

REGISTERED NUMBER: 09496557 (England and Wales)

Unaudited Financial Statements for the Year Ended 31st March 2017

for

Pi Labs Manager Limited

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Pi Labs Manager Limited (Registered number: 09496557)

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for the Year Ended 31st March 2017**

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Pi Labs Manager Limited

Company Information for the Year Ended 31st March 2017

Directors:

F S Butt
D Wilson

Registered office:

Anova House
Wickhurst Lane
Broadbridge Heath
Horsham
West Sussex
RH12 3LZ

Registered number:

09496557 (England and Wales)

Accountants:

Anova
Chartered Accountants
Anova House
Wickhurst Lane
Broadbridge Heath
Horsham
West Sussex
RH12 3LZ

Pi Labs Manager Limited (Registered number: 09496557)**Balance Sheet
31st March 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Investments	3		188		-
Current assets					
Debtors	4	100		100	
Creditors					
Amounts falling due within one year	5	<u>200</u>		<u>-</u>	
Net current (liabilities)/assets			<u>(100)</u>		<u>100</u>
Total assets less current liabilities			<u>88</u>		<u>100</u>
Capital and reserves					
Called up share capital			100		100
Retained earnings			<u>(12)</u>		<u>-</u>
Shareholders' funds			<u>88</u>		<u>100</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395
- (b) and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 27th April 2017 and were signed on its behalf by:

D Wilson - Director

The notes form part of these financial statements

Pi Labs Manager Limited (Registered number: 09496557)

**Notes to the Financial Statements
for the Year Ended 31st March 2017**

1. Statutory information

Pi Labs Manager Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

3. Fixed asset investments

		Loans to associates
		£
New in year		188
At 31st March 2017		<u>188</u>

4. Debtors: amounts falling due after more than one year

	2017	2016
	£	£
Other debtors	<u>100</u>	<u>100</u>

5. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	<u>200</u>	<u>-</u>

Pi Labs Manager Limited (Registered number: 09496557)

**Notes to the Financial Statements - continued
for the Year Ended 31st March 2017**

6. Ultimate controlling party

The controlling party is F S Butt.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.

PARTNERSHIP ACCOUNTS, TO BE FILED WITH
THE ACCOUNTS FOR PI LABS MANAGER LIMITED
(COMPANY NUMBER 09496557)



Pi Labs II Limited Partnership

Annual Report and Audited Financial Statements
for the period from 12 May 2016 to 30 June 2017

094 96557

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Key facts

Establishment Date:	12 May 2016
Date of First Closing:	06 June 2016
Date of Termination:	04 June 2023

		GBP
Committed Capital - Limited Partners		7,402,830
Capital Subscribed Transaction date	Description	Amount GBP
03 June 2016	Drawdown 1	350,201
15 November 2016	Drawdown 2	575,000
25 January 2017	Drawdown 3	284,615
30 June 2017	Drawdown 4	1,040,099
Total drawdowns		2,249,915
Outstanding commitment		5,152,915
Reconciliation of Capital Account		
Capital subscribed		2,249,915
Distributions		-
Unrealised gains on investments		26,491
Realised gains on investments		-
General Partner's Share		(231,720)
Other income and expenses		(185,716)
Finance attributable to partners		1,858,970

Management and Administration

Establishment date:	12 May 2016
Registered office:	Anova House Wickhurst Lane Broadbridge Heath Horsham West Sussex England RH12 3LZ
General Partner:	Pi Labs Manager Limited Anova House Wickhurst Lane Broadbridge Heath Horsham West Sussex England RH12 3LZ
Directors of the General Partner:	Faisal Shahid Butt Dominic Andrew Wilson
Manager:	Midmar Capital LLP 14 - 18 Hill Street Edinburgh Scotland EH2 3JZ
Administrator:	Mainspring Fund Services Limited 20-22 Bedford Row London England WC1R 4EB
Independent Auditor:	Nexia Smith & Williamson 25 Moorgate London England EC2R 6AY

Report of the General Partner

The General Partner presents its Annual Report and the Audited Financial Statements of Pi Labs II Limited Partnership (the "Partnership"), for the period from registration on 12 May 2016 to 30 June 2017.

Principal activities

Pi Labs II Limited Partnership (the "Partnership") is a closed ended investment fund registered on 12 May 2016 as a limited partnership in England under the Limited Partnerships Act 1907. It is governed by its Amended and Restated Limited Partnership Agreement ("LPA") dated 5 June 2017.

The principal activity of the Partnership is to invest, either directly or indirectly, in early stage and growth businesses in the technology sector.

General Partner's Responsibilities for the Financial Statements

The Limited Partnership Agreement requires the General Partner to prepare financial statements for the Partnership for each financial period.

Company law as applied to qualifying partnerships by the Partnership (Accounts) Regulations 2008 (the "Regulations") requires the General Partner to prepare financial statements for each financial year. Under that law the General Partner has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including Financial Reporting Standard 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" ("FRS 102").

Under company law as applied to qualifying partnerships 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 affairs of the Partnership and the 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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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 them to ensure that the financial statements comply with 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.

Provision of information to auditor

The General Partner at the time when this report is approved has confirmed that:

- so far as that the General Partner is aware, there is no relevant audit information of which the Partnership's auditor is unaware; and
- the General Partner has taken all the steps that ought to have been taken in order to be aware of any information needed by the Partnership's auditor in connection with preparing their report and to establish that the Partnership's auditor is aware of that information.

Report of the General Partner

Independent Auditor

Nexia Smith & Williamson was appointed first auditor of the Company during the year and have indicated their willingness to continue in office. A resolution to re-appoint Nexia Smith & Williamson as auditor will be proposed at a subsequent meeting of the Partners.

Small companies note

In preparing this report, the General Partner has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.



Dominic Andrew Wilson
As director of Pi Labs Manager Limited
General Partner

Date: 3 November 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PI LABS II LIMITED PARTNERSHIP

We have audited the financial statements of Pi Labs II Limited Partnership for the period from registration on 12 May 2016 to 30 June 2017 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in net assets attributable to Partners' capital, the Statement of cash flows and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the members, as a body, in accordance with Regulation 9 of The Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of General Partner and auditor

As explained more fully in the General Partner's Responsibilities Statement set out on page 4, the General Partner is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the qualifying partnership's affairs as at 30 June 2017 and of its loss for the period 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 qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the General Partner was not entitled to take advantage of the small companies' exemption in preparing the Report of the General Partner and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



Lindsay Manson
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants

25 Moorgate
London
EC2R 6AY

Date: 3 NOVEMBER 2017

Statement of Comprehensive Income

From inception date
12 May 2016 to
30 June 2017

	Notes	GBP
Income		
Unrealised gain on investments at fair value through profit and loss	6	26,491
Bank interest		150
Total income		26,641
Expenses		
Legal and professional fees		103,102
Fund administration fees		27,831
Audit fees		15,000
Other expenses		39,933
Total operating expenses		185,866
Loss for the period		(159,225)
Allocated as follows:		
General Partner - General Partner's Share		231,720
Limited Partners		(390,945)
Total allocated		(159,225)

The notes on pages 12 to 17 form part of these financial statements.

All the items in the above statement derive from continuing operations.

Statement of Financial Position

Registration Number: LP017411

As at
30 June 2017

	Notes	GBP
Assets		
Non-current assets		
Financial assets at fair value through profit or loss	6	1,026,421
Total non-current assets		1,026,421
Current assets		
Trade and other receivables	7	217,652
Cash and cash equivalents		848,117
Total current assets		1,065,769
Total assets		2,092,190
Liabilities		
Current liabilities		
Trade and other payables	8	233,220
Total current liabilities		233,220
Total net assets attributable to Partners		1,858,970
Represented by:		
Capital contributions		8,091
Loan contributions		2,241,824
General Partner's Share		(231,720)
Income account		(159,225)
Total net assets attributable to Partners		1,858,970

The notes on pages 12 to 17 form part of these financial statements.

The financial statements on pages 8 to 17 were approved and authorised for issue at a meeting of the Directors on 3 November 2017 and signed on their behalf by:



Dominic Andrew Wilson
As director of Pi Labs Manager Limited
General Partner

Statement of Changes in Net Assets Attributable to Partners' Capital

	Capital contributions	Loan contributions	General Partner's Share Allocation	Unrealised gain on investments at fair value through profit and loss	Operating losses excluding unrealised gains on investments	Total
	GBP	GBP	GBP	GBP	GBP	GBP
Balance as at 12 May 2016	-	-	-	-	-	-
Movement during the period						
Capital contributions	8,091	-	-	-	-	8,091
Loan contributions	-	2,241,824	-	-	-	2,241,824
Unrealised gain on investments at fair value through profit and loss	-	-	-	26,491	-	26,491
General Partner's Share	-	-	(231,720)	-	-	(231,720)
Income account	-	-	-	-	(185,716)	(185,716)
Balance as at 30 June 2017	8,091	2,241,824	(231,720)	26,491	(185,716)	1,858,970

The notes on pages 12 to 17 form part of these financial statements.

Statement of Cash Flows

From inception date
12 May 2016 to
30 June 2017

	Notes	GBP
Cash flows from operating activities		
Loss for the period		(159,225)
Changes in fair value of investments	6	(26,491)
Increase in trade and other payables	8	15,000
Purchase of investments	6	(999,930)
Net cash flow used in operating activities		(1,170,646)
Cash flows from financing activities		
Capital and loan contributions received		2,032,263
General Partner's Share distribution		(13,500)
Net cash inflow from financing activities		2,018,763
Cash and cash equivalents		
Net change in cash and cash equivalents		848,117
Cash and cash equivalents at the beginning of the period		-
Cash and cash equivalents as at 30 June 2017		848,117

The notes on pages 12 to 17 form part of these financial statements.

Notes to the Financial Statements

1. Principal activities and general information

Pi Labs II Limited Partnership (the "Partnership") is a closed ended investment fund registered on 12 May 2016 as a limited partnership in England under the Limited Partnerships Act 1907 with number LP017411. The General Partner of the Partnership is Pi Labs Manager Limited, a limited company, registered in England & Wales. The General Partner is responsible for the operation of the Partnership and the conduct and management of its business carried on in accordance with the terms of the Amended and Restated Limited Partnership Agreement.

The Partnership's registered office is at Anova House Wickhurst Lane, Broadbridge Heath, Horsham, West Sussex, England, RH12 3LZ.

The General Partner has appointed Midmar Capital LLP as Manager of the Partnership.

The principal activity of the Partnership is to invest, either directly or indirectly, in early stage and growth businesses in the technology sector.

The Partnership will be dissolved and its affairs wound up six years from the date of the Amended and Restated Limited Partnership Agreement, dated 5 June 2017. The life of the Partnership may be extended by the General Partner, with the approval of the Advisory Committee, for a further period of a year on two occasions.

2. Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standard 102 ("FRS 102") as issued by the Financial Reporting Council and as allowed by the requirements of the Amended and Restated Limited Partnership Agreement. The financial statements have also been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities held at fair value.

The financial statements have been prepared on the going concern basis which assumes that the Partnership will continue in operational existence for the foreseeable future. The Directors of the General Partner are of the opinion that the Partnership is able to call sufficient capital from the partners' undrawn commitments to meet its day-to-day liabilities as they fall due.

These financial statements are prepared for the first accounting period from inception at 12 May 2016 to 30 June 2017 in accordance with the terms of the Limited Partnership Agreement.

3. Summary of significant accounting policies

The following accounting policies have been applied consistently in dealing with the items which are considered material in relation to Pi Labs II Limited Partnership's Financial Statements.

Financial assets and liabilities at fair value through profit or loss

Classification

The Partnership has classified its financial assets at fair value through profit or loss.

Financial assets or liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on a fair value basis in accordance with the Partnership's investment activity.

Recognition/De-recognition

Purchases and sales of investments are recognised on trade date - the date on which the Partnership commits to purchase or sell the asset. Investments are initially recognised at fair value. All transaction costs for such investments are recorded directly in profit or loss. Investments are de-recognised when the rights to receive cash flows from the investments have expired or the Partnership has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value.

Notes to the Financial Statements

3. Summary of significant accounting policies (Continued)

Gains and losses arising from changes in fair value of the financial assets at fair value through profit or loss category are included in the Statement of Comprehensive Income in the period in which they arise.

Measurement

Investments are measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial instruments not traded in active markets is determined using valuation techniques as the General Partner considers appropriate given the performance of each investee company and after taking into account the effect of dilution, the exercise of ratchets, options or other incentive schemes.

The Partnership uses a variety of methods and assumptions that are based on market conditions existing at the Statement of Financial Position date. Valuation techniques used include the use of comparable recent arms length transactions, discounted cash flows analysis, earnings multiple methods, price of recent investment and other valuation techniques commonly used by market participants.

Notwithstanding the above, the variety of valuation bases adopted and quality of management information provided by the underlying investee companies means there are inherent difficulties in determining the value of these investments. Amounts realised on the sale of those investments will inevitably differ from the values reflected in these Financial Statements and the difference may be significant.

Income and expenses

Income and expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

Trade and other payables

Trade and other payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, cash in current accounts and other short term highly liquid investments with an original maturity of three months or less. For the purpose of the Statement of Cash Flows, the cash and cash equivalents comprise cash at bank.

Functional and presentational currency

Items included in the Partnership's Financial Statements are measured and presented in British Pound "GBP", the currency of the primary economic environment in which it operates ("the functional currency"), due to all capital calls and distributions being made in GBP.

Distributions

Distributions are allocated pro rata in accordance with the terms of the Amended and Restated Limited Partnership

Capital and preferred capital contributions

Capital and preferred capital contributions are classified as financial liabilities as the contractual right per the Amended and Restated Limited Partnership Agreement is that partners receive cash at the end of the life of the Partnership as defined in the Amended and Restated Limited Partnership Agreement.

Notes to the Financial Statements

3. Summary of significant accounting policies (Continued)

Critical accounting estimates and judgements in applying accounting policies

The Partnership makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Partnership holds investments that are not quoted in active markets. Fair values of such investments are determined using valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by the General Partner.

Models use observable data, to the extent practicable. However, volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of the investments.

Taxation

The Partnership is domiciled in England, United Kingdom. Under the current laws there are no income, estate, corporation, capital gains or other taxes payable by the Partnership. Any other tax liability arising on the activities of the Partnership itself will be borne by the individual partners.

4. Unfunded committed capital

Unfunded committed capital from the Limited Partners is not shown on the Statement of Financial Position, as the Partnership has no unconditional right to receive cash as long as it has not identified an investment to invest in.

5. Material agreements

General Partner's Share

Under the terms of the Amended and Restated Limited Partnership Agreement dated 5 June 2017, Pi Labs Manager Limited was appointed as the General Partner of the Partnership, and is entitled to receive General Partner's Share, payable semi-annually in advance, in accordance with paragraph 12 General Partner's Share.

Distributions

Under the terms of the Amended and Restated Limited Partnership Agreement dated 5 June 2017, after payment of the expenses and liabilities of the Partnership, all income proceeds and capital proceeds shall be distributed to the partners in accordance with paragraph 11 Distributions.

Management agreement

Under the terms of the Management Agreement dated 25 April 2016, Midmar Capital LLP was appointed as Alternative Investment Fund Manager ("AIFM") and provides management and advisory services to the Partnership.

Administration agreement

Under the terms of the Service Level Agreement dated 11 May 2016, Mainspring Fund Services Limited, provides administrative services and is entitled to receive administration fees and reimbursement of expenses as may be determined from time to time by the parties.

6. Investments at fair value through profit or loss

Movements in the value of the Partnership's investments for the period ended 30 June 2017 are as follows:

	30 June 2017 GBP
Fair value at beginning of the period	-
Additions	999,930
Changes in fair value of investments	26,491
Fair value at end of the period	1,026,421

Notes to the Financial Statements

6. Investments at fair value through profit or loss (Continued)

Fair value hierarchy

The three levels of the fair value hierarchy are described below:

Level (1): Unadjusted quoted prices in active markets for identical assets or liabilities;

Level (2): Inputs other than quoted prices included within Level (1) that are observable for the assets or liability, either directly (as prices) or indirectly (derived from prices); and

Level (3): Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The levels in the fair value hierarchy within which the fair value measurement is categorised in its entirety are determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level (3) measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. In evaluating the level at which the Partnership's investments have been classified, the Partnership has assessed factors including, but not limited to price transparency, the ability to redeem at NAV at the measurement date and the existence or absence of certain restrictions at the measurement date.

All the Partnership financial assets measured at fair value through profit and loss are Level (3) and as a result the Level (3) reconciliation of movements in investment is equivalent to the reconciliation provided at the beginning of the note.

7. Trade and other receivables

	30 June 2017
	GBP
Due from Partners	217,652
	<u>217,652</u>

The fair value of trade and other receivables due within one year approximates to their carrying amounts as presented above.

8. Trade and other payables

	30 June 2017
	GBP
Accrual for General Partner's Share	218,220
Accrual for Audit Fees	15,000
	<u>233,220</u>

The fair value of trade and other payables due within one year approximates to their carrying amounts as presented above.

Notes to the Financial Statements

9. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

During the period from 12 May 2016 to 30 June 2017, General Partner's Share of GBP 231,720 has been allocated to Pi Labs Manager Limited, the General Partner, in priority of any distributions to the other partners in accordance with the Amended and Restated Limited Partnership Agreement, as detailed in note 5. At the period end GBP 218,220 of the General Partner's Share was unpaid.

Faisal Shahid Butt and Dominic Andrew Wilson directors and equity holders in the General Partner are also limited partners in the Partnership. During the period they received no remuneration from the Partnership.

10. Capital risk management

The capital of the Partnership is represented by the net assets attributable to the partners. The Partnership's objective when managing the capital is to safeguard the ability to continue as a going concern in order to provide returns for partners and benefits of other stakeholders and to maintain a strong base to support the development of the investment activities of the Partnership.

The General Partner monitors capital on the basis of the value of the net assets attributable to the partners.

11. Financial risk management

As an integral part of the Partnership's strategy it intentionally exposes itself to various financial risks in order to enhance the potential for return. The Partnership's investing activities expose it to various types of risks that are associated with the financial investments and markets in which they invest. The significant types of financial risks, to which the Partnership is exposed are market price risk, credit risk and liquidity risk:

- Market price risk - the Partnership takes on exposure to market risk, which is the risk that the value of the investments held will fluctuate as a result of uncertain future changes in market values.
- Currency risk - the Partnership holds no assets denominated in currencies other than GBP, the functional currency. Therefore the Partnership is not exposed to currency risk.
- Credit risk - the Partnership takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Impairment provisions are provided for losses that have been incurred by the Statement of Financial Position date, if any.

Financial assets exposed to counterparty credit risk are cash and cash equivalents of GBP 848,117.00 and trade and other receivables of GBP 217,652.00.

- Liquidity risk – the Partnership takes on exposure to liquidity risk, which is the risk that the Partnership will encounter difficulties in raising funds to meet the commitments of the agreements it has entered. The majority of investments undertaken are unlisted and as a result, the Partnership may not be able to liquidate these at an amount close to the fair value in order to meet specific obligations that may arise. The Partnership has the ability to call additional capital from investors to fund investment activities up to their maximum commitment.

The manner in which the Partnership exposes itself to such risks is consistent with other partnerships which provide funds for the promotion and growth of private equity investments.

Asset allocation is determined by the General Partner of the Partnership which manages the allocation of assets to achieve its investment objectives. Achievement of the investment objectives involves taking risks. The General Partner exercises judgement based on analysis, research and risk management techniques when making investment decisions.

The Partnership's capital management objectives are:

- To ensure the Partnership's ability to continue as a going concern, and
- To provide appropriate risk adjusted returns to investors

Notes to the Financial Statements

12. Outstanding Commitments and Guarantees

As at the Statement of Financial Position date, the Partnership has no outstanding commitments or guarantees.

13. Ultimate controlling party

In the opinion of the General Partner, there is no ultimate controlling party of the Partnership.

14. Subsequent events

There are no subsequent events requiring disclosure in these Financial Statements.