

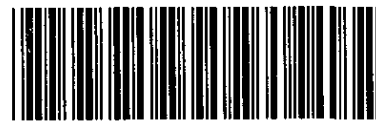
Registered number: 09162283

KEY CAPITAL PARTNERS (GENERAL PARTNER) VIII LTD

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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COMPANIES HOUSE

21/01/21  
21/01/21

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**KEY CAPITAL PARTNERS (GENERAL PARTNER) VIII LTD**

**COMPANY INFORMATION**

**31 DECEMBER 2020**

<b>DIRECTOR</b>	Owen Trotter
<b>COMPANY SECRETARY</b>	Laura Fall
<b>BUSINESS ADDRESS</b>	13 Park Place Leeds LS1 2SJ
<b>REGISTERED OFFICE</b>	13 Park Place Leeds LS1 2SJ
<b>BANKERS</b>	Lloyds plc 25 Gresham Street London EC2V 7HN
<b>SOLICITORS</b>	O' Connors LLP The Plaza 100 Old Hall Street Liverpool L3 9QJ
<b>COMPANY NUMBER</b>	09162283

**KEY CAPITAL PARTNERS (GENERAL PARTNER) VIII LTD**

**REPORT OF THE DIRECTORS**

**31 DECEMBER 2020**

The Directors present their report, together with the Financial Statements for the year ended 31 December 2020.

**Principal Activities**

The company is the General Partner in the Key Capital Partners Fund VIII.

**Directors**

The Director of the Company during the year ended 31 December 2020 was Owen Trotter.

**Business Review**

The company continued to act as the General Partner in the Key Capital Partners Fund VIII ("KCP VIII"). The year-end financial position of the company was satisfactory. KCP VIII is now in its realisation phase. As a result, the income received by the partnership will begin to decline as and when the investments, which make up the fund, are sold off. Notwithstanding this, the director expects the Company to trade profitably for the next year.

**Results**

The Company's loss for the year was **£NIL** (2019: £ NIL).

**Status of this Directors' Report**

This report is prepared in accordance with the small companies regime under the Companies Act 2006.

This report was approved by the Board on 27<sup>th</sup> September 2021 and signed on its behalf.



**Laura Fall**  
**Company Secretary**

**KEY CAPITAL PARTNERS (GENERAL PARTNER) VIII LTD**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**31 DECEMBER 2020**

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 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 period. In preparing these Financial Statements, the Director is required to:

- select suitable Accounting Policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis.

The Director is 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.

**KEY CAPITAL PARTNERS (GENERAL PARTNER) VIII LTD**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2020**

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
<b>Gross Profit</b>		<b>1,066,846</b>	<b>1,220,221</b>
<b>Net operating expenses</b>			
Administrative expenses		(1,066,846)	(1,220,221)
<b>Operating loss on ordinary activities before taxation</b>		<u>-</u>	<u>-</u>
Interest receivable and similar income		-	-
<b>Loss on Ordinary Activities before taxation</b>		<u>-</u>	<u>-</u>
Tax on profit on ordinary activities		-	-
<b>Profit for the Financial Year</b>		<u><u>-</u></u>	<u><u>-</u></u>

Profit for the year has been calculated on the historical cost basis.

The Accounting Policies and Notes on pages 7 to 8 form part of these Financial Statements.

**KEY CAPITAL PARTNERS (GENERAL PARTNER) VIII LTD**  
**COMPANY NUMBER 09162283**

**BALANCE SHEET**

**31 DECEMBER 2020**

	Note	2020	2019
		£	£
<b>Fixed Assets</b>			
Investments	2	100	100
<b>Current Assets</b>			
Debtors	3	383	73
Cash at bank and in hand		<u>2,300</u>	<u>2,575</u>
<b>Net Current Assets</b>		<u>2,683</u>	<u>2,648</u>
<b>Creditors:</b> amounts falling due after one year	4	(100)	(100)
		<u>2,583</u>	<u>2,548</u>
<b>Total Assets less Current Liabilities</b>		<u>2,683</u>	<u>2,648</u>
<b>Capital and Reserves</b>			
Called up share capital	5	1	1
Profit and loss account	6	<u>2,682</u>	<u>2,647</u>
		<u>2,683</u>	<u>2,648</u>

The Accounting Policies and Notes on pages 7 to 8 form part of these Financial Statements

**KEY CAPITAL PARTNERS (GENERAL PARTNER) VIII LTD**  
**COMPANY NUMBER 09162283**

**BALANCE SHEET**

**31 DECEMBER 2020**

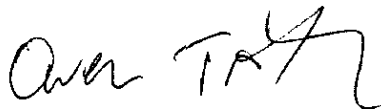
These Financial Statements are prepared in accordance with the provisions applicable to companies subject to the small companies regime under the Companies Act 2006.

For the year ended 31 December 2020 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The Financial Statements were approved and authorised for issue by the Board of Directors 27<sup>th</sup> September 2021 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Owen Trotter', with a stylized flourish at the end.

**Owen Trotter**  
**Director**

The Accounting Policies and Notes on pages 7 to 8 form part of these Financial Statements.



**KEY CAPITAL PARTNERS (GENERAL PARTNER) VIII LTD**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2020**

**1. Accounting Policies**

A summary of the more important Accounting Policies is set out below.

**Basis of Accounting**

The Financial Statements have been prepared on a going concern basis under the historical cost convention.

**Cash Flow Statement**

The Company is a wholly-owned subsidiary of the Key Capital Partners LLP and is included in the consolidated Financial Statements of Key Capital Partners, which are publicly available. The Company has therefore claimed the exemption available under Financial Reporting Standard 1 "Cash Flow Statements" from preparing a cash flow statement.

**Turnover**

Turnover derives from income as the General Partner in the Key Capital Partners Fund VIII LP. All the partnerships are registered in the United Kingdom.

**Investments**

Investments held as fixed assets are stated at cost less provision for any impairment.

**Taxation**

The Company's taxation is based on the accounts of the Key Capital Partners Fund VIII this treatment is not reflected in these accounts.

No provision has been made for deferred tax.

**2. Investments**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Cost at 1 January and 31 December 2020	<b>100</b>	<b>100</b>
The holding comprises the company's investment in Key Capital Partners Fund VIII		

**3. Debtors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other debtors	<b>383</b>	<b>73</b>

**4. Creditors**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other creditors	<b>100</b>	<b>100</b>

**KEY CAPITAL PARTNERS (GENERAL PARTNER) VIII LTD**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2020**

**5 Share Capital**

**Allotted and Called Up**

"A" ordinary share of £1 each	1	1
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<b>6. Reserves</b>	<b>Own Shares</b>	<b>Profit &amp; Loss Account</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2019	<b>1</b>	<b>2,647</b>	<b>2,648</b>
Retained profit for the year	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2020	<u><b>1</b></u>	<u><b>2,647</b></u>	<u><b>2,648</b></u>

**7. Related Party Transactions**

The Company paid management fees totalling **£1,066,570** (2019: £1,220,000) to Key Capital Partners LLP the manager of the Key Capital Partners Fund VIII.

**8. Parent Undertaking and Ultimate Controlling Party**

The ultimate parent in calculating and controlling company is Key Capital Partners LLP, a Limited Liability Partnership registered in the United Kingdom



**KCP VIII L.P.**

**Annual Report and Audited Financial Statements**

**Year ended 31 December 2020**

THESE PARTNERSHIP  
ACCOUNTS FORM PART  
OF THE ACCOUNTS  
OF COMPANY  
No. 09162283



COMPANIES HOUSE

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THESE PARTNERSHIP  
ACCOUNTS FORM PART  
OF THE ACCOUNTS  
OF COMPANY  
No. 09162283

**Partnership Information**

<b>Partnership Number</b>	LP016946
<b>Manager and principal place of business</b>	Key Capital Partners LLP 13 Park Place Leeds LS1 2SJ
<b>General Partner</b>	Key Capital Partners (General Partner) VIII Limited 13 Park Place Leeds LS1 2SJ
<b>Legal Advisors</b>	O'Connors LLP The Plaza 100 Old Hall Street Liverpool L3 9QJ
<b>Independent Auditors</b>	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD
<b>Fund Administrator</b>	IQ EQ Administration Services (UK) Ltd 2 London Bridge London, SE1 9RA

THESE PARTNERSHIP  
ACCOUNTS FORM PART  
OF THE ACCOUNTS  
OF COMPANY  
No. 09162283

## Report of the Manager

Key Capital Partners (General Partner) VIII Limited (the "General Partner") has appointed Key Capital Partners LLP (the "Manager") to manage the Partnership. The Manager presents the financial statements for KCP VIII L.P. (the "Partnership") for the year ended 31 December 2020.

## Strategic Report

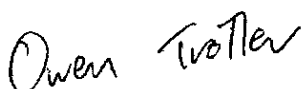
The Partnership is considered as "small" under Section 414B of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, as applied to Qualifying Partnerships, and it is therefore exempt from preparing a Strategic Report.

## Disclosure of the information to the auditors

The General Partner and Manager confirm that so far as they are aware, there is no relevant audit information of which the Partnership's auditor is unaware and that they have taken all steps that they ought have taken in order to make themselves aware of any relevant audit information and to establish that the Partnership's auditor is aware of such information.

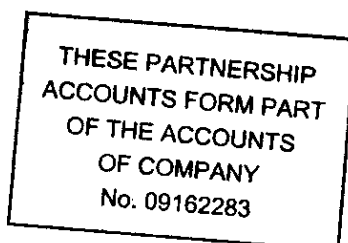
This report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006, as applied to Qualifying Partnerships.

Signed on behalf of the Manager



Owen Trotter  
Partner  
Key Capital Partners LLP

12 April 2021



### Statement of General Partner's Responsibilities in respect of the Financial Statements

The General Partner is responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law, as applied to Qualifying Partnerships by the Partnerships (Accounts) Regulations 2008 (the "Regulations"), requires the General Partner to prepare financial statements for each financial year. Under that law, the General Partner has prepared the Partnership financial statements in accordance with the statement of compliance and accounting policies in Note 2 and Note 3 to the financial statements. Under company law, as applied to Qualifying Partnerships, the General Partner must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period. In preparing these 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;
- state whether applicable United Kingdom Accounting Standards, as specified in accordance with the Limited Partnership Agreement, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 Regulations. 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.

THESE PARTNERSHIP  
ACCOUNTS FORM PART  
OF THE ACCOUNTS  
OF COMPANY  
No. 09162283

## Independent Auditor's Report to the Members of KCP VIII L.P.

### Opinion

We have audited the financial statements of KCP VIII L.P. (the "Partnership") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Net Assets Attributable to Partners and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Partnership's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to partnerships by the Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

### 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 Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

We have nothing to report in this regard.

### 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 Report of the Manager for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Manager has been prepared in accordance with applicable legal requirements.



## Independent Auditor's Report to the Members of KCP VIII L.P. (continued)

### Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to partnerships by the Partnership (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit; or
- the Partnership was not entitled to take advantage of the small companies' exemption, as applied to Qualifying Partnerships, in preparing the Report of the Manager, and the exemption from preparing a strategic report.

### Responsibilities of the General Partner

As explained more fully in the General Partner's responsibilities statement, 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 Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the limited liability 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.

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

- We obtained an understanding of the Partnership and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with the General Partner and Manager and the application of cumulative audit knowledge and experience of the sector in which the Partnership operates.
- We determined the principal laws and regulations relevant to the Partnership in this regard to be those arising regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 as applied to partnerships by the Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Partnership with those laws and regulations. These procedures included, but were not limited to:
  - enquiries of management, review of minutes, review of any relevant correspondence
- We also identified the risks of material misstatement of the financial statements due to fraud, in respect of the non-rebuttable presumption of a risk of fraud arising from management override of controls.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

**Independent Auditor's Report to the Members of KCP VIII L.P. (continued)**

**Auditor's responsibilities for the audit of the financial statements (continued)**

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

**Use of our report**

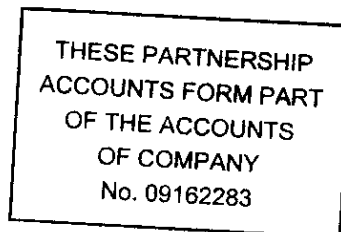
This report is made solely to the Partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to partnerships by the Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 Partnership and the Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Ian Cowan (Senior Statutory Auditor)  
For and on behalf of PKF Littlejohn LLP  
Statutory Auditor**

15 Westferry Circus  
Canary Wharf  
London E14 4HD

12 April 2021



## Statement of Comprehensive Income

	NOTES	Year Ended 31 December 2020 £	Year Ended 31 December 2019 £
Interest income		2,823,705	3,454,334
Bank interest		3,566	781
		<b>2,827,271</b>	<b>3,455,115</b>
Expenditure	5	(1,476,043)	(2,536,748)
Unrealised gain on financial assets held at fair value through profit or loss	8	1,150,392	4,271,870
Realised gain on investments		21,196,941	-
<b>Profit for the financial year</b>		<b>23,698,561</b>	<b>5,190,237</b>

All results shown in the Statement of Comprehensive Income are from continuing operations.

The notes on pages 11 to 15 form an integral part of the financial statements.

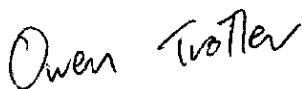
THESE PARTNERSHIP  
ACCOUNTS FORM PART  
OF THE ACCOUNTS  
OF COMPANY  
No. 09162283

**Statement of Financial Position**

	NOTES	As at 31 December 2020 £	As at 31 December 2019 £
<b>Fixed assets</b>			
Financial assets held at fair value through profit or loss	8	64,770,087	52,269,776
<b>Current assets</b>			
Trade and other receivables	6	6,023,242	5,138,975
Cash and cash equivalents		1,277,654	9,234,559
		<b>7,300,896</b>	<b>14,373,534</b>
<b>Current liabilities</b>			
Trade and other payables	7	(72,706)	(59,556)
<b>Net Current Assets</b>		<b>7,228,190</b>	<b>14,313,978</b>
<b>Net Assets Attributable to Partners</b>		<b>71,998,277</b>	<b>66,583,754</b>
<b>Partners' accounts</b>			
Capital contribution account		1,241	1,241
Loan contribution account		57,520,766	48,552,359
Distribution to Partners		(32,766,296)	(5,513,851)
Retained earnings		47,242,566	23,544,005
<b>Total Partners' Funds</b>		<b>71,998,277</b>	<b>66,583,754</b>

The notes on pages 11 to 15 form an integral part of the financial statements.

Signed on behalf of Key Capital Partners LLP



Owen Trotter  
Designated Member

12 April 2021

THESE PARTNERSHIP  
ACCOUNTS FORM PART  
OF THE ACCOUNTS  
OF COMPANY  
No. 09162283

Partnership Number LP016946

## Statement of Cash Flows

	NOTES	Year ended 31 December 2020 £	Year ended 31 December 2019 £
<b>Net cash inflow / (outflow) from operating activities</b>	<b>A</b>	<b>480,111</b>	<b>(768,425)</b>
<b>Investing Activities</b>			
Acquisition of financial assets held at fair value through profit or loss		(15,595,774)	-
Disposal of financial assets held at fair value through profit or loss		25,442,796	-
<b>Net cash inflow from investing activities</b>		<b>9,847,022</b>	<b>-</b>
<b>Financing Activities</b>			
Capital and loan contributions received from Partners		8,968,407	10,609,838
Distributions paid to Partners		(27,252,445)	(732,316)
<b>Net cash (outflow) / inflow from financing activities</b>		<b>(18,284,038)</b>	<b>9,877,522</b>
<b>(Decrease) / increase in net cash</b>	<b>B</b>	<b>(7,956,905)</b>	<b>9,109,097</b>

## NOTES

## A. Cash flow from operating activities

Profit for the financial year	23,698,561	5,190,237
Unrealised gain on financial assets held at fair value through profit or loss	(1,150,392)	(4,271,870)
Realised gain on investments	(21,196,941)	-
Increase in trade and other receivables	(884,267)	(1,696,687)
Increase in trade and other payables	13,150	9,895
<b>Net cash inflow / (outflow) from operating activities</b>	<b>480,111</b>	<b>(768,425)</b>

## B. Reconciliation of cash flow to movement in net cash and cash equivalents

Net cash and cash equivalents at start of year	9,234,559	125,462
Net cash (outflow) / inflow from activities	(7,956,905)	9,109,097
<b>Balance at the end of the year</b>	<b>1,277,654</b>	<b>9,234,559</b>

The notes on pages 11 to 15 form an integral part of the financial statements.

THESE PARTNERSHIP  
ACCOUNTS FORM PART  
OF THE ACCOUNTS  
OF COMPANY  
No. 09162283

## Statement of Changes in Net Assets Attributable to Partners

For the year ended 31 December 2020

	Limited Partners £	Special Limited Partner £	Carried Interest Partner £	General Partner £	Total £
<b>Opening balance as at 1 January 2020</b>	<b>58,939,985</b>	<b>3,186,575</b>	<b>4,457,094</b>	<b>100</b>	<b>66,583,754</b>
Contributions of loan	8,568,545	399,862	-	-	8,968,407
Distributions to Partners	(26,133,435)	(1,119,010)	-	-	(27,252,445)
Profit for the financial year	18,130,668	1,035,534	4,532,359*	-	23,698,561
<b>Net assets attributable to Partners as at 31 December 2020</b>	<b>59,505,763</b>	<b>3,502,961</b>	<b>8,989,453</b>	<b>100</b>	<b>71,998,277</b>

\* See Note 12 for the full disclosure of Provision for Carried Interest.

For the year ended 31 December 2019

	Limited Partners £	Special Limited Partner £	Carried Interest Partner £	General Partner £	Total £
<b>Opening balance as at 1 January 2019</b>	<b>45,595,376</b>	<b>2,440,900</b>	<b>3,479,619</b>	<b>100</b>	<b>51,515,995</b>
Contributions of loan	10,167,026	442,812	-	-	10,609,838
Distributions to Partners	(732,316)	-	-	-	(732,316)
Profit for the financial year	3,909,899	302,863	977,475	-	5,190,237
<b>Net assets attributable to Partners as at 31 December 2019</b>	<b>58,939,985</b>	<b>3,186,575</b>	<b>4,457,094</b>	<b>100</b>	<b>66,583,754</b>

The notes on pages 11 to 15 form an integral part of the financial statements.

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## Notes to the Financial Statements

### 1 Background and Limited Partnership Agreement

KCP VIII L.P. (the "Partnership") was formed on 21 October 2015 as an English Limited Partnership to invest in small to mid-market private companies operating in the UK. The Partnership was established under the Limited Partnership Act 1907, by the Limited Partnership Agreement (the "Agreement") dated 16 November 2015, as amended and restated from time to time constituting the Partnership. The initial closing of the Partnership was on 16 November 2015.

The General Partner of the Partnership is Key Capital Partners (General Partner) VIII Limited (the "General Partner"), a company registered in England and Wales as a private limited company.

The Partnership shall terminate on the tenth anniversary of the first closing date. The life of the Partnership may be extended by a special resolution as defined in the Agreement by up to two consecutive one year periods.

### 2 Statement of compliance

The financial statements of KCP VIII L.P. have been prepared in compliance with the Agreement, United Kingdom Generally Accepted Accounting Practice, by applying the Small Entities Requirements under Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" ("FRS 102") and the Companies Act 2006 as applied to Qualifying Partnerships, by the Partnerships (Accounts) Regulations 2008.

### 3 Summary of significant accounting policies

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

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Partnership's financial statements:

#### (a) Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments held at fair value through profit or loss. The amounts are presented in Pound Sterling ("GBP", "£"), which is also the Partnership's functional currency.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires the General Partner to exercise its judgement in the process of applying the Partnership's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

#### (b) Going concern

The Partnership meets its working capital requirements through capital calls based on the level of commitments of each Partner. Partners have a legal commitment per the Agreement to pay capital into the Partnership up to the amount committed. The Partnership has adequate remaining capital commitments to meet future obligations, including funding future investments, payment of Priority Profit Share and other expenses. Any follow on investments will only be made after consideration of the sufficiency of the remaining capital commitments to fund those future obligations.

After making enquiries, the General Partner has a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. In making this assessment, we have considered the impact of the current coronavirus outbreak (COVID-19) on the Partnership including the underlying investee companies and the Partnership's own investors and their ability to fulfil their outstanding investment commitments. We do not believe the impact of COVID-19 impacts the use of the going concern basis of preparation nor does it cast significant doubt about the Partnership's ability to continue as a going concern for a period of twelve months from the date when the financial statements were authorised for issue. Accordingly, it continues to adopt the going concern basis in preparing the financial statements.

#### (c) Revenue recognition

The Partnership recognises revenue when the revenue can be measured reliably and its probable that the economic benefits associated with the transaction will flow to the Partnership.

The Partnership's revenue consists of investment income accrued on loans advanced, arrangement fees and bank interest income. These revenues are recognised on an accruals basis.

## Notes to the Financial Statements (continued)

### 3 Summary of significant accounting policies (continued)

#### (d) Allocation of Net Income, Net Income Losses and Realised Capital Gains and Capital Losses

The allocation of Net Income, Net Income Losses and Realised Capital Gains and Capital Losses is made in accordance with Section 10 of the Agreement. The General Partner is entitled to receive an annual Priority Profit Share equal to 2% of the Total Commitments during the Investment Period; and 1.5% of Invested Capital during any extension of the Investment Period. The Priority Profit Share is payable quarterly, in advance. If the Partnership Income in any Accounting Period is insufficient to pay the Priority Profit Share in full, the amount of the shortfall shall be paid to the General Partner out of gains arising from the disposal of Partnership assets, failing which it shall be advanced interest free by the Partnership to the General Partner.

The General Partner shall repay the same to the Partnership, on receipt from the Partnership of the amount of the shortfall (either out of subsequent income or capital gains), which shall be carried forward so as to be paid as an allocation of Partnership Income in the following or any subsequent Accounting Period. To the extent that there is insufficient subsequent income or capital gains to make good the amount of any such shortfall, the General Partner shall be under no liability to repay loans advanced under the Clause 10.5 of the Agreement.

#### (e) Taxation

The Partnership is not subject to taxation and no provision for taxation has been made in the financial statements. Any tax on income or capital is the responsibility of each individual Partner.

#### (f) Organisational Expenses

Organisational Expenses incurred in establishing the Partnership are fully charged to the Statement of Comprehensive Income in the period they are incurred.

#### (g) Financial instruments

The Partnership has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

##### (i) Financial assets

Basic financial assets, including receivables and cash and cash equivalents, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

##### (ii) Financial liabilities

Basic financial liabilities, including trade and other payables, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### (h) Fair value of investments

Investments are carried in the Statement of Financial Position at cost in the first year unless there is a clear indication of appreciation or impairment in value. In subsequent years, the investments are recorded at the fair value as calculated by the Manager at the reporting date, in accordance with International Private Equity and Venture Capital Valuation Guidelines. Adjustments in the value of investments are reflected in the Financial Statements in the year in which the adjustment is made.



**Notes to the Financial Statements (continued)****4 Critical accounting estimates and judgements**

The Partnership makes estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**(a) Fair value of investments**

When the fair value of investments recorded in the Statement of Financial Position cannot be derived from active markets, their fair value is determined using valuation techniques common in the private equity funds industry, primarily earnings multiple and recent comparable transactions. The inputs in the earnings multiple models include observable data, such as earnings multiple of comparable companies to the relevant portfolio company, and unobservable data, such as forecast earnings for the portfolio company. Changes in assumptions about these factors could affect the reported fair value of investments. The models used to determine fair values are validated and periodically reviewed by the Manager.

**5 Expenditure**

	Year ended 31 December 2020	Year ended 31 December 2019
	£	£
Priority Profit Share	1,066,570	1,220,000
Audit and tax fees	36,000	42,600
Administration fees	156,930	152,304
Aborted deal expenses	205,295	88,226
Other expenses*	11,248	1,033,618
<b>Total</b>	<b>1,476,043</b>	<b>2,536,748</b>

\* During the year, no provision was recognised for non-recovery of interest receivable due from YorkTest Group Limited (2019: £1,025,294). The balance is deemed to be irrecoverable.

**6 Trade and other receivables**

	As at 31 December 2020	As at 31 December 2019
	£	£
Accrued income	7,579,587	7,081,539
Provision for impairment of Interest Receivable	(2,334,298)	(2,334,298)
Other receivables	777,953	391,734
<b>Total</b>	<b>6,023,242</b>	<b>5,138,975</b>

**7 Trade and other payables**

	As at 31 December 2020	As at 31 December 2019
	£	£
Other payables	72,706	59,556
<b>Total</b>	<b>72,706</b>	<b>59,556</b>

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**Notes to the Financial Statements (continued)****8 Financial assets held at fair value through profit or loss**

	Shares £	Loan Stock £	Total £
<b>Cost</b>			
As at 1 January 2020	173,879	29,533,789	29,707,668
Additions	192,282	15,403,492	15,595,774
Disposals	(44,379)	(4,201,476)	(4,245,855)
<b>As at 31 December 2020</b>	<b>321,782</b>	<b>40,735,805</b>	<b>41,057,587</b>
<b>Change in Fair Value</b>			
As at 1 January 2020	24,747,997	(2,185,889)	22,562,108
Change for the year	(2,046,345)	3,196,737	1,150,392
<b>As at 31 December 2020</b>	<b>22,701,652</b>	<b>1,010,848</b>	<b>23,712,500</b>
<b>Fair value</b>			
<b>As at 31 December 2020</b>	<b>23,023,434</b>	<b>41,746,653</b>	<b>64,770,087</b>
<b>As at 31 December 2019</b>	<b>24,921,876</b>	<b>27,347,900</b>	<b>52,269,776</b>

The Partnership uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value observable either directly or indirectly.

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

All equity investments are in unquoted companies and are classified under Level 3. During the year ended 31 December 2020, there were no transfers in / (out) of the Level 3 hierarchy.

**9 Related Party Transactions**

Key Capital Partners (General Partner) VIII Limited and Key Capital Partners LLP are related parties by virtue of being the Partnership's General Partner and Manager, respectively.

Allocation and payment of the Priority Profit Share is regulated by the terms of the Agreement, as described in Note 3(d). For the year ended 31 December 2020, the General Partner was entitled to draw £1,066,570 (2019: £1,220,000) as an interest free loan in respect of its Priority Profit Share entitlement. As at 31 December 2020, there were no balances due to the General Partner (2019: £nil).

During the year, the Manager paid the fees of £205,295 (2019: £88,226) in respect of an aborted investment which was recharged to the Partnership. As at 31 December 2020, there were no balances due to the Manager (2019: £nil).

**10 Limited Partners' Commitments**

The Partnership's total Capital Commitment is £64,125,600. Under the terms of the Agreement, as at 31 December 2020, £57,522,007 (2019: £48,553,600) had been drawn by the General Partner.

**11 Ultimate Controlling Party**

The immediate controlling party of the Partnership is Key Capital Partners (General Partner) VIII Limited, a wholly owned subsidiary of Key Capital Partners LLP, a Limited Liability Partnership incorporated in the United Kingdom. There is no one overall controlling party.

**12 Provision for Carried Interest**

If the investment portfolio were to be fully realised at the values included in the Financial Statements at 31 December 2020, there would be a reallocation of Income between Key Capital Partners (Carried Interest) VIII LLP and those of the other Partners.

This would reallocate Net Income of £8,988,953 (31 December 2019: £4,456,594) to Key Capital Partners (Carried Interest) VIII LLP at 31 December 2020.

**Notes to the Financial Statements (continued)**

**13 Post Balance Sheet Events**

*The Manager has evaluated the possibility of subsequent events existing in the Partnership's financial statements through to 12 April 2021, the date the financial statements were available to be issued, and has determined that there were no other subsequent events requiring recognition or disclosure in these financial statements.*

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