

SilverStreet Capital LLP

Members' report and financial statements

For the year ended 31 March 2017

Registered number: OC325502

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SilverStreet Capital LLP

Information

Designated members	G Vaughan-Smith N Vaughan-Smith
LLP registered number	OC325502
Registered office	Coveham House Downside Bridge Road Cobham Surrey KT11 3EP
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Banker	Coutts and Co 440 Strand London WC2R 0QS

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Members' report

For the year ended 31 March 2017

The members present their report together with the audited financial statements of SilverStreet Capital LLP ('the LLP') for the year ended 31 March 2017.

Principal activity

The principal activity of the LLP is the provision of investment advisory and management services.

Designated members

Designated members during the year and up to the date of this report were:

G Vaughan-Smith ('the Managing Member')
N Vaughan-Smith

Policy for members' profits, bonuses drawings, subscriptions and repayment of members' capital

Policies for members' profits, drawings, bonuses and transfers from equity to debt, subscriptions and repayment of members' capital are governed by the Limited Liability Partnership Agreement originally dated 27 March 2007, which was updated and amended on 16 March 2015 and 21 July 2015. In summary, the Managing Member determines the capital contribution to be made by each member which shall be repayable only on winding up. The Managing Member has discretion to determine the level of each member's drawings, except that the Managing Member is entitled to withdraw such amounts as required to discharge expenses which have not otherwise been reimbursed.

During the year ended 31 March 2017, no member introduced or withdrew capital.

Members' responsibilities statement

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 LLPs, 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law, as applied to LLPs, 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.

Members' report (continued)

For the year ended 31 March 2017

Members' responsibilities statement (continued)

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.

This report was approved by the members on 26 July 2017 and signed on their behalf by:



G Vaughan-Smith
Designated member

Independent auditor's report to the members of SilverStreet Capital LLP

For the year ended 31 March 2017

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

This report is made solely to the LLP's members in accordance with the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Application 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 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 LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Members and Auditor

As explained more fully in the Members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 March 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 to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Independent auditor's report to the members of SilverStreet Capital LLP (continued)

For the year ended 31 March 2017

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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.



Peter Chapman (Senior statutory auditor)
for and on behalf of
Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

26 July 2017

Statement of comprehensive income

For the year ended 31 March 2017

	Note	2017 £	2016 £
Revenue	4	1,956,715	1,908,317
Gross profit		1,956,715	1,908,317
Administrative expenses		(1,363,448)	(1,027,271)
Operating profit	5	593,267	881,046
Interest receivable and similar income	9	45	105
Profit before tax		593,312	881,151
Profit for the year before members' remuneration and profit shares		593,312	881,151
Profit for the year before members' remuneration and profit shares		593,312	881,151
Members' remuneration charged as an expense		(461,212)	(397,220)
Profit for the financial year available for discretionary division among members		132,100	483,931

There was no other comprehensive income for 2017 or 2016.

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

Statement of financial position

As at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	10	27,542	9,972
		<u>27,542</u>	<u>9,972</u>
Current assets			
Debtors: amounts falling due within one year	11	780,894	741,458
Cash at bank and in hand	12	62,999	157,445
		<u>843,893</u>	<u>898,903</u>
Creditors: amounts falling due within one year	13	(414,004)	(99,613)
Net current assets		<u>429,889</u>	<u>799,290</u>
Net assets		<u>457,431</u>	<u>809,262</u>
Represented by:			
Members' other interests			
Members' capital classified as equity		325,331	325,331
Other reserves classified as equity		132,100	483,931
		<u>457,431</u>	<u>809,262</u>
		<u>457,431</u>	<u>809,262</u>
Total members' interests			
Amounts due from members (included in debtors)	11	(577,829)	(639,684)
Members' other interests		457,431	809,262
		<u>(120,398)</u>	<u>169,578</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 26 July 2017.



G Vaughan-Smith
Designated member

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

Reconciliation of members' interests

For the year ended 31 March 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				269,120	269,120	
Amounts due from members				(601,496)	(601,496)	
Balance at 1 April 2015	325,331	-	325,331	(332,376)	(332,376)	(7,045)
Members' remuneration charged as an expense	-	-	-	397,220	397,220	397,220
Profit for the year available for discretionary division among members	-	483,931	483,931	-	-	483,931
Members' interests after profit for the year	325,331	483,931	809,262	64,844	64,844	874,106
Amounts introduced by members	207,973	-	207,973	-	-	207,973
Repayment of capital	(207,973)	-	(207,973)	-	-	(207,973)
Drawings	-	-	-	(704,528)	(704,528)	(704,528)
Amounts due from members				(639,684)	(639,684)	
Balance at 31 March 2016	325,331	483,931	809,262	(639,684)	(639,684)	169,578
Members' remuneration charged as an expense	-	-	-	461,212	461,212	461,212
Profit for the year available for discretionary division among members	-	132,100	132,100	-	-	132,100
Members' interests after profit for the year	325,331	616,031	941,362	(178,472)	(178,472)	762,890
Other division of profits	-	(483,931)	(483,931)	483,931	483,931	-
Drawings	-	-	-	(883,288)	(883,288)	(883,288)
Amounts due from members				(577,829)	(577,829)	
Balance at 31 March 2017	325,331	132,100	457,431	(577,829)	(577,829)	(120,398)

The members are only permitted to reduce the amount of "Members' other interests" at the LLP's sole discretion.

Statement of cash flows

For the year ended 31 March 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	593,312	881,151
Adjustments for:		
Depreciation of tangible assets	8,054	6,290
Interest received	(45)	(105)
(Increase) in debtors	(101,291)	(17,659)
Increase/(decrease) in creditors	314,391	(81,732)
Net cash generated from operating activities	814,421	787,945
Cash flows from investing activities		
Purchase of tangible fixed assets	(25,624)	(5,171)
Interest received	45	105
Net cash from investing activities	(25,579)	(5,066)
Cash flows from financing activities		
Members' capital contributed	-	207,973
Members' capital repaid	-	(207,973)
Distribution paid to members	(883,288)	(704,528)
Net cash used in financing activities	(883,288)	(704,528)
Net (decrease)/increase in cash and cash equivalents	(94,446)	78,351
Cash and cash equivalents at beginning of year	157,445	79,094
Cash and cash equivalents at the end of year	62,999	157,445
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	62,999	157,445
	62,999	157,445

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

Notes to the financial statements

For the year ended 31 March 2017

1. LLP information

SilverStreet Capital LLP is a limited liability partnership incorporated in England & Wales. The registered office is Coveham House, Downside Bridge Road, Cobham, Surrey, KT11 3EP. The registered number is OC325502.

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 comprises investment advisory, management and service fees.

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.

The LLP adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the LLP. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Notes to the financial statements

For the year ended 31 March 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 bases:

Fixtures and fittings	- 4 years
Computer equipment	- 3 years

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 Operating leases

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the lease term.

2.5 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.

2.6 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.

2.7 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 accounts receivable and payable, loans other third parties and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade creditors or debtors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost or 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. The impairment loss is measured as the excess of an asset's carrying amount over its recoverable amount, which is an approximation of the amount that the LLP would receive for the asset if it were to be sold at the reporting date.

Notes to the financial statements

For the year ended 31 March 2017

2. Accounting policies (continued)

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 Foreign currency translation

Functional and presentation currency

The LLP's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.10 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.11 Interest income

Interest income is recognised in profit or loss using the effective interest method.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. There are no judgements or estimates which are considered to have a significant effect on amounts recognised in the financial statements.

Notes to the financial statements

For the year ended 31 March 2017

4. Analysis of revenue

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

	2017 £	2016 £
Investment advisory fees	1,956,715	1,908,317
	<u>1,956,715</u>	<u>1,908,317</u>

All revenue arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	8,054	6,290
Exchange differences	(12,252)	(2,564)
	<u></u>	<u></u>

6. Auditor's remuneration

	2017 £	2016 £
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual accounts	9,000	9,000
	<u></u>	<u></u>

Fees payable to the LLP's auditor and its associates in respect of:

Audit-related assurance services	1,000	1,000
Taxation compliance services	2,000	2,000
All other non audit services not included above	30,230	24,683
	<u></u>	<u></u>

Notes to the financial statements

For the year ended 31 March 2017

7. Staff costs and average numbers of employees

Staff costs during the year, excluding members' remuneration charged as an expense, were as follows:

	2017 £	2016 £
Wages and salaries	360,024	119,375
Social security costs	44,063	14,235
	<u>404,087</u>	<u>133,610</u>

The average monthly number of persons employed, excluding members, during the year was as follows:

	2017 No.	2016 No.
Office and management	<u>5</u>	<u>2</u>

8. Information in relation to members

	2017 No.	2016 No.
The average number of members during the year was	<u>5</u>	<u>6</u>

	2017 £	2016 £
Members' remuneration charged as an expense	<u>461,212</u>	<u>397,220</u>
The amount of profit attributable to the member with the largest entitlement was	<u>188,750</u>	<u>387,931</u>

9. Interest receivable

	2017 £	2016 £
Other interest receivable	<u>45</u>	<u>105</u>

Notes to the financial statements

For the year ended 31 March 2017

10. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2016	1,353	24,698	26,051
Additions	868	24,756	25,624
Disposals	-	(3,379)	(3,379)
At 31 March 2017	2,221	46,075	48,296
Depreciation			
At 1 April 2016	1,353	14,726	16,079
Charge for the year	77	7,977	8,054
Disposals	-	(3,379)	(3,379)
At 31 March 2017	1,430	19,324	20,754
Net book value			
At 31 March 2017	791	26,751	27,542
At 31 March 2016	-	9,972	9,972

Notes to the financial statements

For the year ended 31 March 2017

11. Debtors

	2017 £	2016 £
Trade debtors	17,611	11,830
Other debtors	129,998	54,569
Prepayments and accrued income	55,456	35,375
Amounts due from members	577,829	639,684
	<u>780,894</u>	<u>741,458</u>

12. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<u>62,999</u>	<u>157,445</u>

13. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	111,977	51,204
Other taxation and social security	74,850	12,599
Accruals and deferred income	227,177	35,810
	<u>414,004</u>	<u>99,613</u>

Notes to the financial statements

For the year ended 31 March 2017

14. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	62,999	157,445
Financial assets that are debt instruments measured at amortised cost	725,438	706,083
	<u>788,437</u>	<u>863,528</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(152,228)	(87,014)
	<u>(152,228)</u>	<u>(87,014)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts due from members.

Financial liabilities measured at amortised cost comprise trade creditors and accruals.

15. Contingent liabilities

There were no contingent liabilities at 31 March 2017 or 31 March 2016.

16. Capital commitments

The LLP had no capital commitments at 31 March 2017 or 31 March 2016.

17. Commitments under operating leases

The LLP had no commitments under non-cancellable operating leases as at the 31 March 2017 or 31 March 2016.

Notes to the financial statements

For the year ended 31 March 2017

18. Related party transactions

During the year, the LLP was charged consultancy fees of £18,094 (2016: £29,940) by Garda (Pty) Limited, a company incorporated in Botswana. As at 31 March 2017, a balance of £nil (2016: £nil) was owed by the LLP to Garda (Pty) Limited.

Garda (Pty) Limited is a related party by virtue of being controlled by a close family member of Mr G Vaughan-Smith.

During the year, the LLP earned advisory fees from SilverStreet Management S.à.r.l of £1,530,156 (2016: £1,561,340). At 31 March 2017, £nil (2016: £nil) was owed to the LLP by SilverStreet Management S.à.r.l.

SilverStreet Management S.à.r.l is a related party by virtue of Mr G Vaughan-Smith being a member of key management of the company.

During the year, the LLP earned advisory fees from SilverStreet Management II S.à.r.l of £199,053 (2016: £nil). At 31 March 2017, £nil (2016: £nil) was owed to the LLP by SilverStreet Management II S.à.r.l.

SilverStreet Management II S.à.r.l is a related party by virtue of Mr G Vaughan-Smith being a member of key management of the company.

During the year, the LLP earned advisory fees from SilverStreet Private Equity Strategies Soparfi S.à.r.l of £227,506 (2016: £346,977). At 31 March 2017, £nil (2016: £nil) was owed to the LLP by SilverStreet Private Equity Strategies Soparfi S.à.r.l.

SilverStreet Private Equity Strategies Soparfi S.à.r.l is a related party by virtue of Mr G Vaughan-Smith being a member of key management of the company.

Key management personnel compensation

Certain members of the LLP who have authority and responsibility for planning, directing and controlling the activities of the LLP are considered to be key management personnel. Total compensation in respect of these five individuals collectively for the year ended 31 March 2017 was £519,346 (2016: £483,931).

19. Controlling party

The ultimate controlling party of SilverStreet Capital LLP is Mr G Vaughan-Smith by virtue of his majority share of the LLP's capital and voting rights.