

Nesta GP Limited

Annual Report and Audited Financial Statements

Year ended 31 March 2019

Registration Number 08231985

11/11/19
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Nesta GP Limited
Contents
Year ended 31 March 2019

	Page
General information	2
Report of the Directors	3-4
Independent Auditor's report	5-7
<i>Income Statement</i>	8
Statement of Financial Position	9
Accounting Policies	10
Notes to the Financial Statements	11

Nesta GP Limited
General Information
Year ended 31 March 2019

Directors	Nathan Elstob Sir John Gieve
Company Secretary	Corinna Alstromer Delores Mohan (19 July 2018 to 25 July 2019)
Registered office	58 Victoria Embankment London EC4Y 0DS
Registered number	08231985
Independent Auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB
Bankers	Lloyds Bank 39 Threadneedle Street London EC2R 8AU

Nesta GP Limited
Report of the Directors
Year ended 31 March 2019

The Directors present their report together with the audited financial statements for the year ended 31 March 2019.

Principal activity

The principal activity of the company is to be the General Partner of Nesta Impact Investments 1 Limited Partnership. This is a Partnership focusing on investing in organisations that use innovation and technology to address social challenges in areas of major social need in the UK:

- The health and wellbeing of an ageing population
- The educational attainment, employability and overall wellbeing of young people in the UK
- Improving the sustainability of communities in the UK

The Partnership uses an impact assessment procedure for each new investment to ensure it will impact on the relevant area of social need. This includes controls over business planning, requirements to review and potentially change the objects of the investee companies and ratchet arrangements.

Directors

The directors who held office during the year are shown on page 2.

Disclosure of information to the Auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. The directors have taken all the steps that ought to have been taken to make themselves aware of any information needed by the company's auditor for the purposes of its audit and to establish that the auditor is aware of that information.

Nesta GP Limited
Report of the Directors (continued)
Year ended 31 March 2019

Directors' responsibilities in the preparation of the financial statements

The directors are responsible for preparing the Directors' Report and the 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 company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 year.

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

- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- 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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

On behalf of the Board of Directors



Nathan Elstub
Director

Date: 11 SEPTEMBER 2019

Nesta GP Limited

Independent Auditor's Report to the Members of Nesta GP Limited
Year ended 31 March 2019

Opinion

We have audited the financial statements of Nesta GP Limited (the 'company') for the year ended 31 March 2019 which comprise the Income Statement, the Statement of Financial Position 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Conclusions relating to going concern

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

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

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 directors are responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Nesta GP Limited

Independent Auditor's Report to the Members of Nesta GP Limited (continued)

Year ended 31 March 2019

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the audit:

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

Matters on which we are required to report by exception

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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

Nesta GP Limited

Independent Auditor's Report to the Members of Nesta GP Limited (continued)

Year ended 31 March 2019

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.

RSM UK Audit LLP

RICHARD COATES (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street, London, EC4A 4AB

Date: *19 September 2019*

Nesta GP Limited
Income Statement
Year ended 31 March 2019

	Note	2019 £	2018 £
Turnover	5	367,551	406,898
Administrative expenses		(367,581)	(406,898)
Operating (loss)/ profit		(30)	-
Interest receivable		-	4
(Loss)/ profit before taxation		(30)	4
Tax on profit	2	-	-
Net (loss)/ profit for the year		(30)	4

All of the Company's activities are derived from continuing operations.

The accompanying notes on pages 10 and 11 form an integral part of these financial statements.

Nesta GP Limited
Statement of Financial Position
As at 31 March 2019

Company registration No. 08231985

	Note	2019 £	2018 £
Current assets			
Cash at bank and in hand		78	8
		<u>78</u>	<u>8</u>
Creditors: amounts falling due within one year	3	(100)	-
		<u>(22)</u>	<u>8</u>
Net current (liabilities)/ assets			
		<u>(22)</u>	<u>8</u>
Total assets less current liabilities		<u>(22)</u>	<u>8</u>
Capital and reserves			
Called up share capital	4	1	1
Profit and loss account		(23)	7
		<u>(22)</u>	<u>8</u>
Total equity		<u>(22)</u>	<u>8</u>

The accompanying notes on pages 10 and 11 form an integral part of these financial statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the Board and authorised for issue on 11 September 2019 and signed on its behalf by



Nathan Elstub
 Director

Date: 11 SEPTEMBER 2019

Company information

Nesta GP Limited is a private company limited by shares incorporated in England and Wales. The registered office is 58 Victoria Embankment, London, EC4Y 0DS.

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

Turnover

Turnover comprises a priority profit share receivable for services performed as general partner of Nesta Impact Investments 1 LP. Turnover is recognised on an accruals basis.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with 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.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group entities, are usually recognised at transaction price unless the arrangement constitutes a financial transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

1. Employees and Directors' remuneration

There were no employees during the current or prior years apart from the directors. No directors received any remuneration in the year (2018: £nil).

2. Taxation

There is no corporation tax or deferred tax charge for the year (2018: none).

3. Creditors

	2019	2018
	£	£
Amounts due to group undertakings	100	-
	<u>100</u>	<u>-</u>

4. Share capital

	2019	2018
	£	£
Allotted, called up shares of £1 each	1	1
	<u>1</u>	<u>1</u>

5. Related party transactions

These financial statements do not include disclosure of transactions between the company and other entities within the group controlled by Nesta. As a company that is wholly controlled by a member of the group, the company is exempt from the requirements to disclose such transactions under Financial Reporting FRS 102 Section 33 "Related Party Disclosures".

Nesta GP Limited is the General Partner of Nesta Impact Investments 1 Limited Partnership, a qualifying partnership, whose registered office is 58 Victoria Embankment, London EC4Y 0DR. A copy of the financial statements for Nesta Impact Investments 1 Limited Partnership will be appended to the company's financial statements with the Registrar of Companies. Turnover for the year of £367,551 (2018: £406,898) comprises the company's priority profit share receivable from Nesta Impact Investments 1 LP.

6. Control

The company is controlled by Nesta, which is the ultimate parent company. Nesta is the parent undertaking of the smallest and largest group for which accounts are drawn up, and of which the company is a member. These will be available to the public from 58 Victoria Embankment, London EC4Y 0DS.



Nesta Impact Investments 1 LP

Annual Report and Audited Financial Statements

Year ended 31 March 2019

Registration Number LP15187



THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY
No. 08231985

Nesta Impact Investments 1 LP
Contents
Year ended 31 March 2019

	Page
General information	2
Report of the General Partner	3-4
Independent Auditor's report	5-7
Income Statement	8
Statement of Financial Position	9
Accounting Policies	10-12
Notes to the Financial Statements	13-16

Nesta Impact Investments 1 LP

General Information

Year ended 31 March 2019

General Partner

Nesta GP Limited (company no. 08231985)
58 Victoria Embankment
London
EC4Y 0DS

Registered office

58 Victoria Embankment
London
EC4Y 0DS

Registered number

LP15187

Independent Auditor

RSM UK Audit LLP
25 Farringdon Street
London
EC4A 4AB

Bankers

Lloyds Bank
39 Threadneedle Street
London
EC2R 8AU

Nesta Impact Investments 1 LP

Report of the General Partner

Year ended 31 March 2019

The General Partner presents its report together with the financial statements for the year ended 31 March 2019.

Overview

Nesta Impact Investments 1 LP ("the Partnership") was registered as an English limited partnership on 1 October 2012. The Partnership will focus on investing in organisations that use innovation and technology to address social challenges. The Partnership is looking to invest in ventures with innovative products and services that address three areas of major social need for the UK

- The health and wellbeing of an ageing population
- The educational attainment, employability and overall wellbeing of young people in the UK
- Improving the sustainability of communities in the UK

The Partnership is an impact focused fund where investee organisations have clear potential impact on the stated outcome areas of the fund. The Partnership uses an impact assessment procedure for each new investment to ensure it will impact on the relevant area of social need. This includes controls over business planning, requirements to review and potentially change the objects of the investee companies and ratchet arrangements.

Disclosure of information to the Auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. The directors have taken all the steps that ought to have been taken to make themselves aware of any information needed by the company's auditor for the purposes of its audit and to establish that the auditor is aware of that information.

General Partner's responsibilities in the preparation of the financial statements

The General Partner is responsible for preparing the report and financial statements in accordance with applicable law and regulations. The Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008 requires the General Partner to prepare financial statements for each financial year. Under that Law and in accordance with the Limited Partnership Agreement, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standard and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The General Partner must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the Partnership and of the profit or loss of the Partnership for that period.

In preparing those financial statements, the General Partner is required to:

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

The General Partner is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable it to ensure that the financial statements comply with the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008. The General Partner is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

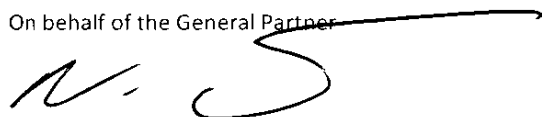
Nesta Impact Investments 1 LP

Report of the General Partner

Year ended 31 March 2019

This report has been prepared in accordance with the provisions applicable to companies qualifying partnerships entitled to the small companies' exemption regime as applied to qualifying partnerships

On behalf of the General Partner

A handwritten signature in black ink, appearing to be 'N. Eistub', with a long horizontal stroke extending to the right.

Nathan Eistub

Director of Nesta GP Limited (General Partner)

Date: 11 SEPTEMBER 2019

Nesta Impact Investments 1 LP

Independent Auditors' Report to the Members of Nesta Impact Investments 1 Limited Partnership

Year ended 31 March 2019

Opinion

We have audited the financial statements of Nesta Impact Investments 1 Limited Partnership (the 'qualifying partnership') for the year ended 31 March 2019 which comprise the Income Statement, the Statement of Financial Position 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to qualifying 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. We are independent of the qualifying 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

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

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

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 General Partner is responsible for the other information. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Nesta Impact Investments 1 LP

Independent Auditors' Report to the Members of Nesta Impact Investments 1 Limited Partnership

Year ended 31 March 2019

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships

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

- the information given in the General Partner's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the General Partner's report has been prepared in accordance with applicable legal requirements

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the General Partners' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying 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
- certain disclosures of members' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit; or
- the General Partner was not entitled to prepare the financial statements in accordance with the small companies regime as applied to qualifying partnerships and take advantage of the small companies exemption as applied to qualifying partnerships from the requirement to prepare a strategic report or in preparing the General Partner's report.

Responsibilities of members

As explained more fully in the General Partners' responsibilities statement set out on page 3, the General Partner is 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 General Partner determines 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 General Partner is responsible for assessing the qualifying partner'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 General Partner either intends to liquidate the qualifying 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

Nesta Impact Investments 1 LP

Independent Auditors' Report to the Members of Nesta Impact Investments 1 Limited Partnership

Year ended 31 March 2019

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 qualifying partnership'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 qualifying partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the qualifying partnership and the qualifying partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

RICHARD COATES (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street, London, EC4A 4AB

Date: **19 September 2019**

Nesta Impact Investments 1 LP
Income Statement
Year ended 31 March 2019

	Note	2019 £	2018 £
Turnover	1	61,337	103,947
Administrative expenses		(32,047)	(151,754)
Operating profit/ (loss)		29,290	(47,807)
Change in fair value of investments	4	(2,776,529)	1,052,212
Profit on disposal of investment		250,000	-
Interest receivable		279,475	179,467
{Loss}/ Profit before taxation and priority profit share		(2,217,764)	1,183,872
General partner - priority profit share	3	(367,551)	(406,898)
{Loss}/ Profit for the year	7	(2,585,315)	776,974

All of the Partnership's activities derived from continuing operations

The accompanying notes on pages 10 to 16 form an integral part of these financial statements

Nesta Impact Investments 1 LP
Statement of Financial Position
Year ended 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	4	8,597,758	10,558,209
Current assets			
Debtors	5	463,395	315,011
Cash at bank and in hand		351,908	440,946
		815,303	755,957
Creditors: amounts falling due within one year	6	(19,737)	(21,253)
Net current assets		795,566	734,704
Net assets attributable to Limited Partners		9,393,324	11,292,913
Represented by:			
Total Limited Partners' interests			
Partners' capital contributions	7	2,113	2,113
Partners' advance contributions	7	15,340,292	14,654,566
Partners' income accounts	7	(5,949,081)	(3,363,766)
		9,393,324	11,292,913

The accompanying notes on pages 10 to 16 form an integral part of these financial statements

These financial statements have been prepared in accordance with the provisions applicable to qualifying partnerships subject to the small companies regime as applied to qualifying partnerships

The financial statements were approved and authorised for issue by the General Partner on the following date and signed on its behalf by.



Nathan Elstub
 Director of Nesta GP Ltd (General Partner)
 Date 11 SEPTEMBER 2019

General information

Nesta Impact Investments 1 LP has prepared financial statements covering the individual entity's results for the year to 31 March 2019. Nesta Impact Investments 1 LP has presented its financial statements in Sterling, rounded to the nearest whole pound.

Nesta Impact Investments 1 LP is a Limited Partnership and is registered in England and Wales. The General Partner is Nesta GP Limited, which is a private company limited by shares. The address of Nesta Impact Investments 1 LP's and Nesta GP Limited's registered office is presented on page 2 of the annual report.

Basis of preparation

The financial statements have been prepared under the historical cost convention modified to include the fixed asset investments at fair value in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act as applicable to qualifying partnerships subject to the small companies regime as applied to qualifying partnerships under The Partnerships (Accounts) Regulations 2008. The partnership is a qualifying partnership as defined by The Partnerships (Accounts) Regulations 2008. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

Turnover

Turnover consists of fees receivable, exclusive of Value Added Tax (VAT).

Valuation - unquoted investments

Unquoted investments are stated at fair value by the Directors of the General Partner using the International Private Equity and Venture Capital Valuation Guidelines ("IPEV") as follows:

- Investments which have been made within the last twelve months or where the investee company is in the early stage of development will usually be valued at the price of recent investment except where the investee company's performance against plan is significantly different from expectations on which the investment was made in which case a different valuation methodology will be adopted.
- Alternative methods of valuation such as net asset value may be applied in specific circumstances if considered more appropriate.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the partnership's statement of financial position when the partnership becomes party to the contractual provisions of the instrument. 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.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets after deducting all of its liabilities

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group entities, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method

General Partner Priority Profit Share

The priority profit share ("PPS") is the first charge on Partnership profits

In the event that the net income of the Partnership for any period is insufficient to pay the General Partner's priority profit share in full, the shortfall shall be advanced from the General Partner as an interest free loan. In the event that insufficient net income is generated through the life of the Partnership to repay this loan then the balance outstanding on the termination of the Partnership would be written off and not repayable to the General Partner

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account

Tax provisions

No taxation is provided in these financial statements as taxation is the responsibility of the Partners

Nesta Impact Investments 1 LP
Accounting Policies (continued)
Year ended 31 March 2019

Judgements and key sources of estimation uncertainty

In the application of the limited partnership's accounting policies, the General Partner is required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical estimations

The key area of estimation uncertainty relates to the valuation of unquoted investments. The accounting policy for this is disclosed on page 10.

Nesta Impact Investments 1 LP
Notes to the Financial Statements
Year ended 31 March 2019

1. Turnover

Turnover represents the amounts derived from monitoring fees and transaction fees to external investment entities during the year, and is stated net of VAT. All income is derived from operations performed in the United Kingdom.

2. Employees

There were no employees during the current or prior year.

3. General Partner Priority Profit Share

	2019 £	2018 £
Priority profit share due in respect of the year	367,551	406,898

4. Fixed asset investments

	2019 Unlisted £	2018 Unlisted £
Value as at 1 April	10,558,209	6,074,361
Additions	1,058,725	3,431,636
Disposals	(242,647)	-
Fair value movement	(2,776,529)	1,052,212
Value as at 31 March	8,597,758	10,558,209

Subsequent to the year end, there has been a further amount of additions of £750,013 (2018: £200,000).

5. Debtors

	2019 £	2018 £
Trade debtors	45,223	44,296
Other debtors	6,204	4,007
Prepayments and accrued income	13,167	3,167
Accrued loan interest income	398,801	263,541
	463,395	315,011

Nesta Impact Investments 1 LP
Notes to the Financial Statements (continued)
Year ended 31 March 2019

6. Creditors: amounts falling due within one year

	2019 £	2018 £
Other creditors	3,152	3,528
Accruals and deferred income	16,585	17,725
	<u>19,737</u>	<u>21,253</u>

7. Limited Partners' interests

	Capital contributions £	Advance contributions £	Income account £	Total £
1 April 2018	2,113	14,654,566	(3,363,766)	11,292,913
Contributions advanced	-	1,082,126	-	1,082,126
Distributions	-	(396,400)	-	(396,400)
Loss for the year	-	-	(2,585,315)	(2,585,315)
31 March 2019	<u>2,113</u>	<u>15,340,292</u>	<u>(5,949,081)</u>	<u>9,393,324</u>
1 April 2017	2,113	11,762,728	(4,140,740)	7,624,101
Contributions advanced	-	2,891,838	-	2,891,838
Profit for the year	-	-	776,974	776,974
31 March 2018	<u>2,113</u>	<u>14,654,566</u>	<u>(3,363,766)</u>	<u>11,292,913</u>

Limited Partners' capital account

	Nesta PRI £	Big Society Capital £	Omidyar Network £	Total £
1 April 2018	6,671,405	6,652,641	1,330,520	14,654,566
Contributions advanced	481,640	500,406	100,080	1,082,126
Distributions	(180,182)	(180,182)	(36,036)	(396,400)
31 March 2019	<u>6,972,863</u>	<u>6,972,865</u>	<u>1,394,564</u>	<u>15,340,292</u>

Partners' advance contributions are interest free and will be repaid from Partnership assets as soon as is practicable after the relevant capital realisation proceeds or income is received

As at 31 March 2019, commitments available for drawdown by the Partnership from Limited Partners amounted to £2,257,595 (2018 £2,943,321)

Nesta PRI Limited's Capital Contribution Account includes £353 (2018 £353) in respect of its Carried Interest Contribution, being an amount equal to 20% of other Total Capital Contributions

Nesta Impact Investments 1 LP
Notes to the Financial Statements (continued)
Year ended 31 March 2019

8. Related party transactions

The Limited Partnership Agreement provides the Nesta GP shall act as General Partner of the Partnership and is entitled to priority profit share payments as described in Note 3.

Nesta GP Limited has assigned the management of the Partnership to Nesta Investment Management LLP. As at 31 March 2019, Nesta GP's ultimate parent company was Nesta, incorporated in the United Kingdom.

Nesta PRI Limited, which is a wholly owned subsidiary of Nesta, is a Limited Partner in the Partnership.

As at 31 March 2019 there was £1,003 due to (2018: £4,006 due from) Nesta Investment Management LLP.

9. Financial instruments

The partnership held the following categories of financial instruments, excluding cash, at 31 March 2019

	2019 £	2018 £
Assets at fair value through profit or loss		
Investments	8,597,758	10,558,209
Loans and receivables		
Financial assets measured at amortised costs - debtors	463,395	315,011
Other financial liabilities		
Financial liabilities measured at amortised cost - other creditors and accruals	(15,737)	(15,753)
	<u>9,045,416</u>	<u>10,857,467</u>

The fair value of all of the Partnership's financial assets and liabilities is represented by the carrying value in the statement of financial position. All investment valuations meet the fair value measurement and recognition criteria set out by section 11 of 'FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Management of risk

The main risks the partnership faces from its financial instruments are market price risk and credit risk, being the risk that the value of investment holdings will fluctuate as a result of changes in the market price of shares and the performance of the investment. The Board regularly review and agree policies for managing each of these risks. The Board's policies for managing these risks are summarised below and have been applied throughout the year.

Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Partnership. The General Partner monitors counterparty risk on an on-going basis. The carrying amount of the financial assets best represents the maximum credit risk exposure at the balance sheet date. The Partnership's financial assets maximum exposure to credit risk is as follows:

Nesta Impact Investments 1 LP
Notes to the Financial Statements (continued)
Year ended 31 March 2019

	2019 £	2018 £
Investments in loans and loan notes	1,042,212	2,010,023
Debtors	463,395	315,011
	<u>1,505,607</u>	<u>2,325,034</u>

Investments in loans and loan notes comprises a fundamental part of the Partnership's investments, therefore credit risk in respect of these assets is managed together with the Partnership's equity investments

Market price risk

Market price risk arises mainly from uncertainty about the future value of financial instruments held by the Partnership. It represents the potential loss the Partnership might suffer through holding equity investments

Some of that risk can be mitigated by close involvement with the management of the investee companies along with review of their trading results. The Partnership's financial assets maximum exposure to market price risk is as follows

	2019 £	2018 £
Investment in equity	<u>7,555,546</u>	<u>8,548,186</u>

By their nature, unquoted investments may not be readily realisable, the Board therefore considers exit strategies for these investments throughout the period for which they are held