



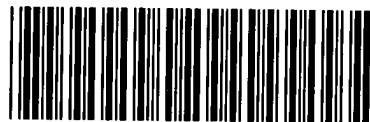
Iona EI (General Partner) 3 LLP

Partnership Number: OC418294

Annual Report and Financial Statements

For the year ended 31 March 2020

MONDAY



A9YVY589

A07

22/02/2021

#176

COMPANIES HOUSE

Iona EI (General Partner) 3 LLP

CONTENTS

	Page
Management and Administration	2
Members' Report	3 - 4
Independent Auditor's Report	5 – 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Cash Flows	10
Statement of Changes in Members' Interest	11
Notes to the Financial Statements	12 - 14

Iona EI (General Partner) 3 LLP

MANAGEMENT AND ADMINISTRATION

Designated members:

Nicholas R W Ross
Michael B Dunn (resigned on 23 October 2019)
Iona Capital Ltd

Independent Auditor:

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Administrator:

Langham Hall UK Services LLP
8th Floor
1 Fleet Place
London
EC4M 7RA

Registered Office:

123 Pall Mall
London
SW1Y 5EA

Banker:

HSBC Bank Plc
60 Queen Victoria Street
London
EC4N 4TR

Iona EI (General Partner) 3 LLP

MEMBERS' REPORT

For the year ended 31 March 2020

The Members submit their Annual Report and Audited Financial Statements for Iona EI (General Partner) 3 LLP (the "Limited Liability Partnership" or "LLP") for the year ended 31 March 2020.

Principal activity and incorporation

The LLP was incorporated on 21 July 2017 with the registration number OC418294.

The principal activity of the LLP is to act as General Partner to Iona Environmental Infrastructure 3 LP, ('the Fund'). The Fund is setup to make investments primarily in organic waste recycling infrastructure projects in the UK.

The LLP intends to continue acting as General Partner to Iona Environmental Infrastructure 3 LP.

Review of the affairs of the Limited Liability Partnership

The LLP acted as the General Partner to the Fund during the period and received General Partner's Share from the Fund in accordance with the Limited Partnership Deed dated 10 October 2017 (the "LP Deed"). The LLP paid fees to Iona Capital Ltd, its parent company, in accordance with the Management Deed dated 10 October 2017 (the "Management Deed").

Results

The results for the year are set out in the Statement of Comprehensive Income on page 8.

Members

The Members of the LLP during the period and at the date of this report are as stated on page 2. All members of the LLP are designated members.

Members' drawings, subscriptions and repayments of capital

Policies for members' drawings, subscriptions and repayment of members' capital are governed by the Amended Limited Liability Partnership Deed (the "LLP Deed").

The capital requisite for carrying on the business of the LLP shall be agreed and contributed by the members from time to time.

Details of changes in members' capital in the year ended 31 March 2020 are set out in the financial statements.

Profits and losses of the LLP are allocated to members in line with the LLP Deed.

Going concern

The Members have considered the net liability position and specifically the ability of the Fund to continue to pay the General Partner's Share to the General Partner which will, in turn, allow the General Partner to continue to meet its obligations as they fall due. The Members consider that the Fund has sufficient cash to fund future expenses as they fall due and it has the ability to call from investors in a timely manner for the purpose of meeting the Priority Profit Share requirements. The Members therefore expect the Fund to be able to pay the General Partner's Share for a period of at least 12 months from the date of approval of these financial statements and conclude that it remains appropriate to prepare these financial statements on a going concern basis.

Iona EI (General Partner) 3 LLP

MEMBERS' REPORT (continued) For the year ended 31 March 2020

Statement of Members' responsibilities

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

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the Members to prepare financial statements for each financial year. Under that law the Members have elected to prepare the financial statements in accordance with 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 that legislation 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 year.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

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

Disclosure of information to the auditors

So far as each of the Members are aware, there is no relevant audit information of which the LLP's auditor is unaware, and each has taken all the steps they ought to have taken as Members to make themselves aware of any relevant audit information and to establish that the Limited LLP's auditor is aware of that information.

Auditor

The Members decided not to continue with Ernst & Young LLP as auditor. There were no disagreements and the relationship ended amicably. On 23 December 2019 the Members appointed RSM UK Audit LLP as auditor and RSM UK Audit LLP has indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the next board meeting.

Approval

These financial statements were approved and authorised for issue by the Members on 08 September 2020 and signed on their behalf by



Colm Walls
On Behalf of Iona Capital Ltd
Designated Member of Iona EI (General Partner) 3 LLP

Iona EI (General Partner) 3 LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IONA EI (GENERAL PARTNER) 3 LLP

Opinion

We have audited the financial statements of Iona EI (General Partner) 3 LLP (the 'limited liability partnership') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Members' Interest and the 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 March 2020 and of its loss 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.

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.

Iona EI (General Partner) 3 LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IONA EI (GENERAL PARTNER) 3 LLP (continued)

Other information (continued)

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 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 Members' Responsibilities Statement 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.

Iona EI (General Partner) 3 LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IONA EI (GENERAL PARTNER) 3 LLP (continued)

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 08 September 2020

Iona EI (General Partner) 3 LLP

STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2020

		31 March 2020	31 March 2019
	Note	GBP	GBP
Income			
General Partner's share	2.5	<u>394,402</u>	<u>1,008,794</u>
Total income		<u>394,402</u>	<u>1,008,794</u>
Expenses			
Management fees	2.6	(251,412)	(632,082)
Rebate of General Partner's share		(142,990)	(376,712)
Bank charges		<u>(42)</u>	<u>(44)</u>
Total expenses		<u>(394,444)</u>	<u>(1,008,838)</u>
Loss before members remuneration		<u>(42)</u>	<u>(44)</u>
Members remuneration charged as an expense		<u>-</u>	<u>-</u>
Total comprehensive loss for the year		<u><u>(42)</u></u>	<u><u>(44)</u></u>

The results above are in respect of continuing operations.

The notes on pages 12 to 14 form an integral part of these financial statements

Iona EI (General Partner) 3 LLP

STATEMENT OF FINANCIAL POSITION
As at 31 March 2020

	Note	As at 31 March 2020 GBP	As at 31 March 2019 GBP
Current assets			
Debtors	4	-	926,456
Cash at bank		124,513	238
		<u>124,513</u>	<u>926,694</u>
Current liabilities			
Creditors	5	(124,567)	(926,706)
		<u>(124,567)</u>	<u>(926,706)</u>
Net liabilities attributable to members		<u>(54)</u>	<u>(12)</u>
Equity			
Members' capital classed as equity		50	50
Members' other interests		(104)	(62)
Total Members' Funds		<u>(54)</u>	<u>(12)</u>

The financial statements on pages 8 to 14 were approved and authorised for issue by the Members on 08 September 2020 and are signed on their behalf by:



Colm Walls
On Behalf of Iona Capital Ltd
Designated Member of Iona (General Partner) 3 LLP

Registered Number OC418294

The notes on pages 12 to 14 form an integral part of these financial statements

Iona EI (General Partner) 3 LLP

STATEMENT OF CASH FLOWS
For the year ended 31 March 2020

		31 March 2020	Period from incorporation to 31 March 2019
	Note	GBP	GBP
Cash flows from operating activities			
Other operating activities		124,275	156
Net cash inflow from operating activities		<u>124,275</u>	<u>156</u>
 Net movement in cash at bank during the year/period		124,275	156
Cash at bank at start of the year/period		238	82
Cash at bank at end of the year/period		<u>124,513</u>	<u>238</u>
 Other operating activities are made up of:			
Net loss adjusted for:		(42)	(44)
Net decrease/(increase) in debtors	4	926,456	(926,456)
Net (decrease)/increase in creditors	5	<u>(802,139)</u>	<u>926,656</u>
		<u>124,275</u>	<u>156</u>

The notes on pages 12 to 14 form an integral part of these financial statements

Iona EI (General Partner) 3 LLP

STATEMENT OF CHANGES IN MEMBERS' INTEREST
For the year ended 31 March 2020

	Members' capital classified as equity	Members' other interests	Total
	GBP	GBP	GBP
As at 1 April 2019	50	(62)	(12)
Total comprehensive loss for the year	-	(42)	(42)
As at 31 March 2020	50	(104)	(54)

	Members' capital classified as equity	Members' other interests	Total
	GBP	GBP	GBP
As at 1 April 2018	50	(18)	32
Total comprehensive loss for the period	-	(44)	(44)
As at 31 March 2019	50	(62)	(12)

The notes on pages 12 to 14 form an integral part of these financial statements

Iona EI (General Partner) 3 LLP

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2020

1. Incorporation and activity

Iona EI (General Partner) 3 LLP was incorporated on 21 July 2017 as a Limited Liability Partnership. The principal activity of the LLP is to act as the General Partner of Iona Environmental Infrastructure 3 LP (the "Fund"), an English Limited Partnership.

Iona Capital Ltd is the Manager of the Fund and Iona EI (SLP) III LP is the Carried Interest Partner of the Fund.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for the period from incorporation to 31 March 2020, unless otherwise stated.

2.1 Basis of accounting

The financial statements have been prepared in compliance with FRS102 as it applies to the financial statements of the LLP for the period from incorporation to 31 March 2020.

2.2 Going Concern

The Members have considered the net liability position and specifically the ability of the Fund to continue to pay the General Partner's Share to the General Partner which will, in turn, allow the General Partner to continue to meet its obligations as they fall due. The Members consider that the Fund has sufficient cash to fund future expenses as they fall due and it has the ability to call from investors in a timely manner for the purpose of meeting the Priority Profit Share requirements. The Members therefore expect the Fund to be able to pay the General Partner's Share for a period of at least 12 months from the date of approval of these financial statements and conclude that it remains appropriate to prepare these financial statements on a going concern basis.

2.3 Income

Income is recognised on an accruals basis when the LLP obtains the right to consideration in exchange for its performance. Income consists of General Partner's Share received from the Fund, explained in detail in note 2.5.

2.4 Expenses

All expenses are accounted for on an accruals basis. Apart from the management fees and bank charges, all expenses of the LLP are borne by the Fund.

2.5 General Partner's Share

The LLP acts as General Partner to the Fund and is entitled to receive a General Partner's Share which shall be determined and paid as set out below.

(a) for the period from the First Closing until the last day of the Investment Period, an aggregate amount, calculated with respect to each Limited Partner, equal to 1.5 per cent. per annum of the Commitment of such Limited Partner; and

(b) after the end of the Investment Period, an aggregate amount, calculated with respect to each Limited Partner, equal to 1.5 per cent. per annum of the Commitments Under Management in respect of such Limited Partner, calculated as of the date of the First Closing and, thereafter, as of each quarterly instalment date in such accounting period.

Iona EI (General Partner) 3 LLP

NOTES TO THE FINANCIAL STATEMENTS (continued) **For the year ended 31 March 2020**

2.5 General Partner's Share (continued)

Any rebates due to investors are accounted for on receipt of the General Partner's Share. To the extent agreed between the LLP and nominated Limited Partner(s) of the Fund, the LLP shall pay to said Limited Partners by way of rebate of General Partner's Share an amount agreed upon between the General Partner and said Limited Partners.

On a quarterly basis, the amount of the General Partner's Share calculated shall be reduced, but not below zero, by the sum of transaction fees received by Iona Capital Ltd, (the "Manager"), from investee companies of the Fund.

2.6 Management fees

As per the Management Deed, the LLP has appointed Iona Capital Ltd to act as the Manager of the Fund and that it will pay the Manager by way of remuneration for its services hereunder such fee as the Manager and the LLP agree from time to time.

2.7 Cash at bank

Cash at bank comprises of cash held on current account.

3. Fees and Expenses

The auditors' remuneration for the year was GBP 4,500 (period ended 31 March 2019: GBP 5,250), and was borne by the Fund.

4. Debtors

	31 March 2020	31 March 2019
	GBP	GBP
Amount due from Iona Capital Ltd	-	926,456
	<u>-</u>	<u>926,456</u>

5. Creditors

	31 March 2020	31 March 2019
	GBP	GBP
Amount due to the Fund	-	926,706
Amount due to Iona Capital Ltd	250	-
Other payables	124,317	-
	<u>124,567</u>	<u>926,706</u>

6. Controlling party

The LLP's ultimate controlling party is Iona Capital Ltd, by virtue of it controlling the majority of the voting rights of the LLP. The registered office of Iona Capital Ltd is 123 Pall Mall, London, SW1Y 5EA.

7. Post balance sheet events

The Members are not aware of any matters or circumstances arising since 31 March 2020, not otherwise dealt within the financial statements, which significantly affects the financial position of the LLP and the results of its operations.

Iona EI (General Partner) 3 LLP

NOTES TO THE FINANCIAL STATEMENTS (continued) **For the year ended 31 March 2020**

8. Transactions with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

During the year ended 31 March 2020, Iona (General Partner) 3 LLP received a General Partner's Share of GBP 394,402 (2019: GBP 1,008,794) from the Fund. As at 31 March 2020, GBP nil (period ended 31 March 2019: GBP 926,456) was due from Iona Capital Ltd in respect of transaction fees.

One of the Directors of Iona Capital Ltd, the Manager, is a member of Iona EI (General Partner) 3 LLP. During the year ended 31 March 2020, Iona (General Partner) 3 LLP incurred management fees of GBP 251,412 (2019: GBP 632,082) from Iona Capital Ltd. As at 31 March 2020, GBP 250 (2019: GBP 250) was due to Iona Capital Ltd in respect of working capital advanced and GBP nil (2019: GBP 926,706) was due to the Fund in relation to transaction fees.