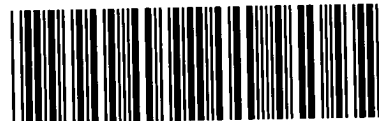


Limited Liability Partnership No. OC427570

## Three Crowns (Middle East) LLP

Annual Report and Financial Statements  
for the period ended 31 December 2019

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COMPANIES HOUSE

# Three Crowns (Middle East) LLP

## DESIGNATED MEMBERS AND ADVISORS

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### DESIGNATED MEMBERS

Jan Paulsson  
Gaetan Verhoosel  
Scott Vesel

### REGISTERED OFFICE

New Fetter Place  
8-10 New Fetter Lane  
London EC4A 1AZ

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# Three Crowns (Services) LLP

## Balance Sheet

for the period ended 31 December 2019

	Notes	2019 \$
CURRENT ASSETS		
Debtors	3	1,916,403
CURRENT LIABILITIES		
Creditors: amounts falling due within one year	4	(1,279,777)
NET CURRENT ASSETS		636,626
NET ASSETS ATTRIBUTABLE TO MEMBERS		636,626
Represented by:		
LOANS AND OTHER DEBTS DUE TO MEMBERS		
Members' capital classified as liability		
Other amounts		-
TOTAL MEMBERS' INTERESTS		636,626

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

For the period ending 31 December 2019 the LLP was entitled to exemption from audit under section 477 of the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 relating to small limited liability partnerships.

The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476. The members acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

A statement of comprehensive income has not been delivered to the Registrar of Companies in accordance with the special provisions applicable to LLPs subject to the small LLPs regime.

The financial statements of Three Crowns (Middle East) LLP (registered number OC427570) were approved by the members and authorised for issue on 8 December 2020.

They were signed on behalf of Limited Liability Partnership by:



Scott Vesel, Designated Member

Date: 8 December 2020

The notes on pages 3 to 7 form part of these financial statements.

# Three Crowns (Services) LLP

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2019

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### GENERAL INFORMATION

Three Crowns (Middle East) LLP has prepared financial statements covering the individual entity's results for the period to 31 December 2019. Three Crowns (Middle East) LLP has presented its financial statements in US Dollars, rounded to the nearest whole dollar.

Three Crowns (Middle East) LLP is a Limited Liability Partnership and is incorporated in England. The address of Three Crowns (Middle East) LLP's registered office is presented on page 1 of these financial statements under Designated Members and Advisors.

### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

### GOING CONCERN

The uncertainty as to the future impact of the COVID-19 pandemic has been considered as part of the LLP's adoption of the going concern basis. The Partner Management Team has spent considerable time and effort to ensure appropriate plans are in place to mitigate any COVID-19 related downturn in revenues and/or cash inflows.

Forecast stress testing scenarios, in light of COVID-19, has demonstrated that the LLP could withstand both a material and prolonged decrease in financial performance. However, if the impacts of COVID-19 are more significant or prolonged than the Partner Management Team's expectations, the LLP may need to take further cost-measure actions.

On this basis, the Partner Management Team has a reasonable expectation that the LLP will have sufficient cash flow and available resources to continue operating for at least 12 months from the approval date of these Financial Statements. Accordingly, the LLP continues to adopt the going concern basis in preparing its Financial Statements.

### MEMBERS' REMUNERATION

A member's share of the profit or loss for the year is accounted for as an allocation of profits when the amount to be distributed has been agreed by the Executive Management Committee.

### EMPLOYEE BENEFITS

The cost of employee benefits is recognised as a liability and an expense.

### INTANGIBLE ASSETS

Intangible assets are stated at historic cost, net of amortisation.

Intangible assets are amortised in equal annual instalments over a period of 3 years which is their estimated useful economic life.

Amortisation is included in other operating expenses in the statement of comprehensive income.

# Three Crowns (Middle East) LLP

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2019

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### TANGIBLE FIXED ASSETS

Fixed assets are stated at historic cost, net of depreciation.

Depreciation is provided on all tangible fixed assets, at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:

Computer equipment	Three years
Furniture and fittings	In accordance with the lease term of the associated property

### PROVISIONS

Provisions are recognised when the Group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation.

### TURNOVER & REVENUE RECOGNITION

Turnover represents amounts chargeable to clients for professional services provided during the year, incurred on client assignments but excluding value added tax. Unbilled revenue is included in debtors within accrued income. Balances are shown net of third party disbursements.

### TAXATION

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

### FUNCTIONAL AND PRESENTATIONAL CURRENCIES

The financial statements are presented in US dollars which is also the functional currency of the LLP.

### 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.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- a) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- c) all resulting exchange differences are recognised in other comprehensive income.

# Three Crowns (Middle East) LLP

## NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2019

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### OPERATING LEASES

Operating lease payments are recognised as an expense and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

Rent free periods or other incentives received for entering into an operating lease are accounted for as a reduction to the expense and are recognised, on a straight-line basis over the lease term.

### MEMBERS' PARTICIPATION RIGHTS

Members' participation rights are the rights of a member against the LLP 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 LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with Section 22 of FRS102. A member's participation right results in a liability unless the right to any payment is discretionary on the part of the LLP.

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

Where profits are automatically divided as they arise, so the LLP does not 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 in the Statement of Comprehensive Income in the relevant year. To the extent that they remain unpaid at the period end, they are shown as liabilities in the Statement of Financial Position.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the Statement of Comprehensive Income and are equity appropriations in the Statement of Financial Position.

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 LLP has, in each case, an unconditional right to refuse payment.

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' and are charged to the Statement of Comprehensive Income within 'Members' remuneration charged as an expense'. Amounts due to members that are classified as equity are shown in the Statement of Financial Position within 'Members' other interests'.

### CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

The preparation of the financial statements requires the members to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

The below are considered key judgements:

- Revenue recognition - accrued income

The value of unbilled revenue is based on an assessment of the services provided, including the use of historic recovery rates to estimate future recoverability of the work performed. Contingent WIP is recognised based on management's experience assessing the likelihood of a successful outcome. Material estimation uncertainty arises in the application of these historical recovery rates to the gross unbilled time, however the impact of the rates on the provision is reviewed by management to assure they remain materially acceptable.

# Three Crowns (Middle East) LLP

## NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 December 2019

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### CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT (continued)

- Impairment of trade debtors

The recoverable value of trade debtors has been made on the basis of estimations and assumptions regarding their fair value. Likely impairment is calculated with reference to the age of trade debtor and management's understanding of likely recoverability, taking into account the history of the specific client. This provisioning is reviewed by management and compared to the firm's history of recovery to assure they remain materially acceptable.

### FINANCIAL INSTRUMENTS

The firm enters into basic financial instruments that result in the recognition of financial assets and liabilities such as accrued income, trade and other receivables, accruals and trade and other payables. Short term receivables are measured at transaction price, less any impairment. Short term payables are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest rate method.

#### 1. MEMBERS

2019

No.

Average number of members

3

#### 2. EMPLOYEES

The average monthly number of persons employed during the period was (excludes members):

2019

Fee earners

0

Non-fee earners

1

1

# Three Crowns (Middle East) LLP

## NOTES TO THE FINANCIAL STATEMENTS for the period ended 31 December 2019

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3. DEBTORS DUE WITHIN ONE YEAR	2019 \$
Trade debtors	1,528,512
Prepayments and accrued income	346,979
Other debtors	40,985
	<u>1,916,403</u>
4. CREDITORS DUE WITHIN ONE YEAR	2019 \$
Trade creditors	5,266
Amounts due to affiliates	1,265,970
Other taxation and social security costs	1,165
Accruals	7,376
	<u>1,279,777</u>

### 5. RELATED PARTIES

The firm has US and UK affiliates which share Members in common. The provision of services to and expenses incurred from these affiliates were made at and treated as arms-length transactions.

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	2019 \$
<u>Three Crowns (US) LLP</u>	
Amounts due to related party at year end	222,877
<u>Three Crowns (Services) LLP</u>	
Amounts due to related party at year end	1,043,093

### 5. CONTROLLING PARTY

The LLP is controlled by its members and as such there is no one controlling party.

### 6. POST BALANCE SHEET EVENTS

In common with the rest of the business community the LLP has been impacted as a result COVID-19. Please refer to the Going Concern policy on page 3 for an explanation of the impact of COVID-19 on the LLP and The Members' efforts to mitigate this.