Company Registration No. 01786523

Phoenix Equity Partners Limited

Annual Report and Audited Financial Statements

For the year ended 31 December 2022

Phoenix Equity Partners Limited

Annual Report and Audited Financial Statements 2022

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Officers and professional advisers

Directors
D Bums
R W Daw
T M Dunn
K J Keck
P H Lenon
C J Neale
B J Robinson
M P Sargeant
W J Skinner
J J Squires

Secretary
S J Darrington

Registered office
10th Floor
123 Victoria Street
London
SW1E 6DE

Independent Auditor
PricewaterhouseCoopers CI LLP
37 Esplanade
St Helier
Jersey
JE1 4XA
Channel Islands

Phoenix Equity Partners Limited

Strategic Report

For the year ended 31 December 2022

The directors present the Strategic Report for Phoenix Equity Partners Limited (the "Company") for the year ended 31 December 2022.

Principal Activities and Primary Purpose

The principal activity of the Company is the provision of investment advisory services to a number of fund managers. It is regulated by the Financial Conduct Authority.

The results for the year are set out on page 9. Due to a reduction in advisory fees received, turnover has decreased by 2% in 2022 (2021: 30% decrease). The fall in revenue was due to a lower level of assets under management by the fund managers advised by the Company.

Key Performance Indicators

The directors consider turnover from the Company's advisory services to a number of private equity fund managers to be their Key Performance Indicators. Performance against this indicator is discussed within the 'Principal Activities and Primary Purpose' paragraph set out above.

Principal risks and uncertainties

The Company's revenues are dependent upon a combination of the commitments of the fund managers it advises and the investment and divestment activity within the funds. A decline in these could cause a decline in revenues unless new fund advisory agreements are put in place.

The Company is regulated by the Financial Conduct Authority (reference number 147966). Failure to comply with government regulations could result in fines or temporary or permanent prohibitions on business activity.

Going concern and Future Development

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out under 'Principal risks and uncertainties' above, as well as in the Financial risk management, Credit risk and Liquidity risk sections below.

The Company has a strong positive cash balance and no external borrowings, and the recent performance of the fund managers it provides advisory services to, has not threatened the cash position of the Company. As a consequence, the directors believe that the Company is well placed to manage its business risks and do not see any significant risks arising from the ongoing Russia & Ukraine conflict due to the focus on the UK mid-market.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the Annual Report and the Audited Financial Statements despite the reported loss for the year. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and the Audited Financial Statements.

Financial risk management

The financial risks, which arise from the business, derive from the ability of private equity fund managers advised by the Company to pay their advisory fee, giving rise to liquidity and cash-flow risks. However, as adviser of these funds, the Company has the ability to manage these risks.

Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Management monitors exposure to credit risk through regular review of credit exposure, assessing creditworthiness of counterparties and prudent estimates of provision for doubtful debts. Due to the nature of financial assets, the Company believes it is not exposed to any major concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial requirements. To guard against this risk, assets are managed with liquidity in mind, maintaining a balance of cash and cash equivalents.

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R Daw
Director
20 April 2023

Phoenix Equity Partners Limited

Directors' Report

The directors present the Directors' Report, Annual Report and the Audited Financial Statements for the year ended 31 December 2022.

Financial risk management

Financial risk management is described in the Strategic Report on page 2.

Directors

The directors of the Company who held office throughout the year and up to the date of signing the financial statements were as follows:

D Burns
R W Daw
T M Dunn
K J Keck
P H Lenon
C J Neale
B J Robinson
M P Sargeant
W J Skinner
J J Squires

Results and dividends

The Income Statement is set out on page 9. The Company's result for the year ended 31 December 2022 was a loss of £142,375 (2021: £179,494).

No dividends have been paid or proposed during the year ended 31 December 2022 (2021: £nil).

Indemnification of directors

Phoenix Equity Partners Holdings LLP maintains professional indemnity insurance cover for the directors against liability arising from negligence and breach of duty in relation to the Company.

Political donations and political expenditure

The Company made no political charitable donations during the year (2021: £nil).

Independent Auditor

In the case of each of the persons who are directors of the Company at the date when this report was approved:

- so far as each of the directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of section 418(2) of the Companies Act 2006.

PricewaterhouseCoopers CI LLP have indicated their willingness to remain in office and a resolution for their reappointment as auditor of the Company is to be proposed at the Annual General Meeting.

Phoenix Equity Partners Limited

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the Audited Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with the United Kingdom Accounting Standards comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and applicable law. Under company law the directors 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 Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and;
- they have take all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of this information.

DocuSigned by:

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R Daw

Director

20 April 2023

Independent auditor's report to the members of Phoenix Equity Partners Limited

Report on the audit of the financial statements

Opinion

In our opinion, Phoenix Equity Partners Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Audited Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2022; the income statement and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 company'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.

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

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

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 directors are responsible for assessing the company'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 directors either intend to liquidate the company 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.

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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to other regulatory principles governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting manual journal entries to manipulate the financial performance of the company. Audit procedures performed by the engagement team included:

- enquiries with management and the board of directors, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reviewed relevant minutes of the meetings of the board of directors for additional matters relevant to the audit;
- inspected legal and professional fee expenditure for any indication of undisclosed litigation or non-compliance with laws and regulations;
- identified and tested journal entries with particular focus on period end adjustments, and evaluated the business rationale for any significant or unusual transactions during the year identified as being outside the normal course of business;
- assessed the company's compliance with laws and regulations, including the relevant requirements set out by the Financial Conduct Authority; and
- performed audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Trudy Dillon-Nugent

Trudy Dillon-Nugent (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers CI LLP
Chartered Accountants and Statutory Auditors
Jersey, Channel Islands
20 April 2023

Phoenix Equity Partners Limited

Income Statement

For the year ended 31 December 2022

	Note	2022 £	2021 £
Turnover		5,962,629	6,095,219
Administrative expenses		(6,087,570)	(6,378,405)
Interest receivable and similar income		285	620
Other net changes in fair value of financial assets at fair value through profit or loss	6	-	42,026
Loss before taxation	2	(124,656)	(240,539)
Tax (charge) / credit	4	(17,719)	61,045
Loss for the financial year		(142,375)	(179,494)

All results relate to continuing operations.

The accompanying notes on pages 12 to 20 are an integral part of these audited financial statements.

No other comprehensive income was recorded during either year.

Phoenix Equity Partners Limited

Balance Sheet

As at 31 December 2022

	Note	2022	2021
		£	£
Non current assets			
Tangible assets	5	18,447	32,412
Investments	6	-	-
Deferred Tax Asset	9	10,480	-
		28,927	32,412
Current assets			
Debtors	7	667,643	1,228,582
Cash and cash equivalents		4,815,163	4,364,522
		5,482,806	5,593,104
Creditors: amounts falling due within one year	8	(900,796)	(899,100)
Net current assets		4,582,010	4,694,004
Deferred Tax Liability	9	-	(8,104)
Net assets		4,610,937	4,718,312
Capital and reserves			
Called up share capital	10	75,000	40,000
Special distributable reserve		16,969	16,969
Retained earnings		4,518,968	4,661,343
Total Equity		4,610,937	4,718,312

The financial statements on pages 9 to 20 were approved by the Board of Directors of Phoenix Equity Partners Limited (company registration number 1786523) and authorised for issue on 20 April 2023.

They were signed on behalf of the Board of Directors by:

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R Daw
Director
20 April 2023

The accompanying notes on pages 12 to 20 are an integral part of these audited financial statements.

Phoenix Equity Partners Limited
Statement of changes in equity
For the year ended 31 December 2022

	Called up share capital	Special distributable reserve	Retained earnings	Total Equity
	£	£	£	£
Balance as at 1 January 2021	40,000	16,969	4,840,837	4,897,806
Loss for the financial year	-	-	(179,494)	(179,494)
Balance as at 31 December 2021	**40,000**	**16,969**	**4,661,343**	**4,718,312**
Issued share capital	35,000	-	-	35,000
Loss for the financial year	-	-	(142,375)	(142,375)
Balance as at 31 December 2022	**75,000**	**16,969**	**4,518,968**	**4,610,937**

The special distributable reserve was created in 2001, when the Company applied to the court to have its share capital reduced.

The accompanying notes on pages 12 to 20 are an integral part of these audited financial statements.

Phoenix Equity Partners Limited

Notes to the Financial Statements

For the year ended 31 December 2022

1. Accounting policies

General Information

Phoenix Equity Partners Limited is a private Company limited by shares and it is incorporated in the United Kingdom. The address of its registered office is 10th Floor, 123 Victoria Street, London, SW1E 6DE.

The principal activity of the Company is the provision of investment advisory services to a number of fund managers.

Statement of compliance

The individual financial statements of Phoenix Equity Partners Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared under historical cost convention, except for certain revaluation of investments and in accordance with the applicable United Kingdom accounting standards.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in 'Critical judgements and estimates in applying the accounting policies'.

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 2.

The Company has a strong positive cash balance and no external borrowings, and the recent performance of the fund managers it provides advisory services to has not threatened the cash position of the Company. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of approval of the Annual report and the Audited Financial Statements despite the reported loss for the year. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and the Audited Financial Statements.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemption, if certain conditions have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. The Company is a qualifying entity as its results are consolidated into the financial statements of Phoenix Equity Partners Holdings LLP which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

(i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;

(ii) from the requirement to present certain financial instrument disclosures, as required by sections 11 and 12 of FRS 102;

(iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv) of FRS 102; and

(iv) from the requirement to disclose the key management personnel compensation in total as required by paragraph 33.7 of FRS 102.

Tangible fixed assets

Depreciation is provided to write off the cost less estimated residual value of assets at the following rates:

Computer equipment	50% per annum straight line
Furniture and fittings	50% per annum straight line

Tangible fixed assets are held at cost less depreciation and any impairment.

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Company and the cost can be measured reliably.

Repair, maintenance and minor inspection costs are expensed as incurred.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in income statement.

Phoenix Equity Partners Limited

Notes to the Financial Statements

For the year ended 31 December 2022

1. Accounting policies (continued)

Foreign currencies
The Company's functional and presentation currency is the pound sterling.

Turnover
Turnover is recognised on an accruals basis and comprises of fees from provision of investment advisory services. All turnover arises in the United Kingdom.

Administrative Expenses
Expenses are accounted for on an accruals basis and recognised in the Income Statement.

Employee benefits
The Company provides a range of benefits to employees, including paid holiday arrangements and defined contribution pension plans.

(i) Short-term benefits
Short-term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Pension contributions
The Company provides a non-contributionary group pension scheme for its employees. Under the rules of the scheme the Company makes contributions equal to 10% of employees' base salary, excluding any bonuses. The pension contributions are recognised on an accruals basis.

Taxation
Corporation tax payable is provided on taxable profits at the current rate.
Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred tax assets and liabilities are not discounted.

(i) Current tax
Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

(ii) Deferred income tax
Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.
Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Cash and cash equivalents
Cash and cash equivalents includes cash deposits, held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdraft.

Impairment of non-financial assets
At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the income statement, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the income statement.

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the income statement.

1. Accounting policies (continued)

Financial Instruments

The Company has chosen to adopt the recognition and measurement provisions of sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Classification

The Company classifies its financial assets in the following categories:

- measured at fair value through profit or loss (FVTPL); and
- measured at amortised cost.

Financial liabilities are classified in the following categories:

- measured at fair value through profit or loss (FVTPL); and
- measured at amortised cost

(ii) Measurements

At initial recognition, the Company measures a financial asset and liability at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the income statement.

Assets classified as subsequently measured at amortised cost, the interest revenue, expected credit losses and foreign exchange gains or losses are recognised in the income statement. On de-recognition, any gain or loss is recognised in the income statement.

Other financial assets, including investments in equity instruments and funds which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial liabilities held for trading; derivatives; and financial liabilities designated as at fair value through profit or loss on initial recognition are subsequently measured at fair value with all gains and losses being recognised in the income statement.

Financial liabilities that are not classified at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method.

(iii) Impairment

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

(iv) De-Recognition

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(v) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Critical judgements and estimates in applying the accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The Company values investments at fair value at the reporting date, in accordance with FRS 102. Until 2021, the investment in Phoenix Equity Partners 2010 Co-Invest L.P. Inc. was valued at the current value of it's share of the net asset value of holding in Phoenix Equity Partners 2010 GP L.P, plus an accrued rate of interest and appropriate percentage of income and capital gains as set out in relevant partnership agreements. Phoenix Equity Partners 2010 GP L.P. held investments in unlisted securities and valued these in accordance with the International Private Equity and Venture Capital Valuation Guidelines.

During 2021 the investment in Phoenix Equity Partners 2010 Co-Invest L.P. Inc. was disposed following the sale of the final two investments. Phoenix Equity Partners 2010 Co-Invest L.P. was subsequently dissolved in December 2021.

Phoenix Equity Partners Limited
Notes to the Financial Statements
For the year ended 31 December 2022

2. Loss before taxation

Loss before taxation is stated at after charging:

	2022	2021
	£	£
Services provided by the Company's auditor		
Fees payable for audit	27,840	24,750
	27,840	24,750

3. Information regarding directors and employees

The Company pays a management charge to its ultimate parent, Phoenix Equity Partners Holdings LLP, in respect of services rendered to the Company by members of that organisation. No director (2021: one director) received remuneration for services to the Company (2021: £54,572). The emoluments of the highest paid director were £Nil (2021: £54,572). No directors (2021: none) were members of the Company's non-contributory group pension scheme.

All employee contracts are held jointly with the ultimate parent, Phoenix Equity Partners Holdings LLP.

	2022	2021
	No.	No.
Monthly average of persons employed by the Company in the year	13	13

	2022	2021
	£	£
Staff costs incurred during the year in respect of these employees		
Wages and salaries	1,562,304	1,518,954
Social Security costs	208,317	196,253
Other pension costs	100,977	102,307
	1,871,598	1,817,514

4. Tax on loss

	2022	2021
Analysis of tax (charge) / credit:	£	£
Current tax:		
UK corporation tax	-	38,348
Adjustments in respect of prior years	(36,303)	19,367
Total current tax	(36,303)	57,715
Deferred tax:		
Origination of timing differences	14,124	5,275
Tax rate charge	4,460	(1,945)
Total deferred tax credit for the year	18,584	3,330
Total tax (charge) / credit for the year	(17,719)	61,045

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4. Tax on loss

Factors affecting the tax charge for the current year

The tax charge assessed for the year is higher (2021: tax credit) than that resulting from applying the standard rate of corporation tax in the UK of 19.00% (2021 – 19.00%).

The differences are explained below:

	2022	2021
	£	£
Loss before tax	(124,656)	(240,883)
Tax at 19.00% (2021 – 19.00%) thereon:	23,685	45,768
Expenses not deductible for tax purposes	(9,561)	(7,912)
Adjustments in respect of prior years	(36,303)	19,367
Tax rate change	4,460	(1,945)
Adjustments in respect of unrealised investments	-	5,767
Total tax (charge) / credit for the year	(17,719)	61,045

Notes:

The standard rate of corporation tax in the UK for the year ended 31 December 2022 was 19%. Finance Act 2021, as enacted on 10 June 2021, increases the corporation tax rate from 19% to 25% with effect from 1 April 2023.

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Notes to the Financial Statements
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5 Tangible assets

	Furniture and Fittings £	Computer equipment £	Total £
Cost			
1 January 2021	107,163	110,891	218,054
Additions	-	35,150	35,150
31 December 2021	107,163	146,041	253,204
Accumulated Depreciation			
1 January 2021	(107,163)	(81,065)	(188,228)
Charge for the year	-	(32,564)	(32,564)
Accumulated Depreciation	(107,163)	(113,629)	(220,792)
Net book value at 31 December 2021	-	32,412	32,412

	Furniture and Fittings £	Computer equipment £	Total £
Cost			
1 January 2022	107,163	146,041	253,204
Additions	-	7,108	7,108
Disposals	-	(33,153)	(33,153)
31 December 2022	107,163	119,996	227,159
Accumulated Depreciation			
1 January 2022	(107,163)	(113,629)	(220,792)
Charge for the year	-	(21,072)	(21,072)
Disposals	-	33,152	33,152
Accumulated Depreciation	(107,163)	(101,549)	(208,712)
Net book value at 31 December 2022	-	18,447	18,447

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6. Investments

	2022	2021
	£	£
Balance at 1 January	-	219,425
Disposals in the year	-	(261,451)
Revaluation through profit and loss	-	42,026
Balance at 31 December	-	-

Analysis of other net changes in fair value of financial assets at fair value through profit or loss

	2022	2021
	£	£
Capital profits on realisation	-	42,026
Unrealised profit	-	-
	-	42,026

The Company had an investment in Phoenix Equity Partners 2010 Co-Invest L.P. Inc. until the entity was dissolved in 2021.

7. Debtors

Amounts falling due within one year:

	2022	2021
	£	£
Trade debtors	242,865	304,211
Corporation Tax	2,044	38,347
Other debtors	3,712	-
Prepayments and accrued income	88,177	75,547
Amounts owed by group undertakings	330,845	810,477
	667,643	1,228,582

8. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	67,861	28,579
Fund creditors	190,571	230,205
Other creditors	57,993	117,859
Accruals	584,371	522,457
	900,796	899,100

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Notes to the Financial Statements

For the year ended 31 December 2022

9. Deferred Tax Asset / (Liability)

	Total
	£
At 1 January 2021	(11,434)
Deductions dealt within the profit and loss in the year	3,330
At 31 December 2021	(8,104)
Deductions dealt within the profit and loss in the year	18,584
At 31 December 2022	10,480

Deferred tax

The provision for deferred tax comprises:

	2022	2021
	£	£
Capital allowances in excess of depreciation	(4,613)	(8,104)
Losses	15,093	-
	10,480	(8,104)

10. Called up share capital

	2022	2021
	£	£
Called up, allotted, issued and paid		
75,000 ordinary shares of £1 each (2021 - 40,000)	75,000	40,000

There is single class of ordinary shares. There are no restrictions on the distributions of dividends and repayment of capital.

11. Post balance sheet event

There are no significant post balance sheet date events which require an adjustment or disclosure in the financial statements.

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Notes to the Financial Statements

For the year ended 31 December 2022

12. Related party transactions

The Company has taken advantage of the exemptions, as provided by paragraph 33.1A of FRS 102 and does not disclose transactions with ultimate parent company or other group entities. Significant group balances are shown separately within the notes to the financial statements. There were no related party transactions requiring disclosure.

During the year, fees of £42,500 included within turnover (2021: £22,500), were charged to general partner companies owned by related parties, where the company secretary holds a board position.

As at 31 December 2022, the Company owed £208,627 to Phoenix Equity Partners 2016 L.P. (2021: £230,000). The majority of these credit balances are also included in fund debtors (Note 7) and have been settled post year end. As at the year end, the Company had a receivable of £18,056 from Phoenix Equity Partners 2022 L.P. (2021: £0).

As at 31 December 2022, the Company had a receivable of £330,845 from Phoenix Equity Partners Holdings LLP (2021: £810,477 receivable).

14. Ultimate parent entity

The ultimate parent entity and controlling party (which is also the parent of the only group of which the Company is a member for which group financial statements are prepared) is Phoenix Equity Partners Holdings LLP. Copies of the group financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. The immediate parent company is Phoenix Equity Partners Group Limited.