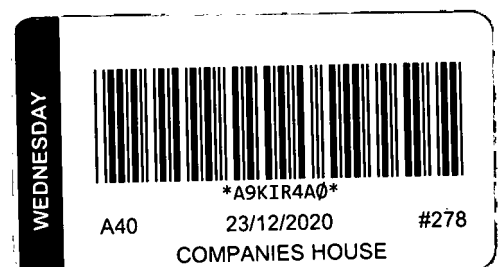


# High Ground Investment Management LLP

Report And Financial Statements

*31 March 2020*

Rees Pollock  
Chartered Accountants



## **High Ground Investment Management LLP**

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### **INFORMATION**

#### **Designated Members**

Edgar Allen  
Michael Finney

#### **Members**

Steve Banner  
Christian Laughlin  
Steven Chambers

#### **LLP registered number**

OC426876

#### **Registered office**

10 Brick Street, London, W1J 7DF

#### **Independent auditors**

Rees Pollock, 35 New Bridge Street, London, EC4V 6BW

#### **Bankers**

Coutts & Co., 440 Strand, London, WC2R 0QS

**MEMBERS' REPORT**

**For the Period Ended 31 March 2020**

The members present their annual report together with the audited financial statements of High Ground Investment Management LLP (the "LLP") for the period ended 31 March 2020.

**Principal activities**

The LLP was incorporated on 10 April 2019 and commenced trading on that date.

The principal object of the LLP is to provide investment management services.

**Designated Members**

Edgar Allen and Michael Finney were designated members of the LLP throughout the period.

**Members**

Steve Banner, Christian Laughlin and Steven Chambers were members of the LLP throughout the period.

**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 period ended 31 March 2020 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.

**Pillar III disclosures**

The firm has documented the disclosures required by the FCA under BIPRU 11. These are available at <http://www.pillar3.eu/HGIMLLP2000709>.

**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

**MEMBERS' REPORT (CONTINUED)**  
**For the Period Ended 31 March 2020**

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.

**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.

**Auditors**

The auditors, Rees Pollock, have indicated their willingness to continue in office. The Designated members will propose a motion re-appointing the auditors at a meeting of the members.

This report was approved by the members on 24 July 2020 and signed on their behalf by:



**Michael Finney**  
Designated member

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HIGH GROUND INVESTMENT MANAGEMENT LLP**

### **Opinion**

We have audited the financial statements of High Ground Investment Management LLP (the 'LLP') for the period ended 31 March 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Reconciliation of Members' Interests and the related notes, 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 Financial Reporting Standard 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 LLP's affairs as at 31 March 2020 and of its loss for the period 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.

### **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.

### **Other information**

The members are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HIGH GROUND INVESTMENT MANAGEMENT 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.

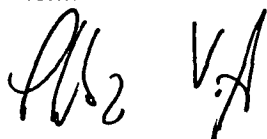
### **Auditors' responsibilities for the audit of the financial statements**

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

### **Use of our report**

This report is made solely to the LLP's members, as a body, 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, as a body, for our audit work, for this report, or for the opinions we have formed.



Philip Vipond (Senior Statutory Auditor)  
for and on behalf of

**Rees Pollock**  
Chartered Accountants  
Statutory Auditor  
35 New Bridge Street  
London  
EC4V 6BW

24 July 2020

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**STATEMENT OF COMPREHENSIVE INCOME**  
**For the Period Ended 31 March 2020**

	<b>Note</b>	<b>2020 £</b>
Turnover	3	50,839
Administrative expenses		(491,211)
		<hr/>
<b>Operating (loss)/profit</b>	4	<b>(440,372)</b>
		<hr/>
<b>(Loss)/profit before tax</b>		<b>(440,372)</b>
		<hr/>
<b>(Loss)/profit for the period before members' remuneration and profit shares available for discretionary division among members and total comprehensive income for the year</b>		<b>(440,372)</b>
		<hr/>
(Loss)/profit for the period before members' remuneration and profit shares		(440,372)
Members' remuneration charged as an expense		(293,613)
		<hr/>
<b>(Loss)/profit for the financial period available for discretionary division among members</b>		<b>(733,985)</b>
		<hr/>

The notes on pages 9 to 15 form part of these financial statements.

**BALANCE SHEET**  
As at 31 March 2020

	Note	2020 £
<b>Fixed assets</b>		
Tangible assets	7	16,531
		<u>16,531</u>
<b>Current assets</b>		
Debtors: amounts falling due within one year	8	274,001
Cash at bank and in hand	9	111,037
		<u>385,038</u>
Creditors: amounts falling due within one year	10	(30,154)
		<u>354,884</u>
<b>Net current assets</b>		
		<u>371,415</u>
<b>Net assets</b>		<u><u>371,415</u></u>
<b>Represented by:</b>		
<b>Loans and other debts due to members within one year</b>		
<b>Members' other interests</b>		
Members' capital classified as equity		1,105,400
Other reserves classified as equity		(733,985)
		<u>371,415</u>
		<u><u>371,415</u></u>
<b>Total members' interests</b>		
Amounts due from members (included in debtors)	8	(195,742)
Members' other interests		371,415
		<u>175,673</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 24 July 2020.



**Michael Finney**  
Designated member

The notes on pages 9 to 15 form part of these financial statements.



**RECONCILIATION OF MEMBERS' INTERESTS**  
For the Period Ended 31 March 2020

	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 £
Balance at 10 April 2019	-	-	-	-	-	-
Members' remuneration charged as an expense	-	-	-	293,613	293,613	293,613
Loss for the period available for discretionary division among members	-	(733,985)	(733,985)	-	-	(733,985)
<b>Members' interests after profit for the period</b>	-	(733,985)	(733,985)	293,613	293,613	(440,372)
Amounts introduced by members	1,105,400	-	1,105,400	-	-	1,105,400
Drawings	-	-	-	(489,355)	(489,355)	(489,355)
Amounts due from members				(195,742)	(195,742)	
<b>Balance at 31 March 2020</b>	<b>1,105,400</b>	<b>(733,985)</b>	<b>371,415</b>	<b>(195,742)</b>	<b>(195,742)</b>	<b>175,673</b>

Other than FCA capital requirements there are no restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

**STATEMENT OF CASH FLOWS**  
For the Period Ended 31 March 2020

	2020 £
<b>Cash flows from operating activities</b>	
(Loss)/profit for the financial period	(733,985)
<b>Adjustments for:</b>	
Members' remuneration charged as an expense	293,613
Depreciation of tangible assets	4,468
(Increase)/decrease in debtors	(78,259)
Increase in creditors	29,913
Members' remuneration charged as an expense	(489,355)
<b>Net cash generated from operating activities</b>	<u>(973,605)</u>
<b>Cash flows from investing activities</b>	
Purchase of tangible fixed assets	(20,999)
<b>Net cash from investing activities</b>	<u>(20,999)</u>
<b>Cash flows from financing activities</b>	
Members' capital contributed	1,105,400
<b>Net cash used in financing activities</b>	<u>1,105,400</u>
<b>Net increase in cash and cash equivalents</b>	<u>110,796</u>
<b>Cash and cash equivalents at the end of period</b>	<u><u>110,796</u></u>
<b>Cash and cash equivalents at the end of period comprise:</b>	
Cash at bank and in hand	111,037
Bank overdrafts	(241)
	<u><u>110,796</u></u>

The notes on pages 9 to 15 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Period Ended 31 March 2020**

**1. General information**

High Ground Investment Management LLP is a limited liability partnership incorporated in the UK and registered in England and Wales.

The LLP's registered address is 10 Brick Street, London, England, W1J 7DF.

**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.

**2.2 Going concern**

The members have prepared forecasts which, taking account of reasonably possible changes in trading performance, indicate that the LLP should be cash generative and able to meet its liabilities as they fall due and maintain a regulatory capital surplus. In the event that actual results fall short of the forecasts the members have expressed their willingness to provide such additional funding as may be required to support the business for a period of at least 12 months from the date of signing of these financial statements.

The members therefore have a reasonable expectation that the LLP has adequate resource to continue in operation for the foreseeable future. Thus they adopt the going concern basis of accounting in preparing the annual financial statements.

**2.3 Revenue**

Revenue comprises amounts recognised by the LLP in respect of services supplied, exclusive of value added tax. Management fees are recognised as they accrue. Performance fees are recognised on crystallisation.

**2.4 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 Period Ended 31 March 2020**

**2. Accounting policies (continued)**

**2.4 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	- 3 years straight line
Office equipment	- 3 years 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 profit or loss.

**2.5 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 profit or loss within 'other operating income'.

**2.6 Operating leases**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Period Ended 31 March 2020**

**2. Accounting policies (continued)**

**2.7 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.

**2.8 Financial instruments**

The LLP only enters into basic financial instrument 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, loans to related parties and investments in ordinary shares.

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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

**2.9 Members' profit allocation**

A Members' non-discretionary profit allocation is accounted for as remuneration charged as an expense in the statement of comprehensive income after arriving at "profit for the financial year before members' remuneration and profit shares".

A members' discretionary share in the profit or the loss for the period is accounted for as an allocation of profits. Unallocated profits and losses are included with "other reserves".

**3. Turnover**

The whole of the turnover is attributable to investment management services.

	2020 £
United Kingdom	50,839
	<hr/> 50,839 <hr/>

All turnover arose within the United Kingdom.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Period Ended 31 March 2020**

**4. Operating (loss)/profit**

The operating (loss)/profit is stated after charging:

	<b>2020</b>
	<b>£</b>
Exchange differences	<b>(730)</b>
Operating lease rentals	<b>60,905</b>
Fees payable to the LLP's auditor for the audit of the LLP's annual financial statements	<b>8,500</b>
Fees payable to the LLP's auditor for other services	<b>17,957</b>
Depreciation of tangible fixed assets	<b>4,468</b>
	<b><u>4,468</u></b>

**5. Employees**

Staff costs were as follows:

	<b>2020</b>
	<b>£</b>
Wages and salaries	<b>58,333</b>
Social security costs	<b>4,057</b>
Cost of defined contribution scheme	<b>1,750</b>
	<b><u>64,140</u></b>

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

	<b>2020</b>
	<b>No.</b>
Employees	<b>1</b>
	<b><u>1</u></b>

**6. Information in relation to members**

	<b>2020</b>
	<b>Number</b>
The average number of members during the period was	<b>5</b>
	<b><u>5</u></b>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Period Ended 31 March 2020

**7. Tangible fixed assets**

	Fixtures and fittings £	Office equipment £	Total £
<b>Cost</b>			
Additions	249	20,750	20,999
At 31 March 2020	249	20,750	20,999
<b>Depreciation</b>			
Charge for the period on owned assets	42	4,426	4,468
At 31 March 2020	42	4,426	4,468
<b>Net book value</b>			
At 31 March 2020	207	16,324	16,531

**8. Debtors**

	2020 £
Other debtors	31,110
Prepayments and accrued income	47,149
Amounts due from members	195,742
	274,001

**9. Cash and cash equivalents**

	2020 £
Cash at bank and in hand	111,037
Less: bank overdrafts	(241)
	110,796

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Period Ended 31 March 2020

**10. Creditors: Amounts falling due within one year**

	2020 £
Bank overdrafts	241
Trade creditors	5,241
Other taxation and social security	2,845
Other creditors	408
Accruals and deferred income	21,419
	<u>30,154</u>

**11. Analysis of Net Debt**

	Arising from cash flows £	At 31 March 2020 £
Cash at bank and in hand	111,037	111,037
Bank overdrafts	(241)	(241)
	<u>110,796</u>	<u>110,796</u>
Net debt (before members' debt)		
<i>Loans and other debts due to members</i>		
	<u>110,796</u>	<u>110,796</u>

**12. Commitments under operating leases**

At 31 March 2020 the LLP had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £
Not later than 1 year	36,000
	<u>36,000</u>

**13. Post balance sheet events**

The first quarter of 2020 has been dominated by the impact of the COVID-19 pandemic which has caused a sharp increase in the volatility of all financial markets and a fundamental shift in all business operations and individuals' daily lives. The members are now reliant on their own and their service providers' business continuity plans to continue their operations and to date this has been manageable and is expected to continue this way.



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Period Ended 31 March 2020**

**14. Controlling party**

The ultimate controlling party is Edgar Allen.