



## ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2023 - GENERELL INFORMASJON

### Enheten

Organisasjonsnummer: 831 214 872  
Organisasjonsform: Norskreg. utenlandsk foretak  
Foretaksnavn: CARRHAE CAPITAL LLP NUF  
Forretningsadresse: c/o InWester Aker Brygge  
Beddingen 24  
0250 OSLO

### Regnskapsår

Årsregnskapets periode: 01.04.2022 - 31.03.2023

### Konsern

Morselskap i konsern: Nei

### Regnskapsregler

Regler for små foretak benyttet: Ja  
Benyttet ved utarbeidelsen av årsregnskapet til selskapet: Regnskapslovens alminnelige regler

### Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet: Ali Akay  
Dato for fastsettelse av årsregnskapet: 09.12.2024

### Grunnlag for avgivelse

År 2023: Årsregnskapet er elektronisk innlevert  
År 2022: Tall er hentet fra elektronisk innlevert årsregnskap fra 2023

*Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.*

Brønnøysundregistrene, 31.07.2025



## Resultatregnskap

Beløp i: GBP	Note	2023	2022
<b>RESULTATREGNSKAP</b>			
<b>Inntekter</b>			
Salgsinntekt	4	12 435 171	5 478 521
Annen driftsinntekt	4	2 176 301	1 797 930
<b>Sum inntekter</b>		<b>14 611 472</b>	<b>7 276 451</b>
<b>Kostnader</b>			
Annen driftskostnad	5	8 583 151	4 117 682
<b>Sum kostnader</b>		<b>8 583 151</b>	<b>4 117 682</b>
<b>Driftsresultat</b>		<b>6 028 321</b>	<b>3 158 769</b>
<b>Finansinntekter og finanskostnader</b>			
Annen renteinntekt		97	
<b>Sum finansinntekter</b>		<b>97</b>	
<b>Netto finans</b>		<b>97</b>	
<b>Ordinært resultat før skattekostnad</b>		<b>6 028 418</b>	<b>3 158 769</b>
<b>Ordinært resultat etter skattekostnad</b>		<b>6 028 418</b>	<b>3 158 769</b>
<b>Årsresultat</b>		<b>6 028 418</b>	<b>3 158 769</b>
<b>Overføringer og disponeringer</b>			
Delt ut til deltagerne		6 028 418	3 158 769
<b>Sum overføringer og disponeringer</b>		<b>6 028 418</b>	<b>3 158 769</b>



## Balanse

Beløp i: GBP	Note	2023	2022
<b>BALANSE - EIENDELER</b>			
<b>Anleggsmidler</b>			
<b>Immaterielle eiendeler</b>			
<b>Varige driftsmidler</b>			
Driftsløsøre, inventar, verktøy, kontormaskiner og lignende	9	39 957	35 181
<b>Sum varige driftsmidler</b>		<b>39 957</b>	<b>35 181</b>
<b>Sum anleggsmidler</b>		<b>39 957</b>	<b>35 181</b>
<b>Omløpsmidler</b>			
<b>Varer</b>			
<b>Fordringer</b>			
Kundefordringer	10	1 345 185	952 092
<b>Sum fordringer</b>		<b>1 345 185</b>	<b>952 092</b>
<b>Bankinnskudd, kontanter og lignende</b>			
Bankinnskudd, kontanter og lignende	11	3 710 932	2 978 331
<b>Sum bankinnskudd, kontanter og lignende</b>		<b>3 710 932</b>	<b>2 978 331</b>
<b>Sum omløpsmidler</b>		<b>5 056 117</b>	<b>3 930 423</b>
<b>SUM EIENDELER</b>		<b>5 096 074</b>	<b>3 965 604</b>
<b>BALANSE - EGENKAPITAL OG GJELD</b>			
<b>Egenkapital</b>			
<b>Innskutt egenkapital</b>			
<b>Sum egenkapital</b>		<b>0</b>	<b>0</b>
<b>Sum langsiktig gjeld</b>		<b>0</b>	<b>0</b>
<b>Kortsiktig gjeld</b>			



## Balanse

<b>Beløp i: GBP</b>	<b>Note</b>	<b>2023</b>	<b>2022</b>
Leverandørgjeld	12	1 120 875	680 961
Tilgjengelig for partnerne	13	3 975 199	
<b>Sum kortsiktig gjeld</b>		<b>5 096 074</b>	<b>680 961</b>
<b>Sum gjeld</b>		<b>5 096 074</b>	<b>680 961</b>
<b>SUM EGENKAPITAL OG GJELD</b>		<b>5 096 074</b>	<b>680 961</b>



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**Registered number: OC365165**

**Carrhae Capital LLP**  
**Members' Report and Financial Statements**  
**For the year ended 31 March 2023**



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## **Carrhae Capital LLP**

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## Carrhae Capital LLP

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### Information

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<b>Designated Members</b>	A Akay A Headon R D Howes (appointed on 24 April 2023) Carrhae Capital Management (UK) Limited
<b>Members</b>	A Akay A Headon R D Howes (appointed on 24 April 2023) Carrhae Capital Management (UK) Limited P Dokov (resigned on 30 August 2022) R Heringer (resigned on 31 December 2022) A Sunter S J Vereker (resigned on 31 May 2023) S A Faqir A R Graham A Suri (appointed on 1 October 2022) Canepa CC Holdings Ltd
<b>LLP registered number</b>	OC365165
<b>Registered office</b>	4th Floor Phoenix House 1 Station Hill Reading Berkshire RG1 1NB
<b>Independent auditor</b>	Ernst & Young LLP 25 Churchill Place Canary Wharf London E14 5EY
<b>Bankers</b>	HSBC Bank Plc Oxford Circus Branch 196 Oxford Street London W1D 1NT
<b>Administrator</b>	Apex Corporate and Business Services UK Limited 6th Floor 125 London Wall London EC2Y 5AS



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## Carrhae Capital LLP

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### Members' Report For the year ended 31 March 2023

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The members present their annual report together with the audited financial statements of Carrhae Capital LLP ("the LLP") for the year ended 31 March 2023.

#### Principal activities

The LLP is authorised and regulated by the Financial Conduct Authority (the "FCA"). The principal activities of the LLP were that of acting as an investment manager of the Carrhae Capital Master Fund Ltd, the Carrhae Capital Long Master Fund Ltd, Highmark Long/Short Equity 9 managed account and the Carrhae Capital UCITS Fund.

#### Future developments

The members do not foresee any change in the nature of this activity going forward.

#### Results and profit allocation

The profit of the LLP for the year was £6,028,418 (2022: £3,158,769) as shown on page 9. During the year the LLP allocated profit of £6,028,418 (2022: £3,158,769) on a discretionary basis to its members.

The members were satisfied with the results for the year.

#### Members

The members of the LLP during the year and up to the date of this report were as follows:

A Akay  
A Headon  
R D Howes (appointed on 24 April 2023)  
Carrhae Capital Management (UK) Limited  
P Dokov (resigned on 30 August 2022)  
R Heringer (resigned on 31 December 2022)  
A Sunter  
S J Vereker (resigned on 31 May 2023)  
S A Faqir  
A R Graham  
A Suri (appointed on 1 October 2023)  
Canepa CC Holdings Ltd

A Akay, A Headon, R D Howes and Carrhae Capital Management (UK) Limited were designated members of the LLP throughout the year and up to the date of this report.

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

Policies for member's drawings, subscriptions and repayment of members' capital are governed by the LLP Agreement. In accordance with the LLP Agreement, each member of the LLP is required to make a capital contribution to the LLP. Additional capital subscriptions require the agreement of all members of the LLP. Capital is repayable to the members at the discretion of the Executive Committee of the LLP on ceasing to be a member of the LLP (or on winding up). The LLP has no obligation to repay capital to the members.

Members are entitled to drawings from the LLP at the discretion of the Executive Committee in anticipation of the allocation of future profits. If drawings are made in excess of allocated profits, the overdrawn balance shall be treated as an interest free loan due to the LLP.



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## Carrhae Capital LLP

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### Members' Report (continued) For the year ended 31 March 2023

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#### Principal risks and uncertainties

The Members recognise the importance of considering ESG issues in both their investment process and their operational processes in order to deliver long-term, sustainable returns and manage financial and non-financial risks for our investors. The Members take ESG matters into consideration as part of their decision making process and aim to be a responsible member of the local and wider communities, treating counterparties fairly, and following the ESG policies of the LLP.

Recent geopolitical events (including the conflict and related sanctions in Ukraine, Russia and/or Belarus) may continue to adversely affect market conditions. These include, without limitation, changes in interest rates and/or a lack of availability of credit internationally, commodity price volatility, changes in law and/or regulation and uncertainty regarding government and regulatory policy. The Members are actively monitoring the developments closely and it believes that the LLP is well placed to manage its business risks successfully and the impact of the conflict in Ukraine and related sanctions in Russia/Belarus on the LLP continues to be limited. Additionally, the recent collapse of Credit Suisse, Silicon Valley Bank, Signature Bank and Silvergate Capital have no impact on the operations and liquidity of the LLP.

The LLP is committed to reviewing risks to its business on an ongoing basis including the potential effects of market and industry changes. The members are responsible for this review and have implemented a number of controls to mitigate potential risks to the LLP.

The key risks for the LLP are volatility in the value of assets under management and investment performance as well as the levels of investor subscriptions and redemptions of funds managed by LLP, as these factors drive the revenue generation and profitability of the LLP. Other risks and uncertainties relate to the ability to attract and retain key investment executives.

From an operational perspective, the key risk relates to the potential for non-compliance with the regulations issued by the Financial Conduct Authority that could lead to the LLP being subject to a fine or a ban on trading activities. This is managed through regular review of the LLP's compliance framework by Senior Management.

The LLP mitigates its operational risk exposures, including the risk of a loss or other adverse consequences arising from inadequate or failed internal processes, people and systems, or from external events, through the implementation of an effective control environment.

#### Going concern

The business activities of the LLP together with the factors likely to affect its future development, performance and position are indicated above. The financial position, cash flows and liquidity position of the LLP are set out in the statement of financial position and statement of cash flows. The LLP has sufficient financial resources and liquid working capital and expects future income from ongoing investment management contracts to continue to exceed the non-discretionary operating costs of the business. Therefore, the members believe that the LLP is well placed to manage its business risks successfully and have a reasonable expectation that the LLP is well placed to manage its business risks successfully and have a reasonable expectation that the LLP has adequate resources to continue in operational existence for the next 12 months from the date of this report. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Management has performed stress testing analysis as part of their going concern assessment using information available to the date of issue of these financial statements. The analysis has modelled several adverse scenarios to assess the potential impact that the market events may have on the LLP's operations, liquidity, solvency, and regulatory capital position as well as a reverse stress test to assess the stresses the balance sheet has to endure before there is a breach in any obligations and including an assessment of any relevant mitigants management have within their control to implement.



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## Carrhae Capital LLP

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### Members' Report (continued) For the year ended 31 March 2023

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#### Going concern (continued)

Having performed this analysis management believes regulatory capital requirements continue to be met and the LLP has sufficient liquidity to meet its liabilities for the next 12 months and that the preparation of the financial statements on a going concern basis remains appropriate as the LLP expects to be able to meet its obligations as and when they fall due for the foreseeable future.

#### MIFIDPRU 8 and UK stewardship Code disclosures

The MIFIDPRU 8 and UK Stewardship Code Disclosures of the LLP are available on the LLP's website. These disclosures are unaudited.

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

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

- so far as each designated member is aware, there is no relevant audit information of which the LLP's auditor is unaware; and
- each designated member has taken all the steps that ought to be taken as a designated member in order to make themselves aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

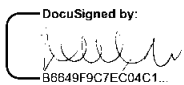
#### Post balance sheet events

On 15 May 2023 Carrhae Capital Norway, the LLP's Norway branch, was registered.  
On 5 July 2023 Carrhae Capital (DIFC) Ltd, the LLP's Dubai branch, was registered.  
There has been no other events subsequent to the reporting that require disclosure in these financial statements.

#### Independent Auditor

The auditor, Ernst & Young LLP, has indicated willingness to continue in office. The Designated members will propose a motion re-appointing the auditor at the meeting of the members.

This report was approved by the members on 24 July 2023 and signed on their behalf by:

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**A Headon**  
Designated member



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## Carrhae Capital LLP

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### Members' Responsibilities Statement For the year ended 31 March 2023

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The Designated Members are responsible for preparing the Members' report and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the Designated Members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under this legislation the Designated 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 its profit or loss for that period. In preparing those financial statements, the Designated 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 LLP will continue in business.

The designated 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 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 LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



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## Carrhae Capital LLP

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### Independent Auditor's Report to the Members of Carrhae Capital LLP

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#### Opinion

We have audited the financial statements of Carrhae Capital LLP ("the LLP") for the year ended 31 March 2023 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Reconciliation of Members' Interests, Statement of Cash Flows and the related notes 1 to 17, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland.

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2023 and of its profit for the year then ended;
- ▶ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. 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.

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

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 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the limited liability partnership's ability to continue as a going concern.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the annual report.



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## Carrhae Capital LLP

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### Independent Auditor's Report to the Members of Carrhae Capital LLP

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Our opinion on the financial statements does not cover the other information and, 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 there is 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 the 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; or
- ▶ the members were not entitled to prepare financial statements in accordance with the small limited liability partnerships' regime.

#### Responsibilities of members

As explained more fully in the Members' Responsibilities Statement set out on page 5, 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 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 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.

#### Explanation as to what extent the audit was considered 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 irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.



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## Carrhae Capital LLP

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### Independent Auditor's Report to the Members of Carrhae Capital LLP

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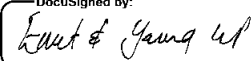
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the limited liability partnership and determined that the most significant are the United Kingdom accounting standards including Financial Reporting Standard 102, the Companies Act 2006 as applied to the limited liability partnerships and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships". In addition, the limited liability partnership is required to comply with relevant Financial Conduct Authority (FCA) rules and regulations relating to its operations.
- We understood how Carrhae Capital LLP is complying with those frameworks by making enquiries of management and by seeking representation from those charged with governance. We corroborated our understanding by reviewing members' meeting minutes and policy and procedures manuals.
- We assessed the susceptibility of the limited liability partnership's financial statements to material misstatement, including how fraud might occur by considering the risk of management override as a fraud risk. We performed journal entry testing by specific risk criteria, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management and those charged with governance, review of legal and professional expenses, review of breaches and complaints register and review of members' meeting minutes.
- The LLP is a regulated investment manager under the supervision of the FCA. As such, the Senior statutory auditor reviewed the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities.

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

### Use of our report

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

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James Beszant (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
London  
24 July 2023



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## Carrhae Capital LLP

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### Statement of Comprehensive Income For the year ended 31 March 2023

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		2023 £	2022 £
Turnover	4	12,435,171	5,478,521
Other operating income	4	2,176,301	1,797,930
Administrative expenses		(8,583,151)	(4,117,682)
<b>Operating profit</b>	<b>5</b>	<b><u>6,028,321</u></b>	<b><u>3,158,769</u></b>
Interest income		<u>97</u>	-
<b>Total comprehensive income for the year before discretionary division among members</b>		<b><u><u>6,028,418</u></u></b>	<b><u><u>3,158,769</u></u></b>

All amounts are derived from continuing activities.

There were no other comprehensive income for the year ended 31 March 2023 (2022: £nil).

The notes on pages 14 to 22 form part of these financial statements.



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## Carrhae Capital LLP

### Statement of Financial Position As at 31 March 2023

	Note	2023 £	2022 £
<b>Non-current assets</b>			
Property, plant and equipment	9	39,957	35,181
<b>Current assets</b>			
Debtors: Amounts falling due within one year	10	1,345,185	952,092
Cash and cash equivalents	11	3,710,932	2,978,331
		<u>5,056,117</u>	<u>3,930,423</u>
Creditors: Amounts falling due within one year	12	<u>(1,120,875)</u>	<u>(680,961)</u>
<b>Net current assets</b>		<u>3,935,242</u>	<u>3,249,462</u>
<b>Net assets attributable to members</b>		<u><b>3,975,199</b></u>	<u><b>3,284,643</b></u>
<b>Represented by:</b>			
Loans and other debts due to Members within one year	13	3,149,799	1,092,725
<b>Members' other interests</b>			
Members' capital classified as equity		825,400	2,191,918
		<u>3,975,199</u>	<u>3,284,643</u>
<b>Total members' interests</b>			
Amounts due from members (included in debtors)	10	(33,333)	(27,954)
Loans and other debts due to members	13	3,149,799	1,092,725
Members' other interests		825,400	2,191,918
		<u>3,941,866</u>	<u>3,256,689</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 24 July 2023 by:

DocuSigned by:

A Heaton

Designated member

The notes on pages 14 to 22 form part of these financial statements.



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## Carrhae Capital LLP

### Reconciliation of Members' Interests For the year ended 31 March 2023

	Member's capital £	Other reserves £	Total member's other interests £	Loans and other debts due to/from members £	Member's total interest £
Amounts due to members				1,092,725	
Amounts due from members				(27,954)	
<b>At 1 April 2022</b>	<b>2,191,918</b>	-	<b>2,191,918</b>	<b>1,064,771</b>	<b>3,256,689</b>
Profit for the year available for discretionary division among members	-	6,028,418	6,028,418	-	6,028,418
<b>Member's interests after profits for the year</b>	2,191,918	6,028,418	8,220,336	1,064,771	9,285,107
Capital repaid to members	(1,366,518)	-	(1,366,518)	-	(1,366,518)
Profit allocations to members	-	(6,028,418)	(6,028,418)	6,028,418	-
Distributions (Note 2.4)	-	-	-	(3,971,344)	(3,971,344)
Other transactions with members (Note 15)	-	-	-	(5,379)	(5,379)
<b>At 31 March 2023</b>	<b>825,400</b>	-	<b>825,400</b>	<b>3,116,466</b>	<b>3,941,866</b>
Amounts due to members				3,149,799	
Amounts due from members				(33,333)	
				<b>3,116,466</b>	

The notes on pages 14 to 22 form part of these financial statements.



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## Carrhae Capital LLP

### Reconciliation of Members' Interests For the year ended 31 March 2022

	Member's capital £	Other reserves £	Total member's other interests £	Loans and other debts due to/from members £	Member's total interest £
Amounts due to members	-	-	-	2,100,020	-
Amounts due from members				(18,765)	
<b>At 1 April 2021</b>	<b>825,400</b>	<b>-</b>	<b>825,400</b>	<b>2,081,255</b>	<b>2,906,655</b>
Profit for the year available for discretionary division among members	-	3,158,769	3,158,769	-	3,158,769
<b>Member's interests after profits for the year</b>	<b>825,400</b>	<b>3,158,769</b>	<b>3,984,169</b>	<b>2,081,255</b>	<b>6,065,424</b>
Capital introduced by members	1,366,518	-	1,366,518	-	1,366,518
Profit allocations to members	-	(3,158,769)	(3,158,769)	3,158,769	-
Distributions (Note 2.4)	-	-	-	(4,166,064)	(4,166,064)
Other transactions with members (Note 15)	-	-	-	(9,189)	(9,189)
<b>At 31 March 2022</b>	<b>2,191,918</b>	<b>-</b>	<b>2,191,918</b>	<b>1,064,771</b>	<b>3,256,689</b>
Amounts due to members				1,092,725	
Amounts due from members				(27,954)	
				<b>1,064,771</b>	

The notes on pages 14 to 22 form part of these financial statements.



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## Carrhae Capital LLP

### Statement of Cash Flows For the year ended 31 March 2023

	2023	2022
	£	£
<b>Cash flows from operating activities</b>		
Profit for the financial year	6,028,418	3,158,769
<b>Adjustments for:</b>		
Depreciation of tangible assets	25,578	19,342
Foreign exchange losses	64,746	8,815
(Increase)/decrease in debtors	(387,714)	182,572
Increase in creditors	439,914	406,908
<b>Net cash inflows from operating activities</b>	<u>6,170,942</u>	<u>3,776,406</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(30,354)	(23,798)
<b>Net cash outflows from investing activities</b>	<u>(30,354)</u>	<u>(23,798)</u>
<b>Cash flows from financing activities</b>		
Amounts introduced by members	-	1,366,518
Amounts repaid to members	(1,366,518)	-
Distributions paid to members (Note 2.4)	(3,971,344)	(4,166,064)
Other transactions with members	(5,379)	(9,189)
<b>Net cash outflows from financing activities</b>	<u>(5,343,241)</u>	<u>(2,808,735)</u>
<b>Net increase in cash and cash equivalents</b>	797,347	943,873
Cash and cash equivalents at beginning of year	2,978,331	2,043,273
Foreign exchange losses	(64,746)	(8,815)
<b>Cash and cash equivalents at the end of year</b>	<u>3,710,932</u>	<u>2,978,331</u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<u>3,710,932</u>	<u>2,978,331</u>

The notes on pages 14 to 22 form part of these financial statements.



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## Carrhae Capital LLP

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### Notes to the Financial Statements For the year ended 31 March 2023

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#### 1. General information

Carrhae Capital LLP is a limited liability partnership incorporated and domiciled in England and Wales. Effective to 15 September 2022, the address of the registered office of the LLP was 4th Floor Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS. Effective from 16 September 2022, the address of the registered office of the LLP is 4th Floor, Phoenix House, 1 Station Hill, Reading, RG1 1NB.

#### 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 ("FRS 102") as issued March 2018 and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in compliance with FRS 102 requires management to exercise judgment in applying the LLP's accounting policies although management have not had to exercise a significant degree of judgement or estimation uncertainty in applying the accounting policies.

##### 2.2 Going concern

Management has performed stress testing analysis as part of their going concern assessment using information available to the date of issue of these financial statements. The analysis has modelled several adverse scenarios to assess the potential impact that the market events may have on the LLP's operations, liquidity, solvency, and regulatory capital position as well as a reverse stress test to assess the stresses the balance sheet has to endure before there is a breach in any obligations and including an assessment of any relevant mitigants management have within their control to implement.

Having performed this analysis management believes regulatory capital requirements continue to be met and the LLP has sufficient liquidity to meet its liabilities for the next 12 months and that the preparation of the financial statements on a going concern basis remains appropriate as the LLP expects to be able to meet its obligations as and when they fall due for the foreseeable future.



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## Carrhae Capital LLP

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### Notes to the Financial Statements (continued) For the year ended 31 March 2023

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#### 2. Accounting policies (continued)

##### 2.3 Foreign currency translation

###### Functional and presentation currency

The LLP's functional and presentational currency is British Pound Sterling ("£").

###### 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.

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 the Statement of Comprehensive Income.

##### 2.4 Members' capital and profit allocations

Capital contributed by members is recognised as equity in the financial statements of the LLP on the basis that, in accordance with the Partnership Agreement, capital is only repayable to members at the discretion of the Designated Members. The LLP has no obligation to repay capital to members.

The LLP has no fixed obligation to allocate profits to members, all remuneration is allocated on a discretionary basis. Accordingly, members' remuneration is shown as a deduction from members' interests. Any cash drawings withdrawn from the LLP by members in advance of a discretionary profit allocation are recognised as a loan due from members. Where profit allocations exceed drawings made by members, this is represented as a loan amount due to members of the LLP. Distributions comprise of cash payments made to members for the profit allocations and drawings withdrawn by the members from the LLP.

##### 2.5 Turnover and revenue recognition

Turnover represents management and performance fees receivable for investment management services provided during the year to Carrhae Capital Master Fund Ltd, Carrhae Capital Long Master Fund Ltd, Highmark Long/Short Equity 9 managed account and the Carrhae Capital UCITS Fund.

Revenue is recognised on an accruals basis to the extent that it is probable that future economic benefits will flow to the LLP and the revenue can be reliably measured. Performance fees are only recognised when crystallised at the end of the performance period for each of the underlying funds, as specified in the relevant investment management agreements. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Fees receivable for investment management services provided during the year are only recognised when the LLP obtains the right to receive consideration in exchange for its performance.

Cash received from research charge collection agreements is recognised as Other operating income in the Statement of comprehensive income when funded on a transaction-by-transaction basis.

##### 2.6 Operating leases

Rentals payable under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.



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## Carrhae Capital LLP

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### Notes to the Financial Statements (continued) For the year ended 31 March 2023

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#### 2. Accounting policies (continued)

##### 2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income on an accrual basis using the effective interest method.

##### 2.8 Expenses

Expenses are recognised on an accrual basis.

##### 2.9 Taxation

No provision has been made for taxation in the financial statements. Each partner is exclusively liable for any tax liabilities arising out of their interest in the LLP, which will be assessed on the individual partners and not on the LLP.

##### 2.10 Tangible fixed assets

Tangible assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

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.

The estimated useful lives range as follows:

Leasehold property and improvements	- straight line over the lease term
Fixtures and fittings	- 4 years on the straight-line basis
Computer equipment	- 3 years on the straight-line basis
Office equipment	- 3 years on the straight-line basis

##### 2.11 Debtors

Trade receivables are measured at fair value on initial recognition which equates to the amount expected to be received by the LLP as consideration. Appropriate allowances for estimated irrecoverable amounts are recognised in the Statement of Comprehensive Income when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

##### 2.12 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.



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## Carrhae Capital LLP

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### Notes to the Financial Statements (continued) For the year ended 31 March 2023

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#### 2. Accounting policies (continued)

##### 2.13 Creditors

Short term creditors are measured at the transaction price which equates to the amount expected to be paid by the LLP to settle the obligation. 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.

##### 2.14 Pensions

The LLP operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the LLP pays fixed contributions into a separate entity. Once the contributions have been paid the LLP has no further payment obligations.

The contributions are recognised on an accruals basis as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in creditors as a liability in the Statement of Financial Position. The assets of the plan are held separately from the LLP in independently administered funds.

##### 2.15 Financial instruments

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 total comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which approximates the amount that the LLP would receive for the asset if it were to be sold at the reporting date.

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.

##### 2.16 Loans and other debts due to Members

Any cash drawings withdrawn from the LLP by Members in advance of discretionary profit allocations are recognised as a loan due from Members. Where profit allocations exceed drawings made by Members, this is represented as loans and other debts due to Members and are capable of being withdrawn by such Members but remain unpaid at the year end. The loans and other debts due to Members are repayable after all the other liabilities are settled.



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## Carrhae Capital LLP

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### Notes to the Financial Statements (continued) For the year ended 31 March 2023

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

The preparation of these financial statements in accordance 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.

The Members note that there was no need to exercise any significant degree of judgment or estimation when determining the value and basis of recognition for the transactions and balances included in these financial statements.

They are confident that any variation in the estimates used or judgments made would not have a significant impact on these financial statements or the results for the following year.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### 4. Turnover

An analysis of turnover by revenue streams is as follows:

	2023	2022
	£	£
Management fees	4,841,862	4,466,539
Performance fees	7,921,304	1,143,245
Rebates	<u>(327,995)</u>	<u>(131,263)</u>
	<u>12,435,171</u>	<u>5,478,521</u>

All turnover arose from services provided by the LLP in the United Kingdom.

In accordance with the European Union Markets in Financial Instruments Directive (Mifid II), the LLP has created a research payment account ("RPA") with a budget funded by client money. Consequently, the LLP has recognised £2,176,301 (2022: £1,797,930) of RPA related income during the year as other operating income.

#### 5. Operating profit

The operating profit of the LLP is stated after charging:

	2023	2022
	£	£
Depreciation of tangible assets	25,578	19,342
Operating lease payments	177,406	151,451
Exchange losses	<u>64,746</u>	<u>8,815</u>



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## Carrhae Capital LLP

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### Notes to the Financial Statements (continued) For the year ended 31 March 2023

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#### 6. Auditor's remuneration

During the year, the LLP obtained the following services from the LLP's auditor:

	2023	2022
	£	£
Fees payable to the LLP's auditor for the audit of the LLP's annual accounts	41,000	30,000
Fees payable to the LLP's auditor in respect of other audit related services (CASS audit)	<u>5,000</u>	<u>5,000</u>
Total audit remuneration	<u>46,000</u>	<u>35,000</u>

#### 7. Employees

Staff costs payable by the LLP during the year were as follows:

	2023	2022
	£	£
Wages and salaries	4,192,905	798,280
Social security costs	293,326	103,491
Defined contribution plan	<u>11,688</u>	<u>7,700</u>
	<u>4,497,919</u>	<u>909,471</u>

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

	2023	2022
	No.	No.
Administration and management	1	1
Fund management and analysis	7	3
	<u>8</u>	<u>4</u>

#### 8. Information in relation to members

	2023	2022
	No.	No.
Average number of members during the year	<u>10</u>	<u>10</u>
	£	£
Amount of profit attributable to the member with the largest entitlement	<u>3,344,322</u>	<u>1,017,070</u>



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## Carrhae Capital LLP

### Notes to the Financial Statements (continued) For the year ended 31 March 2023

#### 9. Property, Plant and equipment

	Leasehold property and improvements	Furniture and fittings	Computer Equipment	Office Equipment	Total
Cost:	£	£	£	£	£
At 1 April 2022	25,581	28,872	273,333	2,015	329,801
Additions	-	-	30,354	-	30,354
Disposals	-	-	-	-	-
At 31 March 2023	<u>25,581</u>	<u>28,872</u>	<u>303,687</u>	<u>2,015</u>	<u>360,155</u>
<b>Depreciation:</b>					
At 1 April 2022	25,581	28,872	238,711	1,456	294,620
Charges for the year	-	-	25,019	559	25,578
Disposals	-	-	-	-	-
At 31 March 2023	<u>25,581</u>	<u>28,872</u>	<u>263,730</u>	<u>2,015</u>	<u>320,198</u>
<b>Net book value</b>					
At 31 March 2023	<u>-</u>	<u>-</u>	<u>39,957</u>	<u>-</u>	<u>39,957</u>
At 31 March 2022	<u>-</u>	<u>-</u>	<u>34,622</u>	<u>559</u>	<u>35,181</u>

#### 10. Debtors

	2023	2022
	£	£
Other debtors	207,054	222,337
Prepayments and accrued income	1,104,798	701,801
Amounts due from members	<u>33,333</u>	<u>27,954</u>
	<u>1,345,185</u>	<u>952,092</u>



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## Carrhae Capital LLP

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### Notes to the Financial Statements (continued) For the year ended 31 March 2023

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#### 11. Cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	<u>3,710,932</u>	<u>2,978,331</u>

#### 12. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Trade creditors	5,332	217,860
Taxation and social security	-	18,381
Other creditors	297,172	180,033
Accruals and deferred income	<u>818,371</u>	<u>264,687</u>
	<u>1,120,875</u>	<u>680,961</u>

#### 13. Loans and other debts due to members

	2023	2022
	£	£
Amounts due to members	<u>3,149,799</u>	<u>1,092,725</u>

Members' capital ranks after unsecured creditors of the LLP and loans and other debts due to members rank pari passu with unsecured creditors in the event of a winding up.

#### 14. Commitments under operating leases

At 31 March 2023 the LLP had future minimum lease payments under non-cancellable operating leases that are falling due for payment under the following maturity profile:

	2023	2022
	£	£
Not later than 1 year	177,406	177,406
Later than 1 year and not later than 5 years	<u>86,732</u>	<u>264,138</u>
	<u>264,138</u>	<u>441,544</u>



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## Carrhae Capital LLP

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### Notes to the Financial Statements (continued) For the year ended 31 March 2023

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#### 15. Related party transactions

##### Carrhae Capital Management (UK) Limited

During the year the LLP made payments of £5,379 (2022: £9,742) on behalf of Carrhae Capital Management (UK) Limited, a designated member of the LLP. Carrhae Capital Management (UK) Limited received a profit allocation during the year from the LLP of £nil (2022: £nil).

As at 31 March 2023, the LLP was owed £33,333 (2022: £27,954) from Carrhae Capital Management (UK) Limited.

##### Key management personnel

The members are considered to have sole responsibility for the planning, directing and controlling of the activities of the LLP. No other employees are considered to meet this definition of key management personnel. As a result, the aggregate transactions with key management personnel is disclosed in the Reconciliation of members' interests set out on page 11.

#### 16. Immediate and ultimate controlling party

Ali Akay is considered to be the ultimate controlling party of the LLP.

#### 17. Post balance sheet events

On 15 May 2023 Carrhae Capital Norway, the LLP's Norway branch, was registered.  
On 5 July 2023 Carrhae Capital (DIFC) Ltd, the LLP's Dubai branch, was registered.  
There has been no other events subsequent to the reporting that require disclosure in these financial statements.