

**StormHarbour Alternative
Investments LLP**

Annual report and financial statements

for the year ended 31 December 2018

Registered number: OC341847



Information

Designated Members StormHarbour Capital Advisors UK Limited
Antonio M. De Freitas Cacorino Dias

LLP registered number OC341847

Registered office 10 Old Burlington Street
London
W1S 3AG

Bankers HSBC Bank plc
8 Canada Square
London
E14 5HQ

Solicitors Sidley Austin LLP
25 Basinghall Street
London
EC2V 5HA

Contents

	Page
Members' report	1 - 2
Independent auditors' report	3 - 5
Statement of comprehensive income	6
Statement of financial position	7
Reconciliation of members' interests	8
Notes to the financial statements	9 - 12

Members' report

for the year ended 31 December 2018

The members present their annual report together with the audited financial statements of StormHarbour Alternative Investments LLP (the "LLP") for the year ended 31 December 2018.

Principal activities

The principal activity of the LLP in the year under review was that of investment management.

Designated Members

StormHarbour Capital Advisors UK Limited and Antonio M. De Freitas Cacorino Dias were designated members of the LLP throughout the year.

Members' capital and interests

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

Details of changes in members' capital in the year ended 31 December 2018 are set out in the Reconciliation of members' interests.

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

Members' responsibilities statement

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

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. 4

Members' report (continued)

for the year ended 31 December 2018

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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

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

This report was approved by the members on 25 April 2019 and signed on their behalf by:



Antonio M. De Freitas Cacorino Dias
Designated member

Independent auditors' report to the members of StormHarbour Alternative Investments LLP

for the year ended 31 December 2018

Opinion

We have audited the financial statements of StormHarbour Alternative Investments LLP (the 'LLP') for the year ended 31 December 2018, which comprise the Statement of comprehensive income, the Statement of financial position, 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 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the LLP's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditors' report to the members of StormHarbour Alternative Investments LLP (continued)

for the year ended 31 December 2018

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.

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.

Independent auditors' report to the members of StormHarbour Alternative Investments LLP (continued)

for the year ended 31 December 2018

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. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the LLP's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.



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

25 April 2019

Statement of comprehensive income

for the year ended 31 December 2018

	Note	2018 £	2017 £
Administrative expenses		(148,391)	(18,334)
Other operating income		123,105	-
		<hr/>	<hr/>
Loss for the year before members' remuneration and profit shares available for discretionary division among members		(25,286)	(18,334)
		<hr/> <hr/>	<hr/> <hr/>

There was no other comprehensive income for 2018 or 2017.

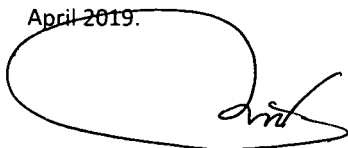
The notes on pages 9 to 12 form part of these financial statements.

Statement of financial position

as at 31 December 2018

	Note	2018 £	2017 £
Current assets			
Debtors	7	936,919	831,959
Cash at bank and in hand	8	4,959	69
		<u>941,878</u>	<u>832,028</u>
Creditors: amounts falling due within one year	9	(305,129)	(169,993)
		<u>636,749</u>	<u>662,035</u>
Net assets			
Represented by:			
Loans and other debts due to members within one year			
Members' other interests			
Members' capital classified as equity		1,772,027	1,772,027
Other reserves classified as equity		(1,135,278)	(1,109,992)
		<u>636,749</u>	<u>662,035</u>
Total members' interests			
Amounts due from members (included in debtors)	7	(829,794)	(829,794)
Members' other interests		636,749	662,035
		<u>(193,045)</u>	<u>(167,759)</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 25 April 2019.



Antonio M. De Freitas Cacorino Dias
Designated member

The notes on pages 9 to 12 form part of these financial statements.

Reconciliation of members' interests

for the year ended 31 December 2018

	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 £
Balance at 1 January 2017	1,772,027	(1,091,658)	680,369	(829,794)	(149,425)
Loss for the year available for discretionary division among members	-	(18,334)	(18,334)	-	(18,334)
Members' interests after profit for the year	1,772,027	(1,109,992)	662,035	(829,794)	(167,759)
Amounts due from members				(829,794)	(829,794)
Balance at 31 December 2017	1,772,027	(1,109,992)	662,035	(829,794)	(167,759)
Loss for the year available for discretionary division among members	-	(25,286)	(25,286)	-	(25,286)
Members' interests after profit for the year	1,772,027	(1,135,278)	636,749	(829,794)	(193,045)
Amounts due from members				(829,794)	(829,794)
Balance at 31 December 2018	1,772,027	(1,135,278)	636,749	(829,794)	(193,045)

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

Notes to the financial statements

for the year ended 31 December 2018

1. General information

StormHarbour Alternative Investments LLP is a limited liability partnership incorporated in the United Kingdom. The address of the registered office and principle place of business is 10 Burlington Street, Mayfair, London, W1S 3AG and the company number is OC341847.

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 Republic of Ireland ('FRS 102') and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The LLP has elected to apply all amendments to FRS 102, as set out in the triennial review published in December 2017, prior to the mandatory adoption for accounting periods beginning on or after 1 January 2019.

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

2.2 FRS 102 - reduced disclosure exemptions

The LLP has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- the requirements of Section 7 Statement of Cash flows; and
- the requirements of Section 33 Related Party Disclosure paragraph 33.7.

This information is included in the consolidated financial statements of StormHarbour Capital Advisors UK Limited for the year ended 31 December 2018 and these financial statements may be obtained from the LLP's registered office.

The following principle accounting policies have been applied:

2.3 Other operating income

Other operating income represents income due in relation to recharges of expenditure incurred on behalf of Neprix SRL Fund.

2.4 Debtors

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

Notes to the financial statements

for the year ended 31 December 2018

2. Accounting policies (continued)

2.5 Cash and cash equivalents

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

2.6 Creditors

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

2.7 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.

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

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Other operating income

	2018	2017
	£	£
Other operating income	<u>123,105</u>	<u>-</u>

Notes to the financial statements

for the year ended 31 December 2018

4. Auditors' remuneration

	2018 £	2017 £
Fees payable to the LLP's auditor and its associates for the audit of the LLP's annual financial statements	4,000	4,200
Fees payable to the LLP's auditor and its associates in respect of:		
All other services	8,725	-

5. Employees

The LLP had no employees during the year ended 31 December 2018 (year ended 31 December 2017 - no employees)

6. Information in relation to members

	2018 Number	2017 Number
The average number of members during the year was	2	2

7. Debtors

	2018 £	2017 £
Other debtors	106,837	1,884
Prepayments and accrued income	288	281
Amounts due from members	829,794	829,794
	<u>936,919</u>	<u>831,959</u>

8. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	4,959	69

Notes to the financial statements

for the year ended 31 December 2018

9. Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	1,800	11,304
Amounts owed to group undertakings	291,329	146,915
Accruals and deferred income	12,000	11,774
	<u>305,129</u>	<u>169,993</u>

10. Related party transactions

At 31 December 2018, £5,000 (2017: £5,000) of capital introduced by members was unpaid.

During the year, expenditure of £144,414 (2017: £20,761) was paid by StormHarbour Securities LLP on behalf of the LLP. At 31 December 2018, £291,329 (2017: £146,915) was due to StormHarbour Securities LLP from the LLP.

During the year, expenditure of £nil (2017: £5,085) was paid by StormHarbour Capital Advisors UK Limited on behalf of the LLP. At 31 December 2018, £824,794 (2017: £824,794) was due to the LLP from StormHarbour Capital Advisors UK Limited.

11. Controlling party

The ultimate parent undertaking and controlling party is StormHarbour Partners GP LLC, a limited liability company incorporated in the United States of America at 452 Fifth Avenue, 29th Floor, New York, NY 10018.

The immediate parent undertaking of the smallest group to consolidate these financial statements is StormHarbour Capital Advisors UK Limited. The address of the registered office and principle place of business is 10 Burlington Street, Mayfair, London, W1S 3AG.