Other creditors	2,139	-
	<u>305,496</u>	<u>13,434</u>

### 10 Operating Leases

The total future minimum lease payments under non-cancellable operating leases is analysed below:

	As at 31 December 2018 £	As at 31 December 2017 £
Operating leases which expire:		
Within one year	228,105	42,184
Between two and five years	862,140	-
More than five years	-	-
	<u>1,090,245</u>	<u>42,184</u>

### 11 Controlling Party

The ultimate controlling party of the Partnership is Mark Salter, a Designated Member of the Partnership.