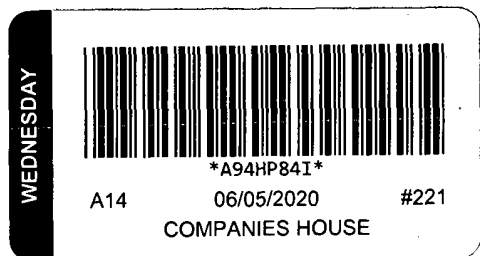


**Limited Liability Partnership Registration No. OC346366 (England and Wales)**

**GATEMORE CAPITAL MANAGEMENT LLP**

**REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**



# GATEMORE CAPITAL MANAGEMENT LLP

## LIMITED LIABILITY PARTNERSHIP INFORMATION

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**Designated members**

L Meidar  
Gatmore Capital Management LLC  
G Cadbury  
M Hodgson

**Limited liability partnership number**

OC346366

**Registered office**

33 Cavendish Square  
London  
W1G 0PW

**Auditors**

RSM UK Audit LLP  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

**Bankers**

HSBC Bank Plc  
West End Area Commercial Office 5th  
Floor  
70 Pall Mall  
London  
SW17 5EY

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# GATEMORE CAPITAL MANAGEMENT LLP

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# GATEMORE CAPITAL MANAGEMENT LLP

## MEMBERS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

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The members present their report and consolidated financial statements for the year ended 31 December 2019.

#### **Principal activities and review of the business**

The principal activity of the limited liability partnership is that of investment management and advisory services.

Gatemoire Capital Management LLP ("Gatemoire") is the investment manager of (i) the Gatemoire Multi-Asset Fund, (ii) bespoke portfolios for institutional and private clients, and (iii) a series of special purpose vehicles as part of an activist strategy.

Gatemoire is managed as a group alongside Gatemoire Capital Management LLC, its US-based parent. The fiscal year 2019 was one of continued growth for Gatemoire, with turnover growing 61.9% from the prior year, and additional investment in the business across operations, compliance and investment research. Members have made such investment with the anticipation of further growth in 2019 and consider the partnership to be in a strong financial position.

#### **Designated members**

The following designated members have held office since 1 January 2019:

L Meidar  
M Hodgson  
G Cadbury  
Gatemoire Capital Management LLC

#### **Policy on members' drawings and capital**

The members' drawing policy allows each member to draw a proportion of their profit share, subject to the cash requirements of the business.

A member's capital requirement is linked to their Deed of Adherence and the financing requirement of the limited liability partnership. There is no opportunity for appreciation of the capital subscribed. Just as incoming members introduce their capital at "par", so the members are repaid their capital at "par".

The amount owed to the members during the year in relation to the year is £1,732,369 (2017/18 Tax year: £nil).

#### **Policy on allocation of profits**

The members agree that the profits of the LLP shall be charged as a members expense and distributed in line with the LLP agreement.

#### **Statement as to disclosure of information to the auditor**

The members have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the members have confirmed that they have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

#### **Auditor**

The auditor, RSM UK Audit LLP has indicated its willingness to continue in office.

# GATEMORE CAPITAL MANAGEMENT LLP

## MEMBERS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### Statement of members' responsibilities

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

Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 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 (United Kingdom Accounting Standards and applicable law).

Under the 2008 Regulations, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the limited liability partnership and of the profit or loss of the partnership for that year.

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

- a. Select suitable accounting policies and then apply them consistently;
- b. Make judgements and accounting estimates that are reasonable and prudent;
- c. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the limited liability partnership will continue in business.


Under the 2008 Regulations the members are responsible for keeping adequate accounting records that are sufficient to show and explain the group and the partnership's transactions and disclose with reasonable accuracy at any time the financial position of the partnership and to enable them to ensure that the financial statements comply with the requirements of those Regulations. They are also responsible for safeguarding the assets of the group and the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the partnership's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

These responsibilities are exercised by the designated members on behalf of the members.

As at the date of signing the Covid-19 virus had begun to impact the environment in which the Company operates. This has been considered in the Post Balance Sheet Events note to the Financial Statements.

On behalf of the members



L Meidar  
**Designated member**

Date: 24.04.20

# GATEMORE CAPITAL MANAGEMENT LLP

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GATEMORE CAPITAL MANAGEMENT LLP

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#### **Opinion**

We have audited the financial statements of Gatemore Capital Management LLP (the 'parent limited liability partnership') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise Statement of Comprehensive Income, Statement of Financial Position, Statement of Members' Interests, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent limited liability partnership's affairs as at 31 December 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group's and parent limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# GATEMORE CAPITAL MANAGEMENT LLP

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF GATEMORE CAPITAL MANAGEMENT LLP

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#### 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 by the parent limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent limited liability partnership 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 2, 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 group's and parent 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 group or parent limited liability partnership or to cease operations, or have no realistic alternative but to do so.

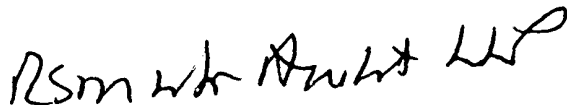
#### Auditor's responsibilities for the audit of the financial statements

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

A description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



David Fenton (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB  
Date: 24/4/2020

# GATEMORE CAPITAL MANAGEMENT LLP

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2019

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	Notes	2019 £	2018 £
<b>Turnover</b>	<b>1</b>	3,809,965	2,356,815
Cost of sales		(579,036)	(658,741)
<b>Gross profit</b>		<u>3,230,929</u>	<u>1,698,074</u>
Administrative expenses		(1,783,329)	(2,054,583)
<b>Operating Profit/(Loss)</b>	<b>2</b>	<u>1,447,600</u>	<u>(356,509)</u>
Interest receivable and similar income	<b>3</b>	349,814	186,666
Other expenses		-	-
Tax expenses	<b>4</b>	(5,231)	(4,999)
<b>Profit/(Loss) for the financial year before members' remuneration &amp; profit shares</b>		<u>1,792,183</u>	<u>(174,842)</u>
Members' remuneration charged as an expense		(1,732,369)	-
Non-Controlling Interest		(24,340)	-
<b>Profit/(Loss) for the financial year available for discretionary division among members and total comprehensive income</b>		<u>35,474</u>	<u>(174,842)</u>

The profit for the year arises from the partnership's continuing operations.



# GATEMORE CAPITAL MANAGEMENT LLP

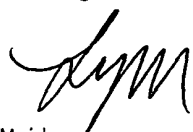
## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

	Notes	Group		LLP	
		2019 £	2018 £	2019 £	2018
<b>Fixed assets</b>					
Tangible assets	7	134,738	163,024	134,738	163,024
Investments in Subsidiaries	8	-	-	45,349	45,311
<b>Current assets</b>					
Debtors due within one year	9	2,167,688	1,174,729	2,154,515	1,166,179
Cash at bank and in hand	10	573,220	407,321	328,603	336,151
		<u>2,740,908</u>	<u>1,582,050</u>	<u>2,483,118</u>	<u>1,502,330</u>
<b>Creditors: amounts falling due within one year</b>	12	(872,487)	(640,568)	(731,755)	(618,018)
<b>Net current assets</b>		<u>1,868,421</u>	<u>941,482</u>	<u>1,751,363</u>	<u>884,312</u>
<b>Net assets attributable to members and non-controlling interest</b>		<u>2,003,159</u>	<u>1,104,506</u>	<u>1,931,450</u>	<u>1,092,647</u>
<b>Represented by:</b>					
<b>Loans and Other debts due to Members</b>		<u>838,803</u>	-	<u>838,803</u>	-
<b>Members' other interests:</b>					
Other reserves classified as equity		(674,723)	(710,197)	(722,054)	(722,054)
Members' capital		1,814,701	1,814,701	1,814,701	1,814,701
<b>Total members' other interests</b>		<u>1,978,781</u>	<u>1,104,506</u>	<u>1,931,450</u>	<u>1,092,647</u>
Non-controlling Interests		24,378	-	-	-
		<u>2,003,159</u>	<u>1,104,506</u>	<u>1,931,450</u>	<u>1,092,647</u>
<b>Total members' interests</b>					
Loans and other debts due to members		838,803	(210,765)	838,803	(210,765)
Members' other interests		1,139,978	1,104,504	1,092,647	1,092,647
<b>Total members' interests</b>		<u>1,978,781</u>	<u>893,739</u>	<u>1,931,450</u>	<u>881,882</u>

The Company is exempt under Section 408 of Companies Act 2006 from disclosing its own Statement of Comprehensive Income. The profit of the LLP for the year was £1,732,369 (2018 Loss: £186,699).

The financial statements on pages 5 to 22 were approved by the members and authorised for issue on ..... 24/4/2020 and are signed on their behalf by:



L Meidar

**Designated member**

**Limited Liability Partnership Registration No. OC346366 (England and Wales)**

# GATEMORE CAPITAL MANAGEMENT LLP

## CONSOLIDATED STATEMENT OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 DECEMBER 2019

	Members' Other Interests Classified as equity			Loans and other debts due to members less any amounts due from members in debtors	Total 2019
	Members' Capital (classified as equity)	Other Reserves	Total		
	£	£	£		
Amounts due to members				(210,765)	
Members' interests as at 1 January 2019	1,814,701	(710,197)	1,104,504	(210,765)	893,739
Profit for the financial year available for discretionary division among members	-	35,474	35,474	-	35,474
Members remuneration charged as an expense	-	-	-	1,732,369	1,732,369
Members' interests after profit for the year	1,814,701	(674,723)	1,139,978	1,521,604	2,661,582
Drawings	-	-	-	(682,801)	(682,801)
Members' interests at 31 December 2019	1,814,701	(674,723)	1,139,978	838,803	1,978,781
Amounts due from members				838,803	

### Statement of Changes in Equity:

	Members Capital	Other Reserves	Non-controlling Interest	Total 2019
	£	£	£	£
Balance as at 1 January 2019	1,814,701	(710,197)	-	1,104,504
<b>Comprehensive Income for the year:</b>				
Net Income	-	35,474	24,340	59,814
Balance as at 31 December 2019	1,814,701	(674,723)	24,340	1,164,318

# GATEMORE CAPITAL MANAGEMENT LLP

## CONSOLIDATED STATEMENT OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 DECEMBER 2018

	Members' Other Interests		Total	Loans and other debts due to members less any amounts due from members in debtors	Total 2018
	Members' Capital (classified as equity)	Other Reserves			
	£	£	£	£	£
Amounts due to members				(210,765)	
Members' interests as at 1 January 2018	1,664,701	(535,355)	1,129,346	(210,765)	918,581
Profit for the financial year available for discretionary division among members	-	(174,842)	(174,842)	-	(174,842)
Members' interests after profit for the year	1,664,701	(710,197)	954,504	(210,765)	743,739
Introduced by members	150,000	-	150,000	-	150,000
Other divisions of profits	-	-	-	-	-
Drawings	-	-	-	-	-
Members' interests at 31 December 2018	1,814,701	(710,197)	1,104,504	(210,765)	893,739
Amounts due from members				(210,765)	

# GATEMORE CAPITAL MANAGEMENT LLP

## LLP STATEMENT OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 DECEMBER 2019

	Members' Other Interests Classified as equity			Loans and other debts due to members less any amounts due from members in debtors	Total 2019
	Members' Capital (classified as equity)	Other Reserves	Total		
	£	£	£		
Amounts due to members				(210,765)	
Members' interests as at 1 January 2019	1,814,701	(722,054)	1,092,647	(210,765)	881,882
Members' remuneration charged as an expense	-	-	-	1,732,369	1,732,369
Members' interests after profit for the year	1,814,701	(722,054)	1,092,647	1,521,604	2,614,251
Introduced by members	-	-	-	-	-
Other divisions of losses	-	-	-	-	-
Drawings	-	-	-	(682,801)	(682,802)
Members' interests at 31 December 2019	1,814,701	(722,054)	1,092,647	838,803	1,931,449
Amounts due from members				1,521,604	

# GATEMORE CAPITAL MANAGEMENT LLP

## LLP STATEMENT OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 DECEMBER 2018

	Members' Other Interests			Loans and other debts due to members less any amounts due from members in debtors	Total 2018
	Members' Capital (classified as equity)	Other Reserves	Total		
	£	£	£	£	£
Amounts due to members				(210,765)	
Members' interests as at 1 January 2018	1,664,701	(535,355)	1,129,346	(210,765)	918,581
Profit for the financial year available for discretionary division among members	-	(186,699)	(186,699)	-	(186,699)
Members' interests after profit for the year	1,664,701	(722,054)	942,647	(210,765)	731,882
Introduced by members	150,000	-	150,000	-	150,000
Other divisions of profits	-	-	-	-	-
Drawings	-	-	-	-	-
Members' interests at 31 December 2018	1,814,701	(722,054)	1,092,647	(210,765)	881,882
Amounts due to members				(210,765)	

# GATEMORE CAPITAL MANAGEMENT LLP

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

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	Notes	2019 £	2018 £
<b>Operating Activities:</b>			
Transactions with non-members:			
Cash used in operations	11	852,330	182,731
<b>Net cash used in operating activities</b>		<b>852,330</b>	<b>182,731</b>
<b>Investing Activities:</b>			
Purchase of tangible assets	7	(3,941)	(13,315)
Interest received		311	77
<b>Net cash used in investing activities</b>		<b>(3,630)</b>	<b>(13,238)</b>
<b>Financing Activities:</b>			
Capital Introduced		-	150,000
Partner Drawing		(682,801)	-
<b>Net cash provided by financing activities</b>		<b>(682,801)</b>	<b>150,000</b>
<b>Net cash (decrease)/increase for the year</b>		<b>165,899</b>	<b>319,493</b>
Cash at beginning of year		407,321	87,828
<b>Cash at end of year</b>		<b>573,220</b>	<b>407,321</b>

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# GATEMORE CAPITAL MANAGEMENT LLP

## ACCOUNTING POLICIES

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### **General information**

Gatmore Capital Management LLP has prepared financial statements covering the individual entity's results for the year to 31 December 2019.

Gatmore Capital Management LLP is a Limited Liability Partnership and is incorporated in Great Britain. The address of Gatmore Capital Management LLP's registered office is presented on the Members and Administrative Information page of these financial statements.

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102") and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (published December 2018).

Monetary amounts in these financial statements are rounded to the nearest whole pound, except where otherwise indicated.

#### **Basis of Consolidation**

The consolidated financial statements for the year ended 31 December 2019 comprise of the LLP and its subsidiaries, all of which are made up to the end of the LLP's financial year. A separate income statement has not been presented in accordance with section 408 of the Companies' Act 2006.

The non-controlling interest in Gatmore Ventures LLC is recognised at the non-controlling interest's share of Gatmore Ventures LLC's net identifiable assets, liabilities and provisions for contingent liabilities recognised at the acquisition date.

All subsidiaries identified in note 8 have been included in the consolidation.

#### **Going concern**

The directors have prepared the financial statements on a going concern basis. They have carried out a detailed review of the trading position and cash flow projections for the foreseeable future, including stress testing of the business considering recent uncertainty created by the COVID-19 virus. No scenario where the Company was stressed resulted in an inability to meet its medium-term cash requirements. The directors are confident that sufficient financial resources will be available to enable the Company to meet the cash requirements as set out in the relevant projections. The managing partner has also provided a letter showing confirmation of financial support, if required.

#### **Functional and presentational currencies**

The financial statements are presented in Sterling 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.

# GATEMORE CAPITAL MANAGEMENT LLP

## ACCOUNTING POLICIES

### FOR THE YEAR ENDED 31 DECEMBER 2019

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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.

#### **Turnover**

Turnover represents the fair value of investment advisory services provided during the period to clients. Turnover is recognised as contract activity progresses and the right to consideration is earned. Fair value reflects the amount expected to be recoverable from clients and is based on services provided and expenses incurred, but excludes VAT.

#### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **Taxation**

The taxation payable on the partnership profits is solely the personal liability of the individual members and consequently neither partnership taxation nor related deferred taxation arising in respect of the partnership are accounted for in these financial statements.

Any tax amount included within the Consolidated P&L relates to corporation tax payable by subsidiaries to the Partnership.

#### **Financial assets**

Basic financial assets, which include trade and other receivables and cash balances are measured at transaction price less any impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, 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.

#### **Financial liabilities**

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

#### **Other financial liabilities**

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.



# GATEMORE CAPITAL MANAGEMENT LLP

## ACCOUNTING POLICIES

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the LLP's obligations are discharged, cancelled, or they expire.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or are capitalised as an intangible fixed asset or a tangible fixed asset.

The limited liability partnership operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold land and buildings	Over the term of the lease
Computer equipment	33% per annum on a straight-line basis
Fixtures and fittings	10% per annum on a straight-line basis

#### **Leasing**

Rentals payable under operating leases are charged against income 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 FRS 102. A member's participation rights including amounts subscribed or otherwise contributed by members, for example members' capital, are classed as liabilities unless the LLP has an unconditional right to refuse payment to members, in which case they are classified as equity.

In 2019 the LLP agreement was updated and profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment and the amounts arising that are due to members are in the nature of liabilities. They are therefore treated as an expense and presented as members remuneration charged as an expense in arriving at the result for the relevant year. To the extent that they remain unpaid at the period end, they are shown as liabilities.

#### **Critical accounting judgments**

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.

The LLP makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

# **GATEMORE CAPITAL MANAGEMENT LLP**

## **ACCOUNTING POLICIES**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### *Impairment of assets*

Financial and non-financial assets are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. The principle judgements exercised in these financial statements relate to the carrying values and useful lives of tangible fixed assets.

# GATEMORE CAPITAL MANAGEMENT LLP

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Turnover

The total turnover of the Group and the limited liability partnership can be split as follows:

	Group		LLP	
	2019 £	2018 £	2019 £	2018 £
Turnover by Geographic Region:				
United Kingdom	1,103,374	1,178,297	1,103,374	1,178,297
Channel Islands	1,968,253	660,734	1,968,253	660,734
Ireland	662,669	517,784	662,669	517,784
United States of America	75,669	-	-	-
<b>Total</b>	<b>3,809,965</b>	<b>2,356,815</b>	<b>3,734,296</b>	<b>2,356,815</b>

### 2 Operating Profit

	2019 £	2018 £
Operating profit is stated after charging (Group and LLP)		
Depreciation of tangible assets	32,227	32,552
Loss on foreign exchange transactions	15,588	1,777
Operating lease rentals:		
Other assets	198,940	198,940

Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:

	2019 £	2018 £
Audit services - statutory audit of the LLP	22,500	19,600
Tax Compliance	7,700	12,955
Tax advisory	-	32,147
Other services	47,300	48,476
	<u>77,500</u>	<u>113,178</u>

### 3 Investment Income

	2019 £	2018 £
Gatemoore Capital LLC Management Fee	349,503	185,374
Gatemoore Partners GP	-	1,215
Interest Receivable	311	77
	<u>349,814</u>	<u>186,666</u>

# GATEMORE CAPITAL MANAGEMENT LLP

## ACCOUNTING POLICIES

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 4 Taxation

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date. The split of tax across the group can be seen as follows:

	2019	2018
	£	£
Gatemoore Capital Management LLP	-	-
Gatemoore Capital Management SARL	5,231	4,999
Gatemoore Europe Limited	-	-
Gatemoore Ventures LLC	-	-
	<u>5,231</u>	<u>4,999</u>

#### 5 Employees

	2019	2018
	No.	No.
The average number of persons (excluding members) employed by the Group during the year was as follows:		
Office and management	10	11
Office and management (Paris)	1	1
Executive	-	1
	<u>11</u>	<u>13</u>

	2019	2018
	£	£
Staff costs for the above persons (excluding bonus):		
Wages and salaries	558,563	610,344
Social security costs (members and employees)	289,846	354,428
Other pension costs (defined contribution schemes)	62,541	70,498
	<u>910,950</u>	<u>1,035,270</u>

#### 6 Members Remuneration

	2019	2018
	No.	No.
The average number of members during the year was	<u>4</u>	<u>2</u>

Remuneration attributable to the highest paid member was £270,000 (2018: £nil)

The profits of the LLP in respect of each financial year are allocated and distributed, after taking into account the LLP's working capital and regulatory requirements. Profits are divided among the members in accordance with profit sharing arrangements.

# GATEMORE CAPITAL MANAGEMENT LLP

## ACCOUNTING POLICIES

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 7 Tangible Fixed Assets

	Leasehold Improvements	Plant & machinery	Fixtures & fittings	Total
Cost	£	£	£	£
Group and LLP				
At 1 January 2019	136,769	58,244	97,158	292,171
Additions	-	3,941	-	3,941
At 31 December 2019	<b>136,769</b>	<b>62,185</b>	<b>97,158</b>	<b>296,112</b>
<b>Depreciation</b>				
At 1 January 2019	50,999	44,243	33,905	129,147
Charge for the year	13,908	7,972	10,347	32,227
At 31 December 2019	<b>64,907</b>	<b>52,215</b>	<b>44,252</b>	<b>161,374</b>
<b>Net book value</b>				
At 31 December 2019	<b>71,862</b>	<b>9,970</b>	<b>52,906</b>	<b>134,738</b>
At 31 December 2018	85,770	14,001	63,253	163,024

#### 8 Investments (LLP)

In the opinion of the members the aggregate value of the LLP investment in group undertakings is not less than the amount included in the Statement of Financial Position.

The LLP has the following investments in group undertakings:

<i>Name</i>	<i>Address</i>	<i>Country of Incorporation</i>	<i>Activity</i>	<i>Proportion of Capital Held</i>
Gatmore Partners G.P. Ltd	Gategny Court, Gategny Esplanade, PO Box 140, St Peter Port, GY1 4EW	Guernsey	General Partner	100%
Gatmore Capital Management SARL	26 Rue Cambacérés 75008 Paris	France	Operating Company	100%
Gatmore Europe Limited	33 Cavendish Square, London W1G 0PW	England & Wales	Holding Company	100%
Gatmore Ventures LLC	12 Timber Creek Lane, Newark, DE 19711	USA	Investment Manager	50%

# GATEMORE CAPITAL MANAGEMENT LLP

## ACCOUNTING POLICIES

### FOR THE YEAR ENDED 31 DECEMBER 2019

The aggregate amount of capital and reserves and the results for the financial year were as follows:

<i>Name</i>	<i>Capital &amp; Reserves</i> £	<i>Investment in</i> <i>Subsidiary</i>	<i>Profit/(Loss) for</i> <i>the year</i>
Gatmore Partners G.P. Ltd	1	1	-
Gatmore Capital Management SARL	68,303	45,310	10,493
PrimeGrove Europe Limited	1	1	-
Gatmore Ventures LLC	48,757	37	48,680
<b>Total</b>	<b>117,062</b>	<b>45,349</b>	<b>59,173</b>

Gatmore Capital Management SARL & PrimeGrove Europe Limited are subject to an audit, the other entities are exempt from audit.

PrimeGrove Europe Limited was formerly Gatmore Europe Limited. The name change is due for marketing purposes.

#### 9 Debtors - Amounts due within one year

	<b>Group</b>		<b>Gatmore LLP</b>	
	<b>2019</b> £	<b>2018</b> £	<b>2019</b> £	<b>2018</b>
Trade Debtors	108,457	41,787	108,457	41,787
Other Debtors	196,520	197,045	188,496	188,496
Taxes and social security costs	52	20,381	51	20,381
Prepayments and Accrued Income	1,862,659	704,751	1,857,511	704,750
Amounts owed by Members	-	210,765	-	210,765
	<b>2,167,688</b>	<b>1,174,729</b>	<b>2,154,515</b>	<b>1,166,179</b>

#### 10 Cash at bank and in hand

At 31 December 2019 cash at bank balances include £14,500 (2018 - £14,500) of cash deposits held under a card facility agreement with the bank where the limited liability partnership has no right to withdraw funds.

#### 11 Cash used in operations

	<b>2019</b> £	<b>2018</b> £
<b>Profit/(Loss) before members' remuneration</b>	<b>1,792,183</b>	<b>(174,842)</b>
Adjustments for:		
Fixed Asset Depreciation	32,227	32,552
Interest receivable	(273)	(77)
<b>Operating cash flows before movements in working cap</b>	<b>1,824,137</b>	<b>(142,367)</b>
(Increase) in trade and other debtors	(1,203,724)	250,874
Increase in trade and other creditors	231,917	74,224
<b>Cash used in operations</b>	<b>852,330</b>	<b>182,731</b>

# GATEMORE CAPITAL MANAGEMENT LLP

## ACCOUNTING POLICIES

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 12 Creditors: amounts falling due within one year

	Group		Gatemoore LLP	
	2019	2018	2019	2018
	£	£	£	£
Trade Creditors	63,535	133,340	35,045	104,848
Taxes and social security costs	-	-	-	-
Accruals and deferred Income	808,952	507,230	696,710	513,170
	<u>872,487</u>	<u>640,570</u>	<u>731,755</u>	<u>618,018</u>

#### 13 Retirement benefits: Defined contribution scheme

The limited liability partnership contributes to personal pension schemes of certain individual employees. The assets of the scheme are held separately from those of the limited liability partnership in an independently administered fund. The pension cost charge represents contributions payable by the limited liability partnership to the fund.

	2019	2018
	£	£
Contributions payable by the limited liability partnership for the year	30,777	52,088
Contributions payable to the fund at the year end and included in creditors	<u>-</u>	<u>-</u>

#### 14 Members' interests

	2019	2018
	£	£
Amounts owed from members in respect of profits	<u>1,581,418</u>	<u>(210,765)</u>

Members' capital may be repaid to leaving members subject to the condition within the LLP Agreement, that following such payment the total members' capital remains greater than the LLP's FCA financial resources requirement at the relevant time and with the consent of the Managing Member.

Members' interests rank after unsecured creditors. Loans and other debtors due to Members rank pari passu with unsecured creditors in the event of a winding up.

Loans and debts due to members rank after secured creditors.

# GATEMORE CAPITAL MANAGEMENT LLP

## ACCOUNTING POLICIES

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 15 Financial commitments

At 31 December 2019 the limited liability partnership was committed to making the following payments under non-cancellable operating leases in the year 31 December 2019:

	Land & buildings	
	2019	2018
	£	£
Operating leases which expire:		
Within one year	140,037	210,056
Between two and five years	-	140,037
	<u>140,037</u>	<u>350,083</u>

#### 16 Controlling Party

The LLP is controlled by the managing member Gatemore Capital Management LLC an entity incorporated in the United States of America. Gatemore Capital Management LLC is the largest group which prepares consolidated financial statements which include the results of Gatemore Capital Management LLP. The consolidated financial statements of Gatemore Capital Management LLC are not publicly available.

#### 17 Subsidiary undertaking

The LLP owns Gatemore Partners GP Ltd, an entity incorporated in Guernsey. The LLP also owns Gatemore Europe Ltd, a UK based holding company and Gatemore Capital Management SARL, a French operating company.

During the year, Gatemore LLP formed Gatemore Ventures LLC, a US domiciled company, as a Joint Venture and holds a 50% share of the entity.

#### 18 Related party transactions

During the year, Gatemore Capital Management LLC provided no additional capital to the LLP (2018: £150,000).

The following related party transactions occurred during the year:

Related party	Received	Paid	Debtor	Accrued	Total
Gatemore Multi Asset Fund	602,598			126,903	<b>729,501</b>
Gatemore Capital Management SARL		(220,084)		(13,650)	<b>(233,734)</b>
Gatemore Capital Management LLC	290,413				<b>290,413</b>
Gatemore Partners GP Ltd	801,242			1,165,493	<b>1,966,735</b>
GSE Worldwide, Inc. USD	185,204			47,145	<b>232,349</b>
Gatemore Ventures LLC			(38)		<b>(38)</b>
<b>Total</b>	<b>1,879,457</b>	<b>(220,084)</b>	<b>(38)</b>	<b>1,325,891</b>	<b>2,985,226</b>

Any outstanding items will be invoiced in 2020.



# GATEMORE CAPITAL MANAGEMENT LLP

## ACCOUNTING POLICIES

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 19 Remuneration of Key Management Personnel

The remuneration of key management personal as determined by the designated members, is as follows:

	2019	2018
	£	£
Aggregate compensation	<u>412,339</u>	<u>804,013</u>

#### 20 Pillar 3 Disclosure

The Under the requirements of Pillar 3, the Company is required to disclose regulatory capital information, and has done so by marking disclosure available on the Company's website at <http://gatmore.com/legal-notice/>.

#### 21 Post Balance Sheet Events

##### COVID-19

As at the Statement of Financial Position date (31 December 2019), a limited number of cases of an unknown virus had been reported to the World Health Organization. There was no explicit evidence of human-to-human transmission at that date. Subsequent to 31 December 2019, the virus was identified as a new coronavirus (COVID-19) and there has been fast and widespread transmission through the human population.

In response to the COVID-19 virus, the UK introduced social distancing measures which resulted in the Company closing its office and moving all operations to work remotely. Having developed a robust business continuity plan that had been tested at least annually, and many staff already occasionally working from home, the Company was able to uphold the highest standards of service, security and transparency as it continued to manage customers' investments.

As a result of the uncertainty created by the COVID-19 virus, there has been significant volatility in global financial markets and significant uncertainties are expected to remain for the medium term. As at the date of signing the accounts, the full impact of the COVID-19 virus is unknown and the consequences very difficult to project. This uncertainty will impact the environment in which the Company operates and could impact the future financial results of the Company. However, given the Company's varied business in different sectors and locations and subsequently varied income streams, the directors are confident that sufficient resources are available to the Company to enable it to deal with the current level of volatility and uncertainty.

##### Office Lease

In the period since the 31<sup>st</sup> December 2019, the members of the LLP have taken the decision to serve notice on the office lease at 33 Cavendish Square. This was accepted by the landlord and agreed that the lease will end on the 28<sup>th</sup> August 2020, subject to its contractual requirements. Gatmore is in negotiations for a new office space on better terms.