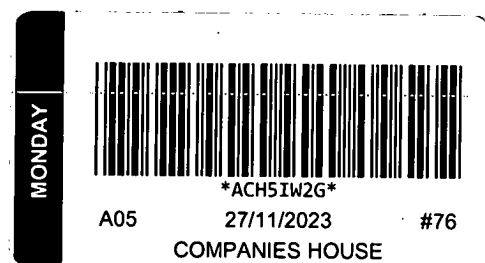


**Enterprise Ventures Limited**

**Annual Report and Financial Statements**

**For the year ended 31 March 2023**

Registered number: 03249066



# **Enterprise Ventures Limited**

## **Annual Report and Financial Statements 2023**

<b>Contents</b>	<b>Page</b>
Directors, Secretary and Advisers	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	5
Independent Auditor's Report to the Members of Enterprise Ventures Limited	6
Profit and Loss Account	9
Statement of Other Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13

# **Enterprise Ventures Limited**

## **Directors, Secretary and Advisers**

### **Directors**

Dr Mark Andrew Payton

Martin James Glanfield

Julian George Viggars

William Arthur Clark

Peter Michael Dines (resigned 15 May 2023)

Wayne Leslie Thomas (resigned 12 January 2023)

### **Secretary**

Sarah-Louise Anne Williams

### **Registered Office**

Preston Technology Management Centre

Marsh Lane

Preston

Lancashire

PR1 8UQ

United Kingdom

### **Independent Auditor**

BDO LLP

Statutory Auditor

55 Baker Street,

London

W1U 7EU

### **Bankers**

HSBC Bank PLC

60 Queen Victoria Street

London

EC4N 4TR

United Kingdom

# **Enterprise Ventures Limited**

## **Strategic Report**

The Directors present their Annual Report and audited financial statements of Enterprise Ventures Limited (the "Company") for the year ended 31 March 2023. The comparative figures cover the year ended 31 March 2022.

The Directors, in preparing this Strategic Report, have complied with section 414C of the Companies Act 2006.

### **Principal activities and review of the business**

The principal activity of Enterprise Ventures Limited during the year was proactive fund management.

As shown in the Company's profit and loss account on page 9, revenues have increased to £6,356,557 (2022: £5,653,368) due to additional funds under management following increased investor commitments. The profit for the year was £2,055,449 (2022: £1,517,820).

The balance sheet on page 11 shows the Company's financial position at the year end.

### **Future developments**

The Company will continue to execute its strategic plan to raise additional third-party funds, thus securing its future revenue streams.

### **Key performance indicators**

Further analysis of the development of the business during the year is included in the Annual Report and financial statements of the Company's parent, Mercia Asset Management PLC (the "Group", "Mercia"). The Company's Directors are of the opinion that, given the straightforward nature of the business, further analysis using key performance indicators is not necessary for an understanding of the development, performance and position of the business.

### **Principal risks and uncertainties**

The management of the business and the execution of the Company's strategy are subject to a number of risks and uncertainties although these are not considered to be any more severe than for comparable companies adopting similar strategies. Both the Company's and the Group's Board regularly reviews, evaluates and prioritises risks to ensure that appropriate measures are in place to effectively manage and mitigate those identified. Further discussion of these risks and uncertainties in the context of the Group as a whole, is provided on pages 31 to 39 of the Group's Annual Report which does not form part of this report.

### **Approval**

Approved by the Board on 24 July 2023 and signed on its behalf by:



**Martin James Glanfield**

Director

Preston Technology Management Centre  
Marsh Lane  
Preston  
Lancashire  
PR1 8UQ

# **Enterprise Ventures Limited**

## **Directors' Report**

### **Results and dividends**

The profit for the year was £2,055,449 (2022: £1,517,820). No dividends were paid to the Company's immediate parent, Enterprise Ventures Group Limited, during the year (2022: £nil).

### **Future developments and events after the balance sheet date**

Details of future developments can be found in the Strategic Report on page 2 and form part of this report by cross-reference. There have been no material events since the balance sheet date.

### **Directors**

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Dr Mark Andrew Payton

Martin James Glanfield

Julian George Viggars

William Arthur Clark

Peter Michael Dines

(resigned 15 May 2023)

Wayne Leslie Thomas

(resigned 12 January 2023)

### **Directors' indemnities**

The Company's ultimate parent, Mercia Asset Management PLC, has made qualifying third-party indemnity provisions for the benefit of the Company's Directors. These were in force during the financial year and remained in force at the date of approval of the financial statements.

### **Financial risk management**

The Company's financial instruments comprise cash and various other items, such as trade debtors and trade creditors, which arise directly from its operations. The main purpose of these financial instruments is to fund the Company's operations as well as to efficiently manage working capital and liquidity.

It is, and has been throughout the year under review, the Company's policy not to enter into derivative transactions and no trading in financial instruments has been undertaken during the year. The Company therefore faces few risks associated with financial instruments.

### **Going concern**

Based on the overall strength of the Company's balance sheet, together with its forecast future operating and fund management performance, the Directors have a reasonable expectation that the Company is well placed to manage business risks in the current economic environment and has adequate financial resources to continue in operational existence for a period of at least 12 months from the date of approval of these financial statements.

Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies on page 13.

## **Enterprise Ventures Limited**

### **Directors' Report (continued)**

#### **Statement of disclosure of information to auditor**

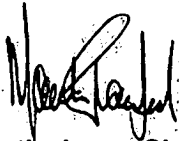
In the case of each of the persons who are Directors at the time when the report is approved under section 418 (1) to (4) of the Companies Act 2006, the following applies:

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

#### **Auditor**

BDO LLP, has indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Group's forthcoming Annual General Meeting.

Approved by the Board on 24 July 2023 and signed on its behalf by:



**Martin James Glanfield**  
Director

Preston Technology Management Centre  
Marsh Lane  
Preston  
Lancashire  
PR1 8UQ

## **Enterprise Ventures Limited**

### **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Annual Report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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. They 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.

## **Independent Auditor's Report to the Members of Enterprise Ventures Limited**

### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Enterprise Ventures Limited ("the Company") for the year ended 31 March 2023 which comprise the Profit and Loss Account, Statement of Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

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

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' 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 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.

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



## **Independent Auditor's Report to the Members of Enterprise Ventures Limited (continued)**

### **Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of Directors**

As explained more fully in the Statement of Directors' Responsibilities the Directors 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 Directors 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.

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

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

We gained an understanding of the legal and regulatory framework applicable to the Company and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These laws and regulations included but were not limited to compliance with the Companies Act 2006 and those resulting from being authorised by the Financial Conduct Authority to undertake regulated activities.

## **Independent Auditor's Report to the Members of Enterprise Ventures Limited (continued)**

We considered compliance with laws and regulations that could give rise to a material misstatement in the Company's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management and the finance staff;
- testing of journal postings made during the year to identify potential management override of controls; and
- review of meeting minutes throughout the period

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and discussed how and where these might occur and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

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

### **Use of our report**

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

DocuSigned by:

*Vanessa Bradley*

6052FC68EBD6446...

Vanessa-Jayne Bradley (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

London

24 July 2023

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

## Enterprise Ventures Limited

### Profit and Loss Account For the year ended 31 March 2023

	Note	2023 £	2022 £
<b>Revenue</b>	3	<b>6,356,557</b>	5,653,368
Administrative expenses		<b>(4,418,932)</b>	(4,163,464)
<b>Operating profit</b>		<b>1,937,625</b>	1,489,904
Finance income	7	<b>118,362</b>	35,363
Finance costs	7	<b>(538)</b>	(7,447)
<b>Profit before taxation</b>		<b>2,055,449</b>	1,517,820
Taxation	8	-	-
<b>Profit and total comprehensive income for the financial year</b>		<b>2,055,449</b>	1,517,820

All results derive from continuing operations.

The notes on pages 13 to 22 are an integral part of these financial statements.

## **Enterprise Ventures Limited**

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

	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
<b>Profit for the year</b>	<b>2,055,449</b>	<b>1,517,820</b>
<b>Total comprehensive income for the year</b>	<b>2,055,449</b>	<b>1,517,820</b>
<b>Attributable to the owners of the Company</b>	<b>2,055,449</b>	<b>1,517,820</b>

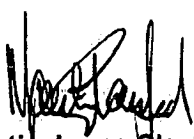
# Enterprise Ventures Limited

## Balance Sheet As at 31 March 2023

	Note	2023 £	2022 £
<b>Non-current assets</b>			
Property, plant and equipment	9	3,256	5,140
Investments	10	290,102	290,215
Trade and other receivables	11	183,965	1,500,000
		<u>477,323</u>	<u>1,795,355</u>
<b>Current assets</b>			
Trade and other receivables	11	319,314	444,341
Cash at bank and in hand		5,181,425	1,625,693
		<u>5,500,739</u>	<u>2,070,034</u>
<b>Total assets</b>		<u>5,978,062</u>	<u>3,865,389</u>
<b>Current liabilities</b>			
Trade and other payables	12	(1,188,097)	(1,130,873)
<b>Net current assets</b>		<u>4,312,642</u>	<u>939,161</u>
<b>Net assets</b>		<u>4,789,965</u>	<u>2,734,516</u>
<b>Capital and reserves</b>			
Issued share capital	14	250,000	250,000
Retained earnings		4,539,965	2,484,516
<b>Shareholders' funds</b>		<u>4,789,965</u>	<u>2,734,516</u>

The notes on pages 13 to 22 are an integral part of these financial statements.

The financial statements of Enterprise Ventures Limited, registered number 03249066, on pages 9 to 22 were approved by the Board of Directors and authorised for issue on 24 July 2023. They were signed on its behalf by:

  
**Martin James Glanfield**  
Director

## **Enterprise Ventures Limited**

### **Statement of Changes in Equity For the year ended 31 March 2023**

	<b>Issued share capital £</b>	<b>Retained Earnings £</b>	<b>Total £</b>
<b>As at 1 April 2021</b>	250,000	966,696	1,216,696
Total comprehensive income for the year	-	1,517,820	1,517,820
<b>As at 31 March 2022</b>	<b>250,000</b>	<b>2,484,516</b>	<b>2,734,516</b>
Total comprehensive income for the year	-	2,055,449	2,055,449
<b>As at 31 March 2023</b>	<b>250,000</b>	<b>4,539,965</b>	<b>4,539,965</b>

**Enterprise Ventures Limited**  
**Notes to the Financial Statements**  
**For the year ended 31 March 2023**

**1. Accounting policies**

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

**General information**

Enterprise Ventures Limited (the "Company") is a private limited company incorporated and registered in England and Wales, United Kingdom with registered number 03249066. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 2.

**Basis of preparation**

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 ("FRS 100") issued by the Financial Reporting Council. Accordingly, in the year ended 31 March 2023, the Company's accounting framework has been that of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. ("FRS 102") as issued by the Financial Reporting Council. These financial statements were prepared in accordance with FRS 102 as issued by the Financial Reporting Council and the requirements of the Companies Act 2006.

The financial statements of the Company have been prepared on the going concern basis and under the historical cost convention.

These financial statements are those of the standalone Company. The Company is exempt from the preparation of consolidated financial statements, because it is included in the Group accounts of Mercia Asset Management PLC, details of which are set out in note 16 to these financial statements.

As permitted by FRS 102, the Company has taken advantage of the disclosure exemptions available under that standard. Where required, equivalent disclosures are given in the Group accounts of Mercia Asset Management PLC, which are available to the public and can be obtained as set out in note 16 to these financial statements.

**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 and the Directors' Report on page 3, which describe the financial position of the Company, its objectives, policies and processes for managing its capital, its financial risk management objectives and details of its financial instruments.

The Directors have made an assessment of going concern, taking into account both the Company's current performance and its outlook, using the information available up to the date of issue of these financial statements.

The Directors, having assessed the Company's forecasts and projections, 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 these financial statements. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the Company's Annual Report and financial statements.

**Enterprise Ventures Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2023**

**1. Accounting policies (continued)**

**Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of VAT. All revenue from services is generated within the United Kingdom.

*Fund management fees*

Fund management fees are generally earned as a fixed percentage of funds under management and are recognised over the contractual period for which the services are provided, as performance criteria are met. Cash receipts in relation to revenues earned are generally received shortly after the start of the relevant invoicing period.

*Initial management fees*

Initial management fees are generally earned as a fixed percentage of the amounts invested in recognition of the work involved in each investment round, are one-off payments made by the investee company and are recognised when the performance obligation of providing those services is satisfied at a point in time, being upon completion of the investment. Cash receipts in relation to revenues earned are generally received shortly after completion of the relevant investment.

*Portfolio directors' fees*

Portfolio directors' fees are earned either as a percentage of the amounts invested by the funds, or as a fixed amount. These are usually annual fees, typically charged quarterly in advance to the investee company. They are distinct and separable from annual fund management fees and initial management fees.

Amounts invoiced are recorded as deferred income, included in current liabilities and then amortised in the profit and loss account over the contractual period for which the services are provided. Cash receipts in relation to revenues earned are generally received shortly after the start of the relevant invoicing period.

**Exceptional items**

The Company classifies items of income and expenditure as exceptional when, in the opinion of the Directors, the nature of the item or its size is likely to be material, so as to assist the reader of the financial statements to better understand the results of the operations of the Company. Such items are by their nature not expected to recur as part of the normal operation of the business and are shown separately on the face of the profit and loss account.

**Leases**

Operating lease rentals are expensed on a straight-line basis over the term of the lease and presented within administrative expenses in the profit or loss statement.

**Retirement benefit costs**

Payments to defined contribution personal pension plans are recognised as an expense when employees have rendered a service entitling them to the contributions. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

**Investments**

Investments are stated at cost less provision for any impairment losses.



**Enterprise Ventures Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2023**

**1. Accounting policies (continued)**

**Taxation**

Current tax is provided at amounts expected to be paid, or recovered, using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the reversal of underlying timing differences can be deducted. Deferred tax is measured on a non-discounted basis.

**Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss. Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their expected useful lives, using the straight-line method, on the following basis:

Fixtures and fittings	- 15% on cost
Computer equipment	- 33% on cost
Leasehold improvements	- Over the period of the lease

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

**Financial instruments**

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs that are directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

**2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1 above, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. No critical judgements or key estimations have been made in the process of applying the Company's accounting policies that would have a significant effect on the amounts recognised in the financial statements.

**Enterprise Ventures Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2023**

**3. Revenue reporting**

For the year ended 31 March 2023, the Company's revenue and profit were derived from its principal activity within the United Kingdom. An analysis of the Company's revenue is as follows:

	<b>2023</b> £	<b>2022</b> £
Fund and initial management fees	<b>6,040,750</b>	5,147,956
Portfolio directors' fees	<b>315,807</b>	434,122
Performance fees	-	69,290
Other revenue	-	2,000
	<b><u>6,356,557</u></b>	<b><u>5,653,368</u></b>

**4. Profit before taxation**

Profit before taxation is stated after charging:

	<b>2023</b> £	<b>2022</b> £
Depreciation – owned assets	<b>1,884</b>	2,133
Operating lease rentals	<b>232,692</b>	192,246
Fees payable to the Company's auditor for the audit (note 5)	<b><u>30,000</u></b>	<b><u>24,000</u></b>

**5. Auditor's remuneration**

Fees payable to BDO LLP and their associates for the audit of the Company's annual report and financial statements were £30,000 (2022: £24,000). Audit fees represent the costs incurred for the statutory entity audit, which is additional to the audit of the Group's consolidated accounts, the costs of which are borne by the parent company. Fees payable to BDO LLP for CASS related assurance services were £2,500 (2022: £2,000).

**6. Staff costs**

The average full-time equivalent number of employees (including Directors) was:

	<b>2023</b> <b>Number</b>	<b>2022</b> <b>Number</b>
Asset management	<b><u>33</u></b>	<b><u>34</u></b>

All employee costs are initially borne by Mercia Fund Management Limited, a fellow subsidiary undertaking of Mercia Asset Management PLC, and recharged to other Group companies, including Enterprise Ventures Limited. The Directors of the Company are remunerated by Mercia Fund Management Limited.

**Enterprise Ventures Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2023**

**6. Staff costs (continued)**

The aggregate employee remuneration comprised:

	2023 £	2022 £
Wages and salaries	2,719,140	2,848,705
Social security costs	325,242	258,110
Other pension costs (note 15)	218,967	215,181
	<u>3,263,349</u>	<u>3,321,996</u>

**7. Finance income and costs**

	2023 £	2022 £
Bank interest received on deposits	59,020	13,171
Loan interest on amounts due from group undertakings	59,342	22,192
	<u>118,362</u>	<u>35,363</u>
	2023 £	2022 £
Bank charges	(538)	(7,447)

**8. Taxation**

The UK standard rate of corporation tax is 19% (2022: 19%). In the year ended 31 March 2023 no corporation tax charge arose (2022: no charge). A reconciliation from reported profit to total tax charge is shown below.

	2023 £	2022 £
Profit before taxation	2,055,449	1,517,820
Tax at the standard rate of corporation tax in the UK of 19% (2022: 19%)	(390,535)	(288,386)
Effects of:		
Expenses not deductible for tax purposes	(3,952)	(2,912)
Deferred tax not recognised	(124)	181
Group relief claimed	394,611	291,117
<b>Total</b>	<u>-</u>	<u>-</u>

The Company has an unprovided deferred tax asset of £2,070 (2022: £2,233) relating to capital allowances. There is no expiry date on timing differences, unused tax losses or tax credits. From 1 April 2023 the main corporation tax rate will increase to 25% from 19%.

**Enterprise Ventures Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2023**

**9. Property, plant and equipment**

	<b>Leasehold improvements £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>Cost</b>				
<b>As at 1 April 2021, 31 March 2022 and 31 March 2023</b>	<b>6,973</b>	<b>39,428</b>	<b>108,081</b>	<b>154,482</b>
<b>Accumulated depreciation</b>				
At 1 April 2021	6,973	32,373	107,863	147,209
Charge for the year	-	1,915	218	2,133
<b>At 31 March 2022</b>	<b>6,973</b>	<b>34,288</b>	<b>108,081</b>	<b>149,342</b>
<b>Charge for the year</b>	<b>-</b>	<b>1,884</b>	<b>-</b>	<b>1,884</b>
<b>As at 31 March 2023</b>	<b>6,973</b>	<b>36,172</b>	<b>108,081</b>	<b>151,226</b>
<b>Net book value</b>				
As at 1 April 2021	-	7,055	218	7,273
As at 31 March 2022	-	5,140	-	5,140
<b>As at 31 March 2023</b>	<b>-</b>	<b>3,256</b>	<b>-</b>	<b>3,256</b>

**10. Fixed asset investments**

	<b>£</b>
<b>Cost</b>	
As at 1 April 2021	290,218
Additions	3
Disposals	(6)
<b>As at 31 March 2022</b>	<b>290,215</b>
Additions	-
Disposals	(113)
<b>As at 31 March 2023</b>	<b>290,102</b>
<b>Net book value</b>	
As at 1 April 2021	290,218
As at 31 March 2022	290,215
<b>As at 31 March 2023</b>	<b>290,102</b>

All investments were unlisted at 31 March 2023 and 31 March 2022.

**Enterprise Ventures Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2023**

**10. Fixed asset investments (continued)**

The Company's investments at the balance sheet date in the share capital of unlisted companies are noted below. All the following subsidiary undertaking are registered at Preston Technology Management Centre, Marsh Lane, Preston, Lancashire PR1 8UQ.

**Enterprise Ventures (General Partner Coalfields Growth) Limited**

Nature of business: General partner for an investment fund

	%
Class of shares:	Holding
Ordinary	100.00

**Enterprise Ventures (General Partner EV Growth) Limited**

Nature of business: General partner for an investment fund

	%
Class of shares:	Holding
Ordinary	100.00

**Enterprise Ventures (General Partner EV Growth II) Limited**

Nature of business: General partner for an investment fund

	%
Class of shares:	Holding
Ordinary	100.00

**Enterprise Ventures (General Partner EVG II North West) Limited**

Nature of business: General partner for an investment fund

	%
Class of shares:	Holding
Ordinary	100.00

**Enterprise Ventures (GP EVGF II) LLP**

Nature of business: General partner for an investment fund

	%
Class of shares:	Holding
Ordinary	50.00

**Enterprise Ventures (GP EVG II North West) LLP**

Nature of business: General partner for an investment fund

	%
Class of shares:	Holding
Ordinary	50.00

**Enterprise Ventures (General Partner FY Seedcorn) Limited**

Nature of business: General partner for an investment fund

	%
Class of shares:	Holding
Ordinary	100.00

**Enterprise Ventures Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2023**

**10. Fixed asset investments (continued)**

**Enterprise Ventures (General Partner Midlands POC) Limited**

Nature of business: General partner for an investment fund

	%
Class of shares:	Holding
Ordinary	100.00

**Enterprise Ventures (General Partner NE Venture) Limited**

Nature of business: General partner for an investment fund

	%
Class of shares:	Holding
Ordinary	100.00

**Enterprise Ventures (General Partner NPIF YHTV Equity) Limited**

Nature of business: General partner for an investment fund

	%
Class of shares:	Holding
Ordinary	100.00

**Enterprise Ventures (General Partner NW Venture) Limited**

Nature of business: General partner for an investment fund

	%
Class of shares:	Holding
Ordinary	100.00

**Enterprise Ventures (General Partner RisingStars II) Limited**

Nature of business: General partner for an investment fund

	%
Class of shares:	Holding
Ordinary	100.00

**EV Business Loans Group Limited**

Nature of business: Holding company

	%
Class of shares:	Holding
Ordinary	100.00

Unless otherwise indicated, all ownership interests are in the Ordinary share capital of the subsidiary.

Investments in subsidiary undertakings are stated at cost less provision for any impairment losses.

**Enterprise Ventures Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2023**

**11. Trade and other receivables**

	2023 £	2022 £
Trade receivables	169,264	105,941
Prepayments & accrued income	150,050	131,510
Other debtors	-	431
Amounts due from group undertakings – due within one year	-	206,459
	<u>319,314</u>	<u>444,341</u>
Amounts due from group undertakings – due after more than one year	183,965	1,500,000
	<u>503,279</u>	<u>1,944,341</u>

Amounts due from group undertakings, due after more than one year, are in respect of unsecured, interest bearing loans. Interest is charged on the principal sum of the loans typically at a rate of 4% and is paid half yearly. The terms of the loans are such that the earliest date on which the Company can recall a loan is five years from the loan agreement date.

**12. Trade and other payables**

	2023 £	2022 £
Trade payables	91,960	84,405
Amounts owed to group undertakings	-	456
Taxation, social security and other payables	50,460	32,070
Accruals and deferred income	1,045,677	1,013,942
	<u>1,188,097</u>	<u>1,130,873</u>

**13. Obligations under operating lease agreements**

At 31 March 2023 the group had annual commitments under non-cancellable operating leases as follows:

	2023 £	2022 £
Expiring:		
Within one year	2,350	5,108
Between two and five years	1,884	4,437
	<u>4,234</u>	<u>9,545</u>

**Enterprise Ventures Limited**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2023**

**14. Called up share capital**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called-up and fully paid</b>		
250,000 (2022: 250,000) Ordinary shares of £1 each	<b>250,000</b>	<b>250,000</b>

**15. Retirement benefit schemes**

The Company contributes into the personal pension plans of all qualifying employees. The amount charged in the year to 31 March 2023 was £218,967 (2022: 215,181). As at 31 March 2023, no contribution payments were outstanding (2022: £nil).

**16. Ultimate parent company and controlling party**

The largest and smallest group of which the Company is a member and for which consolidated financial statements are prepared is the Company's ultimate parent and controlling party, being Mercia Asset Management PLC which is incorporated in England and Wales, United Kingdom and whose registered office address is Forward House, 17 High Street, Henley-in-Arden, Warwickshire B95 5AA. A copy of the financial statements of Mercia Asset Management PLC can be obtained from its registered office address as disclosed above. Its shares are admitted to trading on the Alternative Investment Market ("AIM").