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MVM PARTNERS LLP

MVM PARTNERS LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR TO 31 MARCH 2019

Registered Number
OC311719

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MVM Partners LLP
Financial Statements for the year to 31 March 2019

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MVM Partners LLP
Financial Statements for the year to 31 March 2019

DESIGNATED MEMBERS AND ADVISERS

Designated members

Stephen Reeders
Eric Bednarski
Thomas Casdagli

Registered office

30 St. George Street
London
W1S 2FH

Bankers

National Westminster Bank Plc
Castle Square Branch
8-11 Pavilion Buildings
Castle Square
Brighton
BN1 1DP

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Registered number

OC311719

MVM Partners LLP
Financial Statements for the year to 31 March 2019

MEMBERS' REPORT

The members present their report and the audited financial statements for the year to 31 March 2019.

Principal activities

The principal activity of MVM Partners LLP ("the partnership") during the year was that of private fund management.

The designated members anticipate that the partnership will continue to act as manager for MVM Fund III Limited Partnership, MVM Fund III (No.2) Limited Partnership, MVM General Partner (No.3) Scottish Limited Partnership, MVM IV LP, MVM GP (No.4) Scottish LP, MVM IV Co-investment I LP, MVM GP (No.5) LP and MVM V LP.

Review of the business and future developments

The members are satisfied with the results for the year and expect the partnership to continue its progress during its next financial year.

Results for the year and allocation to members

The partnership's profit for the year available for discretionary distribution to members was £461,309 (2018: £826,277).

Designated members

The following were designated members during the year:

Stephen Reeders
Eric Bednarski
Thomas Casdagli

Registered number

OC311719

MVM Partners LLP

Financial Statements for the year to 31 March 2019

MEMBERS' REPORT (continued)

Policy with respect to members' drawings and subscription and repayment of members' capital

Members are permitted to make drawings in anticipation of profits which will be allocated to them. The amount of such drawings is set at the beginning of each financial year, taking into account the anticipated cash needs of the partnership.

New members are required to subscribe capital to the partnership. Repayment of partnership capital is at the discretion of the partnership.

Financial Risk Management

The partnership has a stable source of income resulting from the investment management fees levied on the general partners of the limited partnership funds it manages. The partnership's administrative expenses are predictable and scalable with changes in income.

The financial risk faced by the partnership includes foreign currency risk. The members review and agree policies for managing this risk.

The members believe that the partnership is not exposed to any other material liquidity risk, credit risk, counterparty or market risk.


Independent auditors and disclosure of information to auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed at the next members' meeting.

Pursuant to Section s418(2) of the Companies Act 2006, each of the members confirms that:

- (a) so far as they are aware there is no relevant audit information of which the partnership's auditors are unaware; and
- (b) they have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the partnership's auditors are aware of that information.

**Approved by the members
And signed on their behalf:**


Thomas Casdagli
Designated member
7 June 2019

MVM Partners LLP
Financial Statements for the year to 31 March 2019

STATEMENT OF MEMBERS' RESPONSIBILITIES

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations") requires the members to prepare financial statements for each financial year. Under that law the members have prepared the partnership financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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 limited liability partnerships, the members 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 of the profit or loss of the partnership for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business.

The members are 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 the Companies Act 2006 as applied to limited liability partnerships by the Regulations. They are 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.

MVM Partners LLP
Financial Statements for the year to 31 March 2019

Independent auditors' report to the members of MVM Partners LLP

Report on the audit of the financial statements

Opinion

In our opinion, MVM Partners LLP's financial statements:

- give a true and fair view of the state of the limited liability partnership's affairs as at 31 March 2019 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2019; the statement of comprehensive income, the Reconciliation of members' interests and the Cash Flow Statement for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

We remained independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited liability 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the limited liability partnership's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the limited liability partnership's trade, customers, suppliers and the wider economy.

MVM Partners LLP
Financial Statements for the year to 31 March 2019

Independent auditors' report to the members of MVM Partners LLP (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

As explained more fully in the Statement of Members' Responsibilities set out on page 4, the members are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The members are also responsible for such internal control as they 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 members are responsible for assessing the limited liability 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinion, has been prepared for and only for the members of the partnership as a body in accordance with the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

MVM Partners LLP
Financial Statements for the year to 31 March 2019

Independent auditors' report to the members of MVM Partners LLP (continued)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the limited liability partnership, 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.

We have no exceptions to report arising from this responsibility.



Peter Jourdier (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
7 June 2019

MVM Partners LLP
Financial Statements for the year to 31 March 2019

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR TO 31 MARCH 2019

Note	Year ended 31/03/19 £	Year ended 31/03/18 £
3 Turnover	3,899,887	5,209,236
Administrative expenses	<u>(2,474,091)</u>	<u>(3,275,523)</u>
6 Operating profit	1,425,796	1,933,713
Interest expense	(11,229)	-
Interest receivable and similar income	1,262	1,105
Foreign exchange movements	<u>50,323</u>	<u>(155,353)</u>
Profit for the financial year before members' remuneration and profit shares	1,466,152	1,779,465
Members' remuneration charged as an expense	<u>(1,004,843)</u>	<u>(953,188)</u>
Profit for the financial year available for discretionary division among members	<u>461,309</u>	<u>826,277</u>
Total comprehensive income	<u><u>461,309</u></u>	<u><u>826,277</u></u>

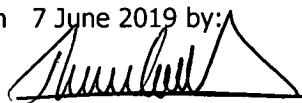
All the partnership's operations are classed as continuing. There were no gains or losses in the year other than those included in the above Statement of Comprehensive Income.

The notes on pages 14 to 22 form an integral part of these financial statements.

MVM Partners LLP**Financial Statements for the year to 31 March 2019****BALANCE SHEET AS AT 31 MARCH 2019**

Note		31/03/19 £	31/03/18 £
	Fixed Assets		
8	Tangible assets	8,971	11,488
9	Investments	10,307	10,307
		<u>19,278</u>	<u>21,795</u>
	Non-current assets		
10	Debtors: amounts falling due after more than one year	40,042	37,196
	Current assets		
11	Debtors: amounts falling due within one year	256,128	217,421
	Cash at bank and in hand	169,758	198,081
		<u>425,886</u>	<u>415,502</u>
12	Creditors: amounts falling due within one year	(338,833)	(339,371)
	Net current assets	<u>87,053</u>	<u>76,131</u>
	Total assets less current liabilities	<u>146,373</u>	<u>135,122</u>
	NET ASSETS ATTRIBUTABLE TO MEMBERS REPRESENTED BY:	<u>146,373</u>	<u>135,122</u>
	Loans and other debts due to members		
13	Other amounts	111,373	100,122
	Members' other interests		
	Members' capital classified as equity	35,000	35,000
		<u>35,000</u>	<u>35,000</u>
		<u>146,373</u>	<u>135,122</u>
	Total members' interests		
13	Loans and other debts due to members	111,373	100,122
	Members' other interests	35,000	35,000
		<u>146,373</u>	<u>135,122</u>

The financial statements were approved by the members on 7 June 2019 and signed on their behalf on 7 June 2019 by:



Thomas Casdagli
Designated member

The notes on pages 14 to 22 form an integral part of these financial statements.

MVM Partners LLP
Financial Statements for the year to 31 March 2019
RECONCILIATION OF MEMBERS' INTERESTS

	EQUITY Members' other interests			DEBT	TOTAL MEMBERS' INTERESTS
	Members' capital (classified as equity)	Other reserves	Total	Loans and other debts due to members (note 13)	Year ended 31/03/19
	£	£	£	£	£
Amounts due to members				100,122	
Amounts due from members				-	
Members' interests: balance at 01 April 2018	35,000	-	35,000	100,122	135,122
Members remuneration charged as an expense	-	-	-	1,004,843	1,004,843
Profit for the financial year available for discretionary division among members	-	461,309	461,309	-	461,309
Members' interests after profit for the year	35,000	461,309	496,309	1,104,965	1,601,274
Allocated profits	-	(461,309)	(461,309)	461,309	-
Introduced by members	8,750	-	8,750	-	8,750
Repaid to members	(8,750)	-	(8,750)	-	(8,750)
Drawings	-	-	-	(1,454,901)	(1,454,901)
Amounts due to members				111,373	
Members' interests at 31 March 2019	35,000	-	35,000	111,373	146,373

All of the other reserves were allocated to members.

The notes on pages 14 to 22 form an integral part of these financial statements.

MVM Partners LLP
Financial Statements for the year to 31 March 2019
RECONCILIATION OF MEMBERS' INTERESTS (continued)

	EQUITY Members' other interests			DEBT	TOTAL MEMBERS' INTERESTS
	Members' capital (classified as equity)	Other reserves	Total	Loans and other debts due to members (note 13)	Year ended 31/03/18
	£	£	£	£	£
Amounts due to members				170,533	
Amounts due from members				-	
Members' interests: balance at 01 April 2017	35,000	-	35,000	170,533	205,533
Members remuneration charged as an expense	-	-	-	953,188	953,188
Profit for the financial year available for discretionary division among members	-	826,277	826,277	-	826,277
Members' interests after profit for the year	35,000	826,277	861,277	1,123,721	1,984,998
Allocated profits	-	(826,277)	(826,277)	826,277	-
Introduced by members	4,375	-	4,375	-	4,375
Repaid to members	(4,375)	-	(4,375)	-	(4,375)
Drawings	-	-	-	(1,849,876)	(1,849,876)
Amounts due to members				100,122	
Members' interests at 31 March 2018	35,000	-	35,000	100,122	135,122

The notes on pages 14 to 22 form an integral part of these financial statements.

MVM Partners LLP
Financial Statements for the year to 31 March 2019

CASH FLOW STATEMENT FOR THE YEAR TO 31 MARCH 2019

	Year ended 31/03/19 £	Year ended 31/03/18 £
Net cash generated from operating activities	1,383,253	1,788,669
Cash flow from financing activities		
Interest received	1,262	1,105
Net cash generated from financing activities	1,262	1,105
Cash flow from investing activities		
Payments to acquire tangible fixed assets	(5,414)	(6,838)
Realisation of investments	-	456
Net cash used in investing activities	(5,414)	(6,382)
Transactions with members and former members		
Payments to members	(1,463,651)	(1,854,251)
Contributions by members	8,750	4,375
Net cash used in transactions with members and former members	(1,454,901)	(1,849,876)
Decrease in cash in the year from activities	(75,800)	(66,484)

The notes on pages 14 to 22 form an integral part of these financial statements.

MVM Partners LLP
Financial Statements for the year to 31 March 2019

CASH FLOW STATEMENT FOR THE YEAR TO 31 MARCH 2019 (CONTINUED)

	Year ended 31/03/19 £	Year ended 31/03/18 £
Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	1,425,796	1,933,713
Depreciation	7,931	15,950
Increase in trade debtors and prepayments	(38,707)	(79,408)
Decrease in trade creditors	(11,767)	(81,586)
Net cash inflow from operating activities	1,383,253	1,788,669

Reconciliation of net cash flow to movement in cash		
Net cash at 1 April	198,081	415,388
Net cash outflow from activities	(75,800)	(66,484)
Foreign exchange movements	47,477	(150,823)
Net cash at 31 March	169,758	198,081

Analysis of Change in Net Funds

	01/04/18 £	Cash flows £	Non cash movements £	31/03/19 £
Cash at bank	198,081	(75,800)	47,477	169,758
Overdrafts	-	-	-	-
Net funds	198,081	(75,800)	47,477	169,758

The notes on pages 14 to 22 form an integral part of these financial statements.

MVM Partners LLP
Financial Statements for the year to 31 March 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2019

1. Statement of Compliance with FRS 102

The financial statements have been prepared in accordance with the Companies Act 2006, as applied to Limited Liability Partnerships and with United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), as applicable to Smaller Entities, and the requirements of the Statement of Recommended Practice for Limited Liability Partnerships issued on 26 January 2017.

2. Accounting Policies

The principal accounting policies, which have been applied consistently throughout the year are set out below.

Basis of preparation

The financial statements have been prepared in accordance with FRS 102, as applicable to Smaller Entities. The financial statements have been prepared on a going concern basis and in accordance with the Companies Act 2006 as applied to Limited Liability Partnerships and FRS 102 and the requirements of the Statement of Recommended Practice for Limited Liability Partnerships issued on 26 January 2017.

Consolidation

The group controlled by MVM Partners LLP is classified as a small group under section 383 of the Companies Act 2006. Consequently it is exempt from the requirement to prepare group financial statements under section 399 of the Companies Act 2006.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The partnership has not taken any advantage of any available exemptions for qualifying entities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2019 (continued)

2. Accounting Policies (continued)

Investment management fees

Fees earned from the provision of investment management services are recognised in accordance with the relevant investment management agreements. The partnership recognises income when the amount can be measured reliably and it is probable that the economic benefit associated with the transaction will flow to the Partnership.

Administrative expenses

Administrative expenses are recognised on an accruals basis.

Financial instruments

The partnership has chosen to apply the provisions of both Section 11 and Section 12 of FRS 102 in full.

Basic financial assets, including trade and other receivables and cash and bank balances and are initially recognised at 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. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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.

Basic financial liabilities, including trade and other payables, a promissory note and other amounts due to fellow group companies, 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 receipts discounted at a market rate of interest.

MVM Partners LLP
Financial Statements for the year to 31 March 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2019 (continued)

2. Accounting Policies (continued)

Foreign currencies

The partnership's functional and presentation currency is pounds sterling.

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction or, where forward foreign currency contracts have been taken out, at contractual rates. Monetary assets and liabilities are retranslated at the rates of exchange ruling at the balance sheet date. Exchange gains and losses are taken to the Statement of Comprehensive Income.

Fixed assets

Depreciation is provided on cost in equal annual instalments over the estimated useful lives of the assets concerned. The following estimated useful lives are used.

Office fixtures and fittings	-	3 years
Leasehold improvements	-	Unexpired portion of lease

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Members' remuneration

The LLP agreement provides that fixed amounts, determined for each member in each year, be paid to members. These amounts are included within members' remuneration charged as an expense. Also included are amounts relating to investments which are automatically allocated.

A member's bonus and share in the profit or loss for the year is accounted for as an allocation of profits. Such allocations are at the discretion of the management committee of the partnership. Unallocated profits and losses are included within 'other reserves'.

Pension costs

Contributions to defined contribution schemes are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2019 (continued)

2. Accounting Policies (continued)

Leases

Rental costs under operating leases are charged to the profit and loss account on a straight-line basis over the lease term. Lease incentives are recognised on a straight-line basis over the lease term as a reduction of rental expense.

Critical accounting estimates and judgements

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.

The preparation of financial statements in conformity with FRS 102 requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. The estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and constitute management's best judgement at the date of the financial statements. In the future, actual experience could differ from those estimates.

The members do not consider the company to have any critical accounting estimates or judgements that could have a significant effect upon the financial results.

3. Turnover

Turnover represents fees levied on MVM Life Science GP (No.3) LLP and MVM GP (No.4) LLP for investment management fees. The members consider that the LLP's turnover derives from a single business segment, being fees levied in relation to investment management services.

All turnover arose from activities within the UK.

4. Key management personnel compensation

The members of the LLP are the LLP's sole key management personnel. In the current and prior year, the members did not take any compensation from the LLP other than their respective shares of the LLP's profits for the year.

MVM Partners LLP
Financial Statements for the year to 31 March 2019
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2019 (continued)
5. Employee information

	Year ended 31/03/19	Year ended 31/03/18
The average monthly number of persons employed by the partnership during the year was:	3	3

Staff costs for the above persons were:

	£	£
Wages and salaries	233,690	206,340
Social security costs	12,010	11,612
Other pension costs	20,115	19,944

6. Operating profit

	Year ended 31/03/19 £	Year ended 31/03/18 £
Is stated after charging:		
Depreciation		
- owned assets	6,135	13,306
- leasehold improvements	1,796	2,644
Services provided by the partnership's auditors		
- fees payable for the audit	16,886	16,237
- fees payable for other services	3,550	13,200
Hire of land and buildings – operating leases	93,532	85,368
Hire of plant and machinery – operating leases	940	2,404

7. Tax on profit on ordinary activities

Profits of Limited Liability Partnerships are not subject to corporation tax, hence there was no charge in this year or the prior year. Income tax payable on the partnership's profits is solely the personal liability of the individual members and consequently is not dealt with in these financial statements. MVM Partners LLP is not taxed as a corporate entity.

MVM Partners LLP
Financial Statements for the year to 31 March 2019
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2019 (continued)
8. Tangible assets

	Leasehold improvements	Office fixtures and fittings	Total
	£	£	£
Cost or valuation			
At 01 April 2018	4,510	58,691	63,201
Additions	1,511	3,903	5,414
Disposals	-	-	-
At 31 March 2019	6,021	62,594	68,615
Accumulated depreciation			
At 01 April 2018	2,864	48,849	51,713
Charge for the year	1,796	6,135	7,931
Disposals	-	-	-
At 31 March 2019	4,660	54,984	59,644
Net book value			
At 01 April 2018	1,646	9,842	11,488
At 31 March 2019	1,361	7,610	8,971

9. Investments

	Investment in subsidiary undertakings	Total
	£	£
At 01 April 2018	10,307	10,307
Disposals	-	-
At 31 March 2019	10,307	10,307

All investments are held at cost less impairment.

10. Debtors: amounts falling due after more than a year
31/03/19 31/03/18

	£	£
Promissory note	40,042	37,196
	40,042	37,196

The partnership is the beneficiary of a promissory note which falls due for payment on 31 December 2025. Interest on the promissory note accrues on a daily basis, compounding annually, at a rate of 2.61%.

MVM Partners LLP
Financial Statements for the year to 31 March 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2019 (continued)

	31/03/19	31/03/18
11. Debtors: amounts falling due within one year	£	£
Amounts owed by MVM Fund III LP	12,692	29,328
Amounts owed by MVM Fund III (No.2) LP	626	1,448
Amounts owed by MVM IV LP	9,081	25,775
Amounts owed by MVM IV Co-investment I LP	330	25,764
Amounts owed by MVM GP (No.4) Scottish LP	68	153
Amounts owed by subsidiary undertakings	359	64
Other debtors	72,498	53,647
Prepayments and accrued income	160,474	81,242
	<u>256,128</u>	<u>217,421</u>

Amounts owed by group undertakings and funds are unsecured, interest free, no fixed date of repayment and repayable on demand.

	31/03/19	31/03/18
12. Creditors: amounts falling due within one year	£	£
Amounts owed to subsidiary undertakings	10,679	10,678
Amounts owed to MVM General Partner (No.3) Scottish LP	30	16
Other creditors	96,591	126,121
Accruals and deferred income	231,533	202,556
	<u>338,833</u>	<u>339,371</u>

Amounts owed to group undertakings and funds are unsecured, interest free, no fixed date of repayment and repayable on demand.

	31/03/19	31/03/18
13. Loans and other debts due to members	£	£
Other amounts	<u>111,373</u>	<u>100,122</u>

Loans and other debts due to members rank equally with debts due to ordinary creditors in a winding up.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2019 (continued)

14. Operating lease commitments

Future minimum rentals payable under non-cancellable operating leases are as follows:

	31/03/19		31/03/18	
	Land and Buildings	Other	Land and Buildings	Other
	£	£	£	£
Within one year	120,712	940	43,089	940
In two to five years	178,560	2,820	-	3,760

15. Categories of financial assets and financial liabilities

	31/03/19	31/03/18
	£	£
Financial assets measured at fair value through profit or loss	-	-
Financial assets that are debt instruments measured at amortised cost	135,696	173,376
Financial assets that are equity instruments measured at cost less impairment	10,307	10,307
Financial liabilities measured at fair value through profit or loss	-	-
Financial liabilities measured at amortised cost	(338,833)	(339,371)
Loan commitments measured at cost less impairment	-	-

16. Ultimate controlling party

In the opinion of the members there is no ultimate controlling party of the partnership.

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Financial Statements for the year to 31 March 2019

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2019 (continued)

17. Related Party Transactions	Year to 31/03/19 £	Year to 31/03/18 £
<u>Transactions in the year with related parties were as follows:</u>		
Loans (received from)/repaid to MVM General Partner (No.3) Scottish LP*	(14)	57
Loans repaid by UK Medical Ventures Fund No 1 LP *	-	(18,238)
Loans (repaid by)/made to MVM International Life Sciences No 1 LP *	-	(25,494)
Loans (repaid by)/made to MVM Fund III LP *	(16,636)	18,515
Loans (repaid by)/made to MVM Fund III (No 2) LP *	(822)	914
Loans (repaid by)/made to MVM IV LP *	(16,694)	19,673
Loans (repaid by)/made to MVM IV Co-investment I LP *	(25,434)	7,594
Loans (repaid by)/made to MVM GP (No.4) Scottish LP *	(85)	43
Loans (received from)/repaid to subsidiary undertakings	294	(92)
Fees payable to MVM Partners, LLC **	1,485,936	2,338,257
Loans repaid to MVM Partners, LLC **	32,221	177,278
<u>Outstanding at the end of the year:</u>		
Amounts owed to MVM Partners, LLC **	(56,549)	(88,770)
Amounts owed by MVM Fund III LP *	12,692	29,328
Amounts owed by MVM Fund III (No.2) LP *	626	1,448
Amounts owed to MVM General Partner (No.3) Scottish LP *	(30)	(16)
Amounts owed by MVM IV LP *	9,081	25,775
Amounts owed by MVM IV Co-investment I LP *	330	25,764
Amounts owed by MVM GP (No.4) Scottish LP *	68	153
Amounts owed to subsidiary undertakings	(10,320)	(10,614)

* The general partners of these limited partnerships have appointed MVM Partners LLP to manage the limited partnerships.

** Entity owned by certain members of MVM Partners LLP.

All amounts owed to/by related parties are interest free and repayable on demand.