

COREMONT LLP

Registered No. OC420985

**MEMBERS' ANNUAL REPORT
FOR THE YEAR ENDING 31 MARCH 2021**



COREMONT LLP
Annual Report

ANNUAL REPORT
For the year ended 31 March 2021

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REGISTERED OFFICE AND PROFESSIONAL ADVISERS

Registered Office

4th Floor Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Secretary

Throgmorton Secretaries LLP
4th Floor Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS

Designated Members

Bevan Kaminer
Djevdet Mehmet
James Cousins
C1 Holdings Limited

Bankers

Barclays Bank PLC
Jersey Branch
13 Library Place
Jersey
JE4 8NE

Independent Auditor

BDO LLP
55 Baker Street
W1U 7EU

Registered No. OC420985

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MEMBERS' REPORT

For the year ended 31 March 2021

The Board of Coremont LLP (the "LLP") submits its report together with the audited consolidated financial statements for the year ended 31 March 2021.

Principal activity and review of the business

The principal activity of the LLP is to provide integrated front to back office services to asset managers and financial institutions. The LLP is authorised and regulated by the Financial Conduct Authority. The Board is satisfied with the development of the business to date and expects the current activities to continue in the foreseeable future. The LLP has no branches.

Results and distributions

The results for the year are shown in the partnership statement of comprehensive income account on page 13. The LLP's balance sheet is detailed on page 15 with total members' interests amounting to £15,054,867 (2020: £17,196,620).

Designated members

The designated members of the LLP during the year were as follows:

Bevan Kaminer
Djevdet Mehmet
James Cousins
C1 Holdings Limited

Members' profit allocation

Any profits are shared among the members in accordance with the LLP's partnership agreement dated 13 September 2018 as amended (the "Partnership Agreement"). The average number of members during the year was 12 (2020: 11) including two corporate members. Brevan Howard Partnership Services Limited ("BHPSL") is a corporate member that provided services to the LLP during the year in relation to its operating activities. BHPSL was the highest paid member and received allocations of £34,042,942 (2020: £25,406,164) during the year.

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

The Partnership Agreement governs members' drawings, subscriptions and repayment of members' capital. The amount contributed to the capital of the LLP by each member is determined by the LLP. Under the terms of the Partnership Agreement, the LLP has the discretion to allow members to take drawings in advance of the end of a financial year in anticipation of their profit entitlements for such financial year. A member does not have the right directly or indirectly to receive back any part of the amount standing to the credit of its capital contribution account except if certain conditions are met and the prior consent of the LLP is given.

In the event that members' remuneration as an expense, drawings and discretionary allocations in any financial year are in excess of the profit available for allocation, an amount equal to that excess will be debited to the capital contribution account of one of the corporate members.

Going concern

In early 2020, the existence of a new coronavirus, now known as COVID-19, was confirmed and since this time COVID-19 has spread across a significant number of countries and has been classified as a pandemic by the World Health Organisation. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of COVID-19 have and may continue to adversely affect the global economy and the economies of certain nations, including those where the group's clients operate in.

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MEMBERS' REPORT - Continued

For the year ended 31 March 2021

Going concern - Continued

Given the inherent uncertainties, it is not practicable at this time to determine the impact of COVID-19 on the LLP or to provide a quantitative estimate of this impact.

The members have considered the position of the LLP and the group at the date of signing these financial statements and have determined that the LLP has adequate capital and liquidity to meet its obligations and to continue in operational existence for the foreseeable future. The group has recently been successful in onboarding new clients and continues to do so in the current environment. The group has successfully enacted business continuity measures which should ensure that the group can continue to function with minimal disruption to its business activities. The members believe that the business is well placed to manage its business risks and that the group will be able to continue to function with minimal disruption in the circumstance that one or more of the key management personnel were unable to work as a consequence of COVID-19.

Given the nature of the business and its activities, the members also consider that the impact of the coronavirus would not affect the ability of the LLP to continue to grow and generate value in the long term. The members confirm that there is no intention to change the business activity as a result of COVID-19.

Based on these factors, the members believe that it is appropriate to continue to prepare these financial statements on a going concern basis.

Brexit

Brexit had a very limited impact on the LLP's business. The LLP is FCA authorised in respect of executing treasury trades and this activity along with marketing treasury are the LLP's only regulated activities. The LLP has continued executing trades on behalf of its clients irrespective of where the client is based as the regulated activity of trading is conducted in the United Kingdom and all the marketing efforts are focused on the UK and the US.

Disclosure of information to auditor

The Board confirms at the date of approving this report, so far as it is aware, there is no relevant audit information of which the LLP's auditor is unaware. The Board has taken all the steps that ought to have been taken to make itself aware of any relevant audit information and to ensure that the LLP's auditor is aware of that information.

Principal risks

The LLP's activities expose it to certain financial risks, which are managed as part of its business. Liquidity risk is managed by the LLP receiving monthly fee income during the period for the services it provides which ensures that it has sufficient cash to cover its operating expenses and settle its liabilities as they fall due. The LLP's primary assets are cash balances, prepayments and other receivables. Credit risk is primarily attributable to the LLP's receivable balances which are subject to allowances for doubtful debts. Credit risk is considered to be limited on cash balances as only banking institutions with high credit ratings, as assigned by international rating agencies, are used. The counterparty credit risk of these institutions is subject to regular review. The LLP is exposed to currency exchange rate risk due to USD based revenue and future GBP costs. The LLP manages currency exchange risk by entering into FX forward contracts to hedge the receivables and payables.

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MEMBERS' REPORT - Continued

For the year ended 31 March 2021

Remuneration Code

The remuneration code disclosures of the LLP as required by the FCA Prudential sourcebook for Banks, Building Societies and Investment Firms (BIPRU) 11.518 and SYSC 19C – Disclosure obligations can be found at <http://www.coremont.com>.

Pillar 3 disclosure

The Pillar 3 disclosures required by Chapter 11 of the FCA's Prudential sourcebook for Banks, Building Societies and Investment Firms (BIPRU) can be found at <http://www.coremont.com>.

Auditor

BDO LLP will be proposed for reappointment.

On behalf of the Board



Bevan Kaminer
26 July 2021

COREMONT LLP

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STATEMENT OF MEMBERS' RESPONSIBILITIES

For the year ended 31 March 2021

Statement of members' responsibilities

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

The Limited Liability Partnerships (*Accounts and Audit*) (*Application of the Companies Act 2006*) *Regulations 2008* require the members to prepare financial statements for each financial year. Under these regulations 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 these 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 Limited Liability Partnership and of the profit or loss of the Limited Liability Partnership for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Limited Liability Partnership will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Liability Partnership's transactions, disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership, and enable them to ensure that the financial statements comply with 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 Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

During the period, the Board was responsible for these matters on behalf of the members.

On behalf of the Board



Bevan Kaminer
26 July 2021

COREMONT LLP

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INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF COREMONT LLP

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group and the Limited Liability Partnership's affairs as at 31 March 2021 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 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

We have audited the financial statements of Coremont LLP ("the Limited Liability Partnership") and its subsidiaries for the year ended 31 March 2021 which comprise the Consolidated Statement of Comprehensive Income, Partnership Statement of Comprehensive Income, Consolidated Balance Sheet, Partnership Balance Sheet, Consolidated Cash flow Statement, Partnership Cash flow Statement, Consolidated Statement of changes in equity, Partnership Statement of changes in equity 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Limited Liability Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Limited Liability Partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Members with respect to going concern are described in the relevant sections of this report.

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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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting as applied to limited liability partnerships

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 Statement of members responsibilities, 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 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 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.

COREMONT LLP

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Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to the Group and the Limited Liability Partnership and the industry in which it operates and considered the risk of acts by the Limited Liability Partnership, which would be contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with FRS 102, FCA regulations, the Bribery Act 2010 and VAT regulations and in addition other laws and regulations that may have a material effect on the financial statements.

We focused on laws and regulations that could give rise to a material misstatement in the Group and the Limited Liability Partnership. Our tests included, but were not limited to:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and those charged with governance regarding their knowledge of any actual or suspected fraud or allegations of fraudulent financial reporting affecting the Group and the Limited Liability Partnership;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;
- inspecting correspondence with regulators;
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and
- evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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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 by Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. 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 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.

DocuSigned by:

Vanessa Bradley

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Vanessa-Jayne Bradley (Senior Statutory Auditor)

For and on behalf of BDO LLP

Chartered Accountants

London

26 July 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2021

		Year ended 31 March 2021 £	Year ended 31 March 2020 £
Revenue			
Fee income		40,717,053	26,015,288
Other income		-	1,401,820
Total income		40,717,053	27,417,108
Expenses			
Administration expenses		(1,209,742)	(1,986,468)
Operating profit	3	39,507,311	25,430,640
Interest received		9,440	98,762
Interest paid		(22,150)	(5,636)
Profit before members' remuneration charged as an expense		39,494,601	25,523,766
Taxation		(24,404)	-
Net Profit before member's remuneration charges as an expense		39,470,197	25,523,766
Members' remuneration charged as an expense	10	(34,042,942)	(25,523,766)
Profit for the period available for division among members		5,427,255	-

All amounts are in respect of continuing operations.

The notes on pages 20 to 31 and the section entitled "Members' profit allocation" in the Members' report form part of these consolidated financial statements.

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PARTNERSHIP STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2021

		Year ended 31 March 2021 £	Year ended 31 March 2020 £
Revenue			
Fee income		40,717,053	26,015,288
Other income		-	1,401,820
Total income		40,717,053	27,417,108
Expenses			
Administration expenses		(1,409,682)	(2,104,070)
Operating profit	3	39,307,371	25,313,038
Interest received		9,440	98,762
Interest paid		(21,856)	(5,636)
Profit before members' remuneration charged as an expense		39,294,955	25,406,164
Members' remuneration charged as an expense	11	(34,042,942)	(25,406,164)
Profit for the period available for division among members		5,252,013	-

All amounts are in respect of continuing operations.

The notes on pages 20 to 31 and the section entitled "Members' profit allocation" in the Members' report form part of these consolidated financial statements.

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CONSOLIDATED BALANCE SHEET

As at 31 March 2021

		31 March 2021	31 March 2020
		£	£
Fixed Assets			
Fixed Assets	4	2,963,769	33,085
Current assets			
Debtors and prepayments	5	15,404,303	9,036,430
Cash and cash equivalents		14,433,183	18,510,104
		<u>29,837,486</u>	<u>27,546,534</u>
Current liabilities			
Creditors - amounts falling due within one year	6	<u>(1,568,870)</u>	<u>(1,000,352)</u>
Net current assets		<u>28,268,616</u>	<u>26,546,182</u>
Creditors - amounts falling due after one year	7	(2,551,284)	(339,088)
Net assets attributable to members		<u>28,681,101</u>	<u>26,240,179</u>
Represented by:			
Equity			
Members' capital classified as equity	10	26,102,326	26,099,326
Members' other interests - other reserves classified as equity	10	<u>2,578,775</u>	<u>140,853</u>
		<u>28,681,101</u>	<u>26,240,179</u>
Total members' interests			
Members' capital and other interests classified as equity		28,681,101	26,240,179
Amounts due from members	5,10	<u>(13,310,139)</u>	<u>(8,902,706)</u>
		<u>15,370,962</u>	<u>17,337,473</u>

The notes on pages 20 to 31 and the section entitled "Members' profit allocation" in the Members' report form part of these consolidated financial statements. These consolidated financial statements were approved by the Board and signed on behalf of all the members on 26 July 2021 by:



Bevan Kaminer
On behalf of the Board
LLP Registration Number OC420985

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PARTNERSHIP BALANCE SHEET
As at 31 March 2021

		31 March 2021 £	31 March 2020 £
Fixed Assets			
Investments	9	8,501	8,501
Fixed Assets	4	2,868,433	-
		<u>2,876,934</u>	<u>8,501</u>
Current assets			
Debtors and prepayments	5	15,307,402	9,044,937
Cash and cash equivalents		14,260,447	18,328,815
		<u>29,567,849</u>	<u>27,373,752</u>
Current liabilities			
Creditors - amounts falling due within one year	6	(1,528,493)	(943,839)
Net current assets		<u>28,039,356</u>	<u>26,429,913</u>
Creditors - amounts falling due after one year	7	(2,551,284)	(339,088)
		<u>28,365,006</u>	<u>26,099,326</u>
Net assets attributable to members			
Represented by:			
Equity			
Members' capital classified as equity	11	26,102,326	26,099,326
Members' other interests - other reserves classified as equity	11	2,262,680	-
		<u>28,365,006</u>	<u>26,099,326</u>
Total members' interests			
Members' capital and other interests classified as equity		28,365,006	26,099,326
Amounts due from members	5,11	(13,310,139)	(8,902,706)
		<u>15,054,867</u>	<u>17,196,620</u>

The notes on pages 20 to 31 and the section entitled "Members' profit allocation" in the Members' report form part of these consolidated financial statements. These consolidated financial statements were approved by the Board and signed on behalf of all the members on 26 July 2021 by:



Bevan Kaminer
 On behalf of the Board
 LLP Registration Number OC420985

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CONSOLIDATED CASH FLOW STATEMENT
For the year ended 31 March 2021

	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Cash flows from operating activities		
Profit for the financial year before members' remuneration	39,470,197	25,523,766
Adjustments for:		
Depreciation	114,054	11,856
Corporation tax	24,404	-
Loss on disposal of fixed assets	14,450	-
FX (gain)/loss	(1,987,539)	795,135
FX on consolidation	11,165	-
Net interest payable/(receivable)	12,710	(93,126)
(Increase) in debtors	(684,461)	(39,828)
Increase in creditors	568,488	440,358
(Increase in) members' loans and other debts	(4,407,433)	(804,279)
Net cash flows from operating activities before transactions with members	33,136,036	25,833,882
Members' remuneration charged as an expense	(34,042,942)	(25,840,569)
Net cash flows used in operating activities	(906,906)	(6,686)
Cash flows from investing activities		
Purchase of fixed assets	(94,821)	(44,941)
Interest received	23,854	105,732
Net cash flows from investing activities	(70,967)	60,791
Net cash flows from financing activities		
Interest paid	(9,773)	(5,636)
Contributions to members' capital	3,000	8,066,061
Distributions in relation to operating activities	(2,989,333)	(2,784,962)
Net cash flows (used in)/from financing activities	(2,996,106)	5,275,463
Net (decrease)/increase in cash and cash equivalents	(3,973,979)	5,329,568
Cash and cash equivalents at the beginning of year	18,510,104	13,391,953
Foreign exchange (losses)	(102,942)	(211,417)
Cash and cash equivalents at end of year	14,433,183	18,510,104

The notes on pages 20 to 31 and the section entitled "Members' profit allocation" in the Members' report form part of these consolidated financial statements.

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PARTNERSHIP CASH FLOW STATEMENT
For the year ended 31 March 2021

	Year ended 31 March 2021	Year ended 31 March 2020
	£	£
Cash flows from operating activities		
Profit for the financial year before members' remuneration	39,294,955	25,406,164
<i>Adjustments for:</i>		
FX (gain)/loss	(1,987,220)	795,135
Depreciation	98,911	-
Net interest payable/(receivable)	12,416	(93,126)
(Increase) in debtors	(574,100)	(52,956)
Increase in creditors	612,264	427,551
(Increase in) members' loans and other debts	(4,407,433)	(785,356)
Net cash flows from operating activities before transactions with members	<u>33,049,793</u>	<u>25,697,412</u>
Members' remuneration charged as an expense	(34,042,942)	(25,840,569)
Net cash flows used in operating activities	<u>(993,149)</u>	<u>(143,157)</u>
Cash flows from investing activities		
Purchase of fixed asset investments	-	(8,301)
Interest received	23,854	105,732
Net cash flows from investing activities	<u>23,854</u>	<u>97,431</u>
Net cash flows from financing activities		
Contributions to members' capital	3,000	8,066,061
Interest paid	(9,479)	(5,636)
Distributions in relation to operating activities	(2,989,333)	(2,784,962)
Net cash flows (used in)/from financing activities	<u>(2,995,812)</u>	<u>5,275,463</u>
Net (decrease)/increase in cash and cash equivalents	<u>(3,965,107)</u>	<u>5,229,737</u>
Cash and cash equivalents at the beginning of year	18,328,815	13,329,417
Foreign exchange (losses)	(103,261)	(230,339)
Cash and cash equivalents at end of year	<u>14,260,447</u>	<u>18,328,815</u>

The notes on pages 20 to 31 and the section entitled "Members' profit allocation" in the Members' report form part of these consolidated financial statements.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

As at 31 March 2021

	Members' capital classified as equity £	Members' other reserves classified as equity £	Total £
At 31 March 2019	21,252,632	23,251	21,275,883
Capital contributions	8,066,061	-	8,066,061
Profit allocations	-	(3,101,765)	(3,101,765)
Capital contribution reduction	(3,219,367)	3,219,367	-
At 31 March 2020	26,099,326	140,853	26,240,179
Capital contributions	3,000	-	3,000
Divisible profits	-	5,427,255	5,427,255
Profit allocations	-	(2,989,333)	(2,989,333)
At 31 March 2021	26,102,326	2,578,775	28,681,101

The notes on pages 20 to 31 and the section entitled "Members' profit allocation" in the Members' report form part of these consolidated financial statements.

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PARTNERSHIP STATEMENT OF CHANGES IN EQUITY
As at 31 March 2021

	Members’ capital classified as equity	Members’ other reserves classified as equity	Total
	£	£	£
At 31 March 2019	21,252,632	-	21,252,632
Capital contributions	8,066,061	-	8,066,061
Profit allocations	-	(3,219,367)	(3,219,367)
Capital contribution reduction	(3,219,367)	3,219,367	-
At 31 March 2020	26,099,326	-	26,099,326
Capital contributions	3,000	-	3,000
Divisible profits	-	5,252,013	5,252,013
Profit allocations	-	(2,989,333)	(2,989,333)
At 31 March 2021	26,102,326	2,262,680	28,365,006

The notes on pages 20 to 31 and the section entitled “Members’ profit allocation” in the Members’ report form part of these consolidated financial statements.

COREMONT LLP

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NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

1. Entity information

The LLP is a limited liability partnership incorporated on the 9th of February 2018 in the United Kingdom. The LLP's registered office is 4th Floor Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS. The LLP's principal place of business is 55 Baker Street, London, W1U 8EW, United Kingdom.

2. Basis of accounting

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (“FRS 102”), Companies Act 2006 as applied by LLPs and the Statement of Recommended Practice (“SORP”), Accounting for Limited Liability Partnerships issued in December 2018 and have been prepared on a going concern basis as set out in the Members' report. The particular accounting policies are described below. These have all been applied consistently throughout the period.

After reviewing the group's forecasts and projections, the members have a reasonable expectation that the group has adequate resources to continue in operation existence for the foreseeable future. The members have also considered the impact of COVID-19 and do not believe this will affect the going concern assumption. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

The functional and presentation currency of these consolidated financial statements is GBP.

The consolidated financial statements include the financial statements of the Partnership and all of its subsidiary undertakings up to 31 March 2021. Accordingly, the results of the Group for the entire year ended 31 March 2021 are shown in the consolidated statement of comprehensive income, consolidated balance sheet, consolidated cash flow statement and consolidated statement of changes in equity. All intra-group balances, transactions, income and expenses are eliminated in full on consolidation.

2.1 Revenue recognition

Revenue, which is stated net of value added tax, represents fees receivable for the provision of front to back office services to asset managers and other income arising from continuing activities, and is recognised on an accruals basis, when it becomes receivable. Interest income is recognised on an accruals basis when it becomes receivable.

2.2 Significant judgements and estimates

In applying the LLP's accounting policies, the members are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The members' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The members make judgements on the impairment of fixed assets. This assessment considers the internal and external factors of impairment that could indicate that the carrying value of the tangible fixed assets is materially misstated.

COREMONT LLP

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NOTES TO THE FINANCIAL STATEMENTS - continued

For the year ended 31 March 2021

2. Basis of accounting - continued

2.2 Significant judgements and estimates - continued

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that period, or in the year of the revision and future years, if the revision affects both current and future years.

2.3 Basic financial instruments

Trade and other debtors

Trade and other debtors are recognised initially at cost. Following initial recognition they are measured at amortised cost, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of the future payments discounted at a market rate of instrument for a similar debt instrument.

Cash and Cash equivalents

Cash and cash equivalents consist of cash at bank, UK treasury bills and US treasury bills which are readily convertible into known amounts of cash at, or close to, their carrying values. The treasury bills are held at cost with accrued interest recorded as interest income in the statement of comprehensive income.

Trade and other creditors

Trade and other creditors are recognised at cost. Following initial recognition they are measured at amortised cost using the effective interest rate method and any adjustments are recognised in the statement of comprehensive income at the date of revision.

2.4 Amounts due from members

Amounts paid to and/or on behalf of members, which are repayable on demand and remain outstanding as at the year-end are disclosed as "Amounts due from members".

2.5 Members' capital

Members' capital is classified as equity as members are only entitled to a repayment of capital in accordance with the LLP's partnership agreement and with the prior consent of the Board.

2.6 Other financial instruments

The LLP has entered into foreign currency forward contracts in order to manage its exposure to foreign currency risk. These contracts are measured at fair value at the foreign exchange forward rates ruling at the end of the reporting period and any gains or losses are recognised in the profit and loss.

COREMONT LLP

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NOTES TO THE FINANCIAL STATEMENTS - continued

For the year ended 31 March 2021

2. Basis of accounting - continued

2.7 Pension

Some of the companies in the group operate a defined contribution pension scheme. Contributions are recognised when they fall due.

2.8 Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange prevailing at the balance sheet date. Differences on currency translation are recognised in the statement of comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated from their functional currency to Sterling using the closing exchange rate. Income and expenses are translated using the average rate for the period. Exchange differences arising on the translation of group companies are recognised in the statement of comprehensive income.

2.9 Taxation

No provision has been made for current or deferred tax in the partnership's financial statements. Each member of the LLP is liable for any tax liabilities arising out of their interest in the LLP. The companies dealt with in these consolidated financial statement are subject to local corporate tax rates based on their profit for the accounting period.

2.10 Leases

Rentals under operating leases are charged on a straight line basis over the lease term, even if payments are not made on such a basis.

2.11 Fixed Assets

Tangible fixed assets are stated at cost, net of depreciation and provision for impairment. Depreciation is provided on tangible fixed assets on a straight-line basis over 36 months (IT equipment), 60 months (fixtures and fittings), 60 months or lease term (leasehold improvements).

Assets leased under hire purchase agreements are recognised in assets and liabilities at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments determined at the inception of the lease. Initial direct costs incurred by the Group are added to the amount recognised as an asset. The present value of the minimum lease payment is calculated using the interest rate implicit in the lease or if this cannot be determined, the incremental borrowing rate will be used. Depreciation is provided on tangible fixed assets on a straight-line basis over 60 months.

The actual lives of the tangible assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

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NOTES TO THE FINANCIAL STATEMENTS - continued
For the year ended 31 March 2021

2. Basis of accounting - continued

2.12 Investments in subsidiaries

In the LLP's individual accounts, investments are recorded at historical cost, with the exception of any investments which are felt to be impaired and are reflected at their expected realisable value. Impairment reviews are made on an annual basis. Any gains or losses on disposal are recognised in the statement of comprehensive income.

3. Profit before remuneration charged as an expense

This is stated after charging:

	Group 31 March 2021 £	Group 31 March 2020 £	Partnership 31 March 2021 £	Partnership 31 March 2020 £
Auditor's remuneration				
Audit of annual accounts	33,393	24,500	21,400	15,500
Internal audit services	56,065	54,750	56,065	54,750
Tax advisory services	31,944	19,500	19,200	18,000
Staff costs	1,801,252	571,136	-	-
Unrealised FX forward (gain)/loss (note 13)	<u>(1,295,346)</u>	<u>795,135</u>	<u>(1,295,346)</u>	<u>795,135</u>
	<u>627,308</u>	<u>1,465,021</u>	<u>(1,198,681)</u>	<u>883,385</u>

The Group had an average of 11 employees during the year (2020:4). Included in the staff costs are directors' emoluments.

	Year ended 31 March 2021 £	Year ended 31 March 2020 £
Emoluments - paid and accrued	<u>402,057</u>	<u>201,477</u>

COREMONT LLP
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NOTES TO THE FINANCIAL STATEMENTS - continued
For the year ended 31 March 2021

4. Tangible Fixed assets

	Partnership IT equipment £
Cost	
At 1 April 2020	-
Additions	2,967,344
Disposals	-
At 31 March 2021	<u>2,967,344</u>
Accumulated	
At 1 April 2020	-
Charge for the year	98,911
At 31 March 2021	<u>98,911</u>
Net book value at 1 April 2020	<u>-</u>
Net book value at 31 March 2021	<u>2,868,433</u>

	Group Fixtures and fittings £	Group Leasehold improvements £	Group IT equipment £	Group Total £
Cost				
At 1 April 2020	23,432	-	21,509	44,941
Additions	26,781	43,890	2,991,494	3,062,165
Disposals	(23,432)	-	(2,108)	(25,540)
At 31 March 2021	<u>26,781</u>	<u>43,890</u>	<u>3,010,895</u>	<u>3,081,566</u>
Accumulated				
At 1 April 2020	4,686	-	7,170	11,856
Charge for the	3,917	4,115	106,022	114,054
Disposals	(8,112)	-	-	(8,112)
At 31 March 2021	<u>491</u>	<u>4,115</u>	<u>113,192</u>	<u>117,798</u>
Net book value at 1 April 2020	<u>18,746</u>	<u>-</u>	<u>14,339</u>	<u>33,085</u>
Net book value at 31 March 2021	<u>26,290</u>	<u>39,775</u>	<u>2,897,703</u>	<u>2,963,769</u>

COREMONT LLP
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NOTES TO THE FINANCIAL STATEMENTS - continued
For the year ended 31 March 2021

5. Debtors and prepayments

	Group 31 March 2021 £	Group 31 March 2020 £	Partnership 31 March 2021 £	Partnership 31 March 2020 £
Trade debtors	53,476	47,273	53,476	47,273
Rent deposit	27,975	12,633	-	-
Amounts due from members	13,310,139	8,902,706	13,310,139	8,902,706
Amounts due from related parties	5,183	-	-	40,504
Other debtors	1,909,351	40,040	1,884,400	379
Prepayments and accrued income	98,179	33,778	59,387	54,075
	<u>15,404,303</u>	<u>9,036,430</u>	<u>15,307,402</u>	<u>9,044,937</u>

6. Creditors: amounts falling due within one year

	Group 31 March 2021 £	Group 31 March 2020 £	Partnership 31 March 2021 £	Partnership 31 March 2020 £
Accruals	125,938	43,089	37,982	28,000
Trade creditors	665,573	27,106	636,790	2,851
Amounts due to related parties	14,192	15,086	118,194	4,824
Corporation tax	27,640	-	-	-
Lease liability	633,164	-	633,164	-
Other creditors	102,363	915,071	102,363	908,164
	<u>1,568,870</u>	<u>1,000,352</u>	<u>1,528,493</u>	<u>943,839</u>

7. Creditors: amounts falling due after one year

	Group 31 March 2021 £	Group 31 March 2020 £	Partnership 31 March 2021 £	Partnership 31 March 2020 £
Lease liability	2,346,557	-	2,346,557	-
Other creditors	204,727	339,088	204,727	339,088
	<u>2,551,284</u>	<u>339,088</u>	<u>2,551,284</u>	<u>339,088</u>

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NOTES TO THE FINANCIAL STATEMENTS - continued
For the year ended 31 March 2021

7. Creditors: amounts falling due after one year – continued

During the year the LLP entered into a 5 year hire purchase agreement for the purchase of IT equipment. As at 31 March 2021 the total future aggregate lease payments are payable as follows:

	Partnership 31 March 2021 £	Partnership 31 March 2020 £
Lease Liability		
Within one year	633,164	-
After one year but within five years	2,346,557	-
	<u>2,979,721</u>	<u>-</u>

During the prior year the LLP entered into a long term financing agreement for the purchase of IT equipment. The loan of £307,089 is repayable in 3 years and accrues interest at a fixed rate of 2.48% per annum.

	Partnership 31 March 2021 £	Partnership 31 March 2020 £
Other creditors		
Loans due within one year	102,363	113,029
Loans due within more than one year	204,727	339,088
	<u>307,089</u>	<u>452,117</u>

8. Lease commitments

COHK has an annual rent commitment payable under operating lease. The agreement expires on 31 August 2023. As at 31 March 2021 the total future aggregate minimum lease payments are payable as follows:

	Group 31 March 2021 £	Group 31 March 2020 £
Within one year	56,068	-
After one year but within five years	79,430	-
	<u>135,498</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS - continued
For the year ended 31 March 2021

9. Investments

	Group 31 March 2021 £	Group 31 March 2020 £	Partnership 31 March 2021 £	Partnership 31 March 2020 £
Coremont Holding (UK) Limited	-	-	8,501	8,501
	-	-	8,501	8,501

As at the balance sheet date, the members do not believe that the market value of the investments is less than cost. As such no impairment provision is required. The members review the subsidiaries on an annual basis to determine if there is any indication of impairment.

Coremont Holdings (UK) Limited (registered address: 4th Floor Reading Bridge House, George Street, Reading, RG1 8LS) is incorporated in the UK and is wholly owned by the LLP. This entity isn't publicly listed.

Group Undertakings

Country of Incorporation

Coremont Holdings UK Limited	United Kingdom
Coremont (Hong Kong) Limited	Hong Kong
Coremont (US) LLC	USA
Coremont (Guernsey) Limited	Guernsey
CM (Jersey) Limited	Jersey

All investments in subsidiary undertakings are made by way of ordinary share capital and are 100% owned and/or wholly managed and controlled by the Partnership. The results of all subsidiary undertakings have been included within the Group figures presented herein.

Coremont Holdings (UK) Limited (registered address: 4th Floor Reading Bridge House, George Street, Reading, RG1 8LS) is incorporated in the UK and is wholly owned by the LLP. Coremont (Hong Kong) Limited is incorporated in Hong Kong. (Registered address: 30th Floor One Taikoo Place, 979 King's Road, Hong Kong. Coremont (US) LLC is incorporated in Delaware, USA (Registered address: 1209 Orange Street, Wilmington, Delaware 19801). Coremont (Guernsey) Limited is incorporated in Guernsey (Registered address: Redwood House, St Julian's Avenue, St Peter Port, Guernsey GY1 1WA). CM (Jersey) Limited is incorporated in Jersey (Registered address: 6th Floor, 37 Esplanade, St Helier, Jersey, JE2 3QA).

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NOTES TO THE FINANCIAL STATEMENTS - continued
For the year ended 31 March 2021

10. Reconciliation of movements in the group members' other interests and members' total interests

	Members' capital (classified as equity)	Other reserves (classified as equity)	Total equity	Loans and other debts due to/(from) members	Total
	£	£	£	£	£
Balance at 1 April 2020	26,099,326	140,853	26,240,179	(8,902,706)	17,337,473
Members' remuneration charged as an expense	-	-	-	34,042,942	34,042,942
Profit for the financial year	-	5,427,255	5,427,255	-	5,427,255
Capital contributions	3,000	-	3,000	-	3,000
Payment of members' remuneration	-	-	-	(34,042,942)	(34,042,942)
Allocations in relation to operating activities	-	(2,989,333)	(2,989,333)	2,989,333	-
Payment of allocations	-	-	-	(2,989,333)	(2,989,333)
Movement on members' loans and other debts	-	-	-	(4,407,433)	(4,407,433)
Balance at 31 March 2021	<u>26,102,326</u>	<u>2,578,775</u>	<u>28,681,101</u>	<u>(13,310,139)</u>	<u>15,370,962</u>
Amounts due from members				<u>(13,310,139)</u>	
At 31 March 2021				<u>(13,310,139)</u>	

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NOTES TO THE FINANCIAL STATEMENTS - continued
For the year ended 31 March 2021

11. Reconciliation of movements in the partnership members' other interests and members' total interests

	Members' capital (classified as equity)	Other reserves (classified as equity)	Total equity	Loans and other debts due to/(from) members	Total
	£	£	£	£	£
Balance at 1 April 2020	26,009,326	-	26,009,326	(8,902,706)	17,196,620
Members' remuneration charged as an expense	-	-	-	34,042,942	34,042,942
Profit for the financial year	-	5,252,013	5,252,013	-	5,252,013
Capital contributions	3,000	-	3,000	-	3,000
Payment of members' remuneration	-	-	-	(34,042,942)	(34,042,942)
Allocations in relation to operating activities	-	(2,989,333)	(2,989,333)	2,989,333	-
Payment of allocations	-	-	-	(2,989,333)	(2,989,333)
Movement on members' loans and other debts	-	-	-	(4,407,433)	(4,407,433)
Balance at 31 March 2021	26,012,326	2,262,680	28,365,680	(13,310,139)	15,054,867
Amounts due from members				(13,310,139)	
At 31 March 2021				(13,310,139)	

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NOTES TO THE FINANCIAL STATEMENTS - continued

For the year ended 31 March 2021

12. Pension costs

Various companies in the group operate a defined contribution scheme for its employees. The assets of the schemes are held separately from those of the Group in an independently administered fund. Unpaid contributions outstanding at the year-end amounted to nil (2020: £1,247).

13. Financial instruments

The Group's financial instruments can be analysed as below:

	Group 31 March 2021 £	Group 31 March 2020 £	Partnership 31 March 2021 £	Partnership 31 March 2020 £
Financial instruments measured at fair value	1,295,346	(795,135)	1,295,346	(795,135)
	<u>1,295,346</u>	<u>(795,135)</u>	<u>1,295,346</u>	<u>(795,135)</u>

Financial instruments measured at fair value comprise of foreign currency forward contracts. These contracts are measured at fair value at the foreign exchange forward rates ruling at the end of the reporting period.

14. Related parties

The group has entered into a number of transactions with other entities under common control. These entities are considered related parties and details of the transactions are set out below:

The group provided asset management support services to Brevan Howard Asset Management LLP ("BHAM"). Revenue in relation to these services for the period amounted to £38,976,720 (2020: £24,956,392). At the year end, the group had a debtor balance with BHAM of £24,995 (2020: £26,845).

BHPSL provided services to the group in return for profit allocations of £34,042,942 (2020: £25,840,569). At the year end, the group had a debtor balance with BHPSL of £13,306,028 (2020: £8,899,314).

The group entered into arrangements with Brevan Howard (Hong Kong) Limited ("BHHK") whereby some costs incurred by the Company were recharged to BHHK and vice versa. At the year end, the group had a debtor balance with BHHK of £1,094 (2020: none).

The group entered into arrangements with Brevan Howard Capital Management LP ("CMLP") whereby some costs incurred by the Company were recharged to CMLP and vice versa. At the year end, the group had a creditor balance with CMLP of £14,192 (2020: none).

Compensation to key management personnel excluding directors emoluments set out in note 3 amounted to £2,989,333 (2020: £2,784,962).

The group had debtor balances with designated members of £1,451 (2020: £3,393).

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NOTES TO THE FINANCIAL STATEMENTS - continued
For the year ended 31 March 2021

15. Ultimate controlling party

The immediate controlling party is C1 Holdings Limited. The ultimate controlling party is Queensgate Bank & Trust Company Ltd, 103 South Church Street, Harbour Place, 5th Floor, PO Box 30464, Cayman Islands as trustee of the Alan Howard Interest In Possession Trust.

16. Subsequent events

There are no further events to report subsequent to the balance sheet date.