

Nesta GP Limited

Annual Report and Audited Financial Statements

Year ended 31 March 2018

Registration Number 08231985

WEDNESDAY



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COMPANIES HOUSE

Nesta GP Limited
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Year ended 31 March 2018

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Nesta GP Limited
General Information
Year ended 31 March 2018

Directors

Nathan Elstub
Sir John Gieve

Company Secretary

Corinna Theuma

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 2018

The Directors present their report together with the audited financial statements for the year ended 31 March 2018.

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 2018

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:

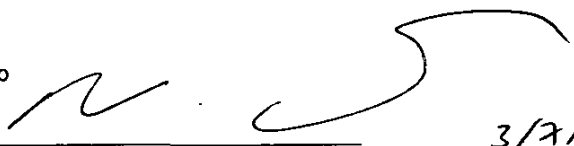
- select suitable accounting policies and apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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: _____


3/7/18

Opinion

We have audited the financial statements of Nesta GP Limited (the 'company') for the year ended 31 March 2018 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 2018 and of its profit 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 2018

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of 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 3, 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 2018

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: *16 July 2018*

Nesta GP Limited
Income Statement
Year ended 31 March 2018

	Note	2018 £	2017 £
Turnover	6	406,898	440,000
Administrative expenses		(406,898)	(440,000)
Operating profit		<u>-</u>	<u>-</u>
Interest receivable		4	3
Profit before taxation		<u>4</u>	<u>3</u>
Tax on profit	2	-	-
Net profit for the year		<u>4</u>	<u>3</u>

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
At 31 March 2018

Company registration No. 08231985

	Note	2018 £	2017 £
Current assets			
Debtors	3	-	83,826
Cash at bank and in hand		8	4
		<u>8</u>	<u>83,830</u>
Current liabilities			
Creditors: amounts falling due within one year	4	-	(83,826)
		<u>-</u>	<u>-</u>
Net current assets, Total assets less current liabilities and net assets		<u>8</u>	<u>4</u>
Capital and Reserves			
Called up share capital		1	1
Profit and Loss account		7	3
Shareholders' funds		<u>8</u>	<u>4</u>

The accompanying notes on pages 9 and 10 form an integral part of these financial statements.

These financial statements 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 12 June 2018 and signed on its behalf by

Nathan Elstub
 Director

Date: _____


 3/7/18

Nesta GP Limited
Accounting Policies
Year ended 31 March 2018

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.

Nesta GP Limited
Notes to the Financial Statements
Year ended 31 March 2018

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 (2017: £nil).

2. Taxation

There is no corporation tax or deferred tax charge for the year (2017: none).

3. Debtors

	2018 £	2017 £
Prepayments	-	83,826
	<u>-</u>	<u>83,826</u>

4. Creditors

	2018 £	2017 £
Deferred income	-	83,826
	<u>-</u>	<u>83,826</u>

5. Share capital

	2018 & 2017 No.	2018 & 2017 £
Allotted, called up shares	1	1
	<u>1</u>	<u>1</u>

6. 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 £406,898 (2017: £440,000) comprises the company's priority profit share receivable from Nesta Impact Investments 1 LP; £nil (2017: £nil) was outstanding at the year end. £nil (2017: £83,826) was prepaid from Nesta Impact Investments 1 Limited Partnership to Nesta GP Limited as at 31 March 2018 in relation to the quarter ended 30 June 2018.

7. Control

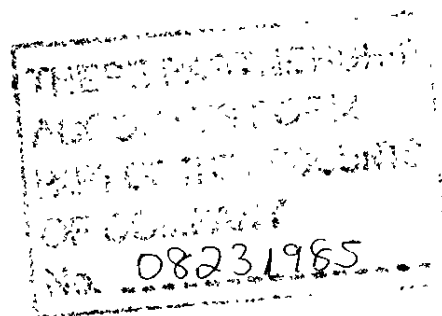
The company is controlled by Nesta, which is the ultimate parent company. Nesta is the parent undertaking of the smallest and largest group for which accounts are drawn up, and of which the company is a member. These will be available to the public from 58 Victoria Embankment, London EC4Y 0DR.

Nesta Impact Investments 1 LP

Annual Report and Audited Financial Statements

Year ended 31 March 2018

Registration Number LP15187



LD3

L7KMIT80
12/12/2018
COMPANIES HOUSE

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58 Victoria Embankment, London EC4Y 0DS +44(0)20 7438 2500 nesta.org.uk

Nesta Impact Investments 1 LP a limited partnership registered in England and Wales with no. LP15187
Registered address 58 Victoria Embankment, London EC4Y 0DS

Nesta Impact Investments 1 LP
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Nesta Impact Investments 1 LP
General Information
Year ended 31 March 2018

General Partner	Nesta GP Limited (company no. 08231985) 58 Victoria Embankment London EC4Y 0DR
Registered office	58 Victoria Embankment London EC4Y 0DR
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 2018

The General Partner presents its report together with the financial statements for the year ended 31 March 2018.

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 (continued)
Year ended 31 March 2018

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 read 'N. Elstub', with a large, sweeping flourish extending to the right.

Nathan Elstub
Director of Nesta GP Limited (General Partner)
Date: 15 June 2018

Nesta Impact Investments 1 LP

Independent Auditor's Report to the partners of Nesta Impact Investments I Limited Partnership
Year ended 31 March 2018

Opinion

We have audited the financial statements of Nesta Impact Investments 1 Limited Partnership (the 'qualifying partnership') for the year ended 31 March 2018 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 2018 and of its profit 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 General Partner is 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.

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 Impact Investments 1 LP

Independent Auditor's Report to the partners of Nesta Impact Investments I Limited Partnership (continued)
Year ended 31 March 2018

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 partners' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the partners were 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 under the Partnerships (Accounts) Regulations 2008 from the requirement to prepare a strategic report or in preparing the General Partner's report.

Responsibilities of partners

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 partners 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 partners are 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 partners either intend to liquidate the qualifying partner 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.

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.

Nesta Impact Investments 1 LP

Independent Auditor's Report to the partners of Nesta Impact Investments I Limited Partnership (continued)
Year ended 31 March 2018

Use of our report

This report is made solely to the qualifying partnership's partners, 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 partners 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 partners 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: *16 July 2018*

Nesta Impact Investments 1 LP
Income Statement
Year ended 31 March 2018

	Note	2018 £	2017 £
Turnover	1	103,947	51,345
Administrative expenses	2	(151,754)	(61,276)
Operating loss		(47,807)	(9,931)
Change in fair value of investments	4	1,052,212	705,511
Interest receivable		179,467	237,930
Profit before taxation and priority profit share		1,183,872	933,510
General partner – priority profit share	3	(406,898)	(440,000)
Profit for the year	7	776,974	493,510

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.

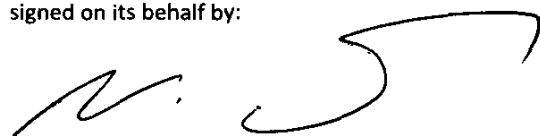
Nesta Impact Investments 1 LP
Statement of Financial Position
As at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	4	10,558,209	6,074,361
Current assets			
Debtors	5	315,011	479,767
Cash at bank and in hand		440,946	1,126,760
		<u>755,957</u>	<u>1,606,527</u>
Creditors: amounts falling due within one year	6	(21,253)	(56,787)
Net current assets		<u>734,704</u>	<u>1,549,740</u>
Net assets attributable to Limited Partners		<u>11,292,913</u>	<u>7,624,101</u>
Represented by:			
Total Limited Partners' interests			
Partners' Capital contributions	7	2,113	2,113
Partners' Advance contributions	7	14,654,566	11,762,728
Partners' Income accounts	7	(3,363,766)	(4,140,740)
		<u>11,292,913</u>	<u>7,624,101</u>

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 15 June 2018 and signed on its behalf by:



Nathan Elstub
 Director of Nesta GP Ltd (General Partner)
 Date: 15 June 2018

Nesta Impact Investments 1 LP
Accounting Policies
Year ended 31 March 2018

General Information

Nesta Impact Investments 1 LP has prepared financial statements covering the individual entity's results for the year to 31 March 2018. 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.

Nesta Impact Investments 1 LP
Accounting Policies
Year ended 31 March 2018

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. As detailed in the Limited Partnership Agreement, the General Partner's priority profit share is initially calculated as 2.5% of the aggregate Commitments of the Partnership.

The priority profit share reduced to 2% of the aggregate commitments from 1 November 2017 as the Partnership investment period ended on 31 October 2017.

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
Year ended 31 March 2018

Judgements and key sources of estimation uncertainty

In the application of the limited partnership's accounting policies, the members are 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 estimates

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

Nesta Impact Investments 1 LP
Notes to the Financial Statements
Year ended 31 March 2018

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

	2018 £	2017 £
Priority profit share due in respect of the year	406,898	440,000

4. Fixed asset investments

	2018 Unlisted £	2017 Unlisted £
Cost		
At 1 April	8,507,742	6,466,243
Additions	3,431,636	2,041,499
Disposals	-	-
At 31 March	11,939,378	8,507,742
Change in fair value of equity investments in the year		
At 1 April	2,433,381	3,138,892
Change in the year	(1,052,212)	(705,511)
At 31 March	1,381,169	2,433,381
Fair value at 31 March	10,558,209	6,074,361

Subsequent to the year end, there has been a further amount of additions of £200,000 (2017: £1,003,371).

5. Debtors

	2018 £	2017 £
Trade debtors	44,296	55,661
Other debtors	4,007	1
Prepayments & accrued income	3,167	85,493
Accrued loan interest income	263,541	338,612
	315,011	479,767

Nesta Impact Investments 1 LP
Notes to the Financial Statements
Year ended 31 March 2018

6. Creditors: amounts falling due within one year	2018	2017
	£	£
Other creditors	3,528	35,137
Accruals and deferred income	17,725	21,650
	<u>21,253</u>	<u>56,787</u>

7. Limited Partners' interests

	Capital contributions	Advance contributions	Income account	Total
	£	£	£	£
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
	<u>2,113</u>	<u>14,654,566</u>	<u>(3,363,766)</u>	<u>11,292,913</u>
31 March 2018	<u>2,113</u>	<u>14,654,566</u>	<u>(3,363,766)</u>	<u>11,292,913</u>
1 April 2016	2,113	8,637,402	(4,634,250)	4,005,265
Contributions advanced	-	3,125,326	-	3,125,326
Profit for the year	-	-	493,510	493,510
	<u>2,113</u>	<u>11,762,728</u>	<u>(4,140,740)</u>	<u>7,624,101</u>
31 March 2017	<u>2,113</u>	<u>11,762,728</u>	<u>(4,140,740)</u>	<u>7,624,101</u>

Limited Partners' capital account

	Nesta PRI	Big Society Capital	Omidyar Network	Total
	£	£	£	£
1 April 2017	5,346,699	5,346,699	1,069,330	11,762,728
Contributions advanced	1,324,706	1,305,942	261,190	2,891,838
Distributions	-	-	-	-
	<u>6,671,405</u>	<u>6,652,641</u>	<u>1,330,520</u>	<u>14,654,566</u>
31 March 2018	<u>6,671,405</u>	<u>6,652,641</u>	<u>1,330,520</u>	<u>14,654,566</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 2018, commitments available for drawdown by the Partnership from Limited Partners amounted to £2,943,321 (2017: £5,835,159).

Nesta PRI Limited's Capital Contribution Account includes £353 (2017: £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
Year ended 31 March 2018

8. Related party transactions

The Limited Partnership Agreement provides that Nesta GP Limited 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 2018, 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 2018 there was £4,006 due from (2017: £28,500 due to) Nesta Investment Management LLP.

9. Financial Instruments

The partnership held the following categories of financial instruments at 31 March 2018:

	2018 £	2017 £
Assets at fair value		
Investments	10,558,209	6,074,361
Loans and receivables		
Financial assets measured at amortised cost - debtors	315,011	479,767
Other financial liabilities		
Financial liabilities measured at amortised cost – other creditors and accruals*	(15,753)	(46,787)
	10,857,467	6,507,341

*Excluding deferred income: £5,500 (2017: £10,000)

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 performance of the investment. The Board regularly reviews and agrees 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 Investment Manager monitors counterparty risk on an on-going basis. The carrying amount of 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
Year ended 31 March 2018

	2018	2017
	£	£
Investments in loans and loan notes	2,010,023	2,932,393
Debtors	315,011	479,767
	<u>2,325,034</u>	<u>3,412,160</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:

	2018	2017
	£	£
Investments in equity	<u>8,548,186</u>	<u>3,141,968</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.



The Registrar of Companies
Companies House
4 Abbey Orchard Street
Westminster
London
SW1P 2HT

DELIVERED BY HAND

12 December 2018

Dear Sirs

Nesta GP Limited: company no. 8231985

I attach for filing the Annual Report and Financial Statements for **Nesta GP Limited** (company no. 8231985) for the period ended 31 March 2018. This Annual Report and Financial Statements are due to be filed by 31 December 2018.

Nesta GP Limited is the only general partner of **Nesta Impact Investments 1 LP** (registration number LP15187), which is a "qualifying partnership" as defined by regulation 3 of the Partnerships (Accounts) Regulations 2008 (as amended by the Companies and Partnerships (Accounts and Audit) Regulations 2013, regulation 4(3).

By virtue of regulation 5 of the Partnerships (Accounts) Regulations 2008, Nesta Impact Investments 1 LP's accounts must be attached to Nesta GP Limited's accounts when Nesta GP Limited's accounts are filed. Accordingly, we also attach the accounts for Nesta Impact Investments 1 LP.

If you need any assistance or information, please contact me on 020 7438 2500 or by email - francesca.mohan@nesta.org.uk

Yours faithfully

A handwritten signature in black ink, appearing to read "Francesca Mohan".

Francesca Mohan
Company Secretary

Enc.