

CALUNIUS CAPITAL LLP

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017



CALUNIUS CAPITAL LLP

INFORMATION

Designated Members

M R Smith

M A Wells

Members

C Stuerwald

L Perrin

LLP registered number

OC324721

Registered office

10 Queen Street Place, London, EC4R 1AG

Independent auditors

haysmacintyre, 10 Queen Street Place, London, EC4R 1AG

CALUNIUS CAPITAL LLP

CONTENTS

	Page
Members' report	1 - 2
Independent auditors' report	3 - 4
Statement of comprehensive income	5
Statement of financial position	6
Reconciliation of members' interests	7
Statement of cash flows	8
Notes to the financial statements	9 - 17

CALUNIUS CAPITAL LLP

MEMBERS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The members present their annual report together with the audited financial statements of Calunius Capital LLP (the LLP) for the year ended 31 December 2017.

Designated Members

M R Smith and M A Wells were designated members of the LLP throughout the year.

Members

C Stuerwald and L Perrin were members of the LLP throughout the year.

Members' capital and interests

Each member's subscription to the capital of the LLP is determined by their share of the profit and is repayable following retirement from the LLP.

Details of changes in members' capital in the ended 31 December 2017 are set out in the Reconciliation of members' interests.

Members are remunerated from the profits of the LLP and are required to make their own provision for pensions and other benefits. Profits are allocated and divided between members after finalisation of the financial statements. Members draw a proportion of their profit shares monthly during the year in which it is made, with the balance of profits being distributed after the year, subject to the cash requirements of the business.

Members' responsibilities statement

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

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), 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 company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period.

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

- select suitable accounting policies and then apply them consistently;
- make 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;
- 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 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008). 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.

CALUNIUS CAPITAL LLP

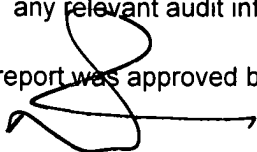
**MEMBERS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Disclosure of information to auditors

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

- so far as that member is aware, there is no relevant audit information of which the LLP's auditors are unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

This report was approved by the members on 27 March 2018 and signed on their behalf by:



M A Wells
Designated member

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CALUNIUS CAPITAL LLP

Opinion

We have audited the financial statements of Calunius Capital LLP for the year ended 31 December 2017, set out on pages 5 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the LLP's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an Auditors' 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 LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied by limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 LLP'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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CALUNIUS 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, as applied to limited liability partnerships, requires us to report to you if, in our opinion:

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

Responsibilities of members

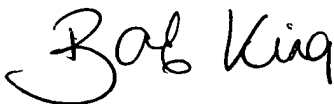
As explained more fully in the Members' responsibilities statement on page 1, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation 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 LLP'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 LLP or to cease operations, or have no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditors' report.



Bernadette King (Senior statutory auditor)

for and on behalf of
haysmacintyre

Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

27 March 2018

CALUNIUS CAPITAL LLP

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Turnover	4	1,686,835	1,222,355
Administrative expenses		<u>(510,412)</u>	<u>(331,898)</u>
Operating profit	5	<u>1,176,423</u>	<u>890,457</u>
Profit for the year before members' remuneration and profit shares available for discretionary division among members		<u>1,176,423</u>	<u>890,457</u>

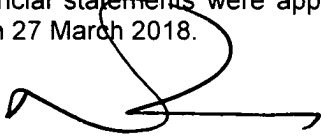
There was no other comprehensive income for 2017(2016:£NIL).

The notes on pages 9 to 17 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	9	13,487	17,466
Current assets			
Debtors: amounts falling due within one year	10	50,046	55,109
Cash at bank and in hand	11	453,585	392,604
		<u>503,631</u>	<u>447,713</u>
Creditors: Amounts Falling Due Within One Year	12	(184,108)	(137,087)
Net current assets		<u>319,523</u>	<u>310,626</u>
Total assets less current liabilities		<u>333,010</u>	<u>328,092</u>
Net assets		<u><u>333,010</u></u>	<u><u>328,092</u></u>
Represented by:			
Loans and other debts due to members within one year			
Other amounts	14	221,010	192,684
Members' other interests			
Members' capital classified as equity		112,000	112,000
Other reserves classified as equity		-	23,408
		<u>112,000</u>	<u>135,408</u>
		<u><u>333,010</u></u>	<u><u>328,092</u></u>
Total members' interests			
Loans and other debts due to members	14	221,010	192,684
Members' other interests		<u>112,000</u>	<u>135,408</u>
		<u><u>333,010</u></u>	<u><u>328,092</u></u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 27 March 2018.


M A Wells
Designated member

The notes on pages 9 to 17 form part of these financial statements.


M R Smith
Designated member

**RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	EQUITY Members' other interests			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 £	Other amounts £	Total £	Total £
Amounts due to members				180,604	180,604	
Balance at 1 January 2016	112,000	23,408	135,408	180,604	180,604	316,012
Profit for the year available for discretionary division among members	-	890,457	890,457	-	-	890,457
Members' interests after profit for the year	112,000	913,865	1,025,865	180,604	180,604	1,206,469
Other division of profits	-	(890,457)	(890,457)	890,457	890,457	-
Drawings	-	-	-	(878,377)	(878,377)	(878,377)
Amounts due to members				192,684	192,684	
Balance at 31 December 2016	112,000	23,408	135,408	192,684	192,684	328,092
Profit for the year available for discretionary division among members	-	1,176,424	1,176,424	-	-	1,176,424
Members' interests after profit for the year	112,000	1,199,832	1,311,832	192,684	192,684	1,504,516
Other division of profits	-	(1,199,832)	(1,199,832)	1,199,832	1,199,832	-
Drawings	-	-	-	(1,171,505)	(1,171,505)	(1,171,505)
Amounts due to members				221,010	221,010	
Balance at 31 December 2017	112,000	-	112,000	221,010	221,010	333,010

The notes on pages 9 to 17 form part of these financial statements.

CALUNIUS CAPITAL LLP

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	1,176,423	890,457
Adjustments for:		
Depreciation of tangible assets	6,272	5,168
Increase in debtors	5,062	(11,578)
Increase in creditors	47,021	93,768
Net cash generated from operating activities	<u>1,234,778</u>	<u>977,815</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,292)	(10,559)
Net cash from investing activities	<u>(2,292)</u>	<u>(10,559)</u>
Cash flows from financing activities		
Drawings paid to members	(1,171,505)	(878,377)
Net cash used in financing activities	<u>(1,171,505)</u>	<u>(878,377)</u>
Net increase in cash and cash equivalents	60,981	88,879
Cash and cash equivalents at beginning of year	392,604	303,725
Cash and cash equivalents at the end of year	<u>453,585</u>	<u>392,604</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	453,585	392,604
	<u>453,585</u>	<u>392,604</u>

The notes on pages 9 to 17 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. General information

Calunius Capital LLP is a limited liability partnership incorporated in England and Wales.

The principal place of business for the LLP is 11 Haymarket, London, SW1Y 4BP. The registered office is 10 Queen Street Place, London, EC4R 1AG.

The principal activity of the LLP is a fund manager.

The financial statements are presented in Sterling (£).

2. Accounting policies

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

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

The following principal accounting policies have been applied:

2.2 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the LLP will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.3 TANGIBLE FIXED ASSETS (CONTINUED)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	25% straight line
Computer equipment	-	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.4 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the LLP's cash management.

2.6 FINANCIAL INSTRUMENTS

The LLP only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans to and from to related parties.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income Statement.

2.7 FINANCIAL INSTRUMENTS

The LLP only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.7 FINANCIAL INSTRUMENTS (CONTINUED)

or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

2.8 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 OPERATING LEASES: THE LLP AS LESSEE

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.10 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The LLP operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the LLP pays fixed contributions into a separate entity. Once the contributions have been paid the LLP has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the LLP in independently administered funds.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments 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. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

The members do not consider there to be critical estimates and judgments applicable to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Rendering of Services	1,686,835	1,222,355
	<u>1,686,835</u>	<u>1,222,355</u>

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	6,272	5,168
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual financial statements	5,500	5,300
Other operating lease rentals	66,880	66,880
Defined contribution pension cost	5,024	2,248
	<u> </u>	<u> </u>

6. Auditors' remuneration

	2017 £	2016 £
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual accounts	5,500	5,300
	<u> </u>	<u> </u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. Employees

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	186,473	99,239
Social security costs	19,641	11,488
Cost of defined contribution scheme	5,024	2,248
	<u>211,138</u>	<u>112,975</u>

The average monthly number of persons (including members with contracts of employment) employed during the year was as follows:

	2017 No.	2016 No.
Administrative	<u>7</u>	<u>6</u>

8. Information in relation to members

	2017 Number	2016 Number
The average number of members during the year was	<u>4</u>	<u>4</u>

	2017 £	2016 £
The amount of profit attributable to the member with the largest entitlement was	<u>323,795</u>	<u>240,093</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

9. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 January 2017	3,634	71,047	74,681
Additions	-	2,292	2,292
At 31 December 2017	3,634	73,339	76,973
Depreciation			
At 1 January 2017	2,992	54,223	57,215
Charge for the year on owned assets	164	6,107	6,271
At 31 December 2017	3,156	60,330	63,486
Net book value			
At 31 December 2017	478	13,009	13,487
At 31 December 2016	642	16,824	17,466

10. Debtors

	2017 £	2016 £
Trade debtors	7,610	12,883
Other debtors	10,058	9,594
Prepayments and accrued income	32,378	32,630
	50,046	55,107

11. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	453,585	392,604
	453,585	392,604

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

12. Creditors: Amounts falling due within one year

	2017 £	2016 £
Other creditors	938	937
Accruals and deferred income	183,170	136,150
	<u>184,108</u>	<u>137,087</u>

13. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>17,668</u>	<u>22,477</u>
	<u>17,668</u>	<u>22,477</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(372,679)</u>	<u>(325,053)</u>
	<u>(372,679)</u>	<u>(325,053)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise other creditors, deferred income and amounts due to members.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

14. Loans and other debts due to members

	2017 £	2016 £
Other amounts due to members	(221,010)	(192,684)
	<u>(221,010)</u>	<u>(192,684)</u>

Loans and other debts due to members may be further analysed as follows:

	2017 £	2016 £
Falling due within one year	(221,010)	(192,684)
	<u>(221,010)</u>	<u>(192,684)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

15. Related party transactions

During the year the LLP received income from Calunius Capital GP Limited and Calunius GP2 Limited, two companies controlled by the members. Amounts invoiced during the year were £1,686,835 (2016: £1,222,355), and there were no amounts outstanding as at 31 December 2017 (2016: £nil).

Only the members are considered to be key management personnel. Total remuneration in respect of these individuals is £1,199,832 (2016: £890,457).

16. Controlling party

The members do not consider there to be one ultimate controlling party.