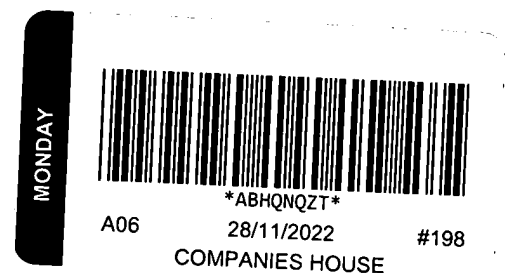




MVM PARTNERS LLP
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

Registered Number
OC311719



MVM Partners LLP
Financial Statements for the year ended 31 March 2022



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MVM Partners LLP
Financial Statements for the year ended 31 March 2022

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 ended 31 March 2022

MEMBERS' REPORT

The members present their report and the audited financial statements for the year ended 31 March 2022.

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 IV (2019) LP, MVM GP (No.5) LP, MVM V LP, MVM III (2020) LP, MVM V (2020) LP and MVM V (2021) LP.

Review of the business and future developments

The members are satisfied with the results for the year.

COVID-19 was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020. The pandemic continues to adversely impact global commercial activity and has contributed to significant volatility in financial markets, disruption in global supply chains and adverse impacts on a number of industries. Consequently COVID-19 presents uncertainty and risk with respect to the partnership's performance and financial results. The members have reviewed the partnership's business continuity plan and expect the partnership to be in a position to continue operations throughout this period of uncertainty. The full impact on economies, society and on the partnership are difficult to predict with certainty at the time of signing these financial statements.

In light of the recent events in Ukraine in the first quarter of 2022, the members and their advisors have been monitoring its continued development and performed an assessment of the current exposure to Ukraine, Russia and Belarus (the "Region") and the potential impact on the partnership's operations. The partnership is a UK registered limited liability partnership. Currently neither the partnership nor the advisors conduct business and operations in the Region; therefore, the partnership is not subject to any direct impact from these events.

With regards to the funds managed by the partnership and their portfolio investments, all of the portfolio companies have their headquarters and principal place of business in the US, EU and the U.K. The members have duly considered the restrictions imposed by the relevant sanctions on the funds and their investments and acted in accordance with applicable regulations. As the events unfold and change rapidly, at this point it is unclear what the consequences of the recent events in Ukraine would be for the funds' investments. The members will continue to actively monitor the funds' investments and operating activities.

MVM Partners LLP
Financial Statements for the year ended 31 March 2022

MEMBERS' REPORT (continued)

Results for the year and allocation to members

The partnership's profit for the year available for discretionary distribution to members was £588,370 (2021: £998,804).

Designated members

The following were designated members during the year:

Stephen Reeders
Eric Bednarski
Thomas Casdagli

Registered number

OC311719

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

In accordance with the Limited Liability Partnership Agreement dated 25 October 2005 (as subsequently amended and restated) (the "LLPA"), 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. Members may not demand repayment of capital other than in accordance with the terms of the LLPA.

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.

MVM Partners LLP
Financial Statements for the year ended 31 March 2022

MEMBERS' REPORT (continued)

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

Thomas Casdagli
Designated member
14 July 2022

MVM Partners LLP

Financial Statements for the year ended 31 March 2022

STATEMENT OF MEMBERS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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 financial statements 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.

Under company law, as applied to limited liability partnerships, 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 LLP and of the profit or loss of the LLP for that period. In preparing the financial statements, the members are required to:

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

The members are responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members are also responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006.

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 LLP's affairs as at 31 March 2022 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 2022; 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 LLP 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.

MVM Partners LLP

Financial Statements for the year ended 31 March 2022

Conclusions relating to going concern

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 LLP'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.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the LLP's ability to continue as a going concern.

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

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.

MVM Partners LLP

Financial Statements for the year ended 31 March 2022

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, 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 LLP'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 LLP 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.

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.

Based on our understanding of the LLP and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as 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 evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries in relation to revenue or expenses. Audit procedures performed by the engagement team included:

- Enquiries with management, including consideration of known or suspected instances of noncompliance with laws and regulations and fraud;
- Reviewing relevant meeting minutes, and any correspondence with the Financial Conduct Authority;
- Understanding of management's internal controls designed to prevent and detect irregularities;
- Identifying and testing journal entries, in particular any journal entries posted with unusual characteristics, where any such journal entries were identified; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

MVM Partners LLP

Financial Statements for the year ended 31 March 2022

Use of this report

This report, including the opinions, 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 these opinions, 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.

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 obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the LLP, 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.



James Read (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

14-07-2022



MVM PARTNERS LLP

MVM Partners LLP

Financial Statements for the year ended 31 March 2022

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR TO 31 MARCH 2022

| Note | | Year ended 31/03/22 £ | Year ended 31/03/21 £ |
|------|---|--------------------------------------|--------------------------------------|
| 3 | Turnover | 6,068,726 | 6,898,797 |
| | Administrative expenses | <u>(4,524,863)</u> | <u>(4,646,911)</u> |
| 6 | Operating profit | 1,543,863 | 2,251,886 |
| | Interest expense | (2,693) | (40,046) |
| | Interest receivable and similar income | 1,073 | 1,761 |
| | Foreign exchange movements | <u>31,778</u> | <u>(290,139)</u> |
| | Profit for the financial year before members' remuneration and profit shares | 1,574,021 | 1,923,462 |
| | Members' remuneration charged as an expense | <u>(985,651)</u> | <u>(924,658)</u> |
| | Profit for the financial year available for discretionary division among members | <u>588,370</u> | <u>998,804</u> |
| | Total comprehensive income | <u>588,370</u> | <u>998,804</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 16 to 26 form an integral part of these financial statements.

MVM Partners LLP
Financial Statements for the year ended 31 March 2022
BALANCE SHEET AS AT 31 MARCH 2022

| Note | | 31/03/22 £ | 31/03/21 £ |
|------|--|--------------------|--------------------|
| | Fixed Assets | | |
| 8 | Tangible assets | 9,975 | 18,188 |
| 9 | Investments | 10,459 | 10,307 |
| | | <u>20,434</u> | <u>28,495</u> |
| | Current assets | | |
| 10 | Debtors: amounts falling after more than one year | 852,427 | 1,350,742 |
| 10 | Debtors: amounts falling due within one year | 779,669 | 671,078 |
| | Cash at bank and in hand | 264,973 | 493,718 |
| | | <u>1,897,069</u> | <u>2,515,538</u> |
| 11 | Creditors: amounts falling due within one year | <u>(1,098,308)</u> | <u>(1,600,650)</u> |
| | Net current assets | 798,761 | 914,888 |
| | Total assets less current liabilities | <u>819,195</u> | <u>943,383</u> |
| | Creditors: amounts falling due after more than one year | - | - |
| | NET ASSETS ATTRIBUTABLE TO MEMBERS | <u>819,195</u> | <u>943,383</u> |
| | REPRESENTED BY: | | |
| | Loans and other debts due to members | | |
| 12 | Other amounts | 569,195 | 908,383 |
| | Members' other interests | | |
| | Members' capital classified as equity | 250,000 | 35,000 |
| | | <u>250,000</u> | <u>35,000</u> |
| | | <u>819,195</u> | <u>943,383</u> |
| | Total members' interests | | |
| 12 | Loans and other debts due to members | 569,195 | 908,383 |
| | Members' other interests | 250,000 | 35,000 |
| | | <u>819,195</u> | <u>943,383</u> |

The financial statements were approved by the members and signed on their behalf on 14 July 2022 by:

Thomas Casdagli

Thomas Casdagli

Designated member

The notes on pages 16 to 26 form an integral part of these financial statements.

MVM Partners LLP
Financial Statements for the year ended 31 March 2022
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 12) | Year ended 31/03/22 |
| | £ | £ | £ | £ | £ |
| Amounts due to members | | | | 908,383 | |
| Amounts due from members | | | | - | |
| Members' interests: balance at 01 April 2021 | 35,000 | - | 35,000 | 908,383 | 943,383 |
| Members remuneration charged as an expense | - | - | - | 985,651 | 985,651 |
| Profit for the financial year available for discretionary division among members | - | 588,370 | 588,370 | - | 588,370 |
| Members' interests after profit for the year | 35,000 | 588,370 | 623,370 | 1,894,034 | 2,517,404 |
| Allocated profits | - | (588,370) | (588,370) | 588,370 | - |
| Introduced by members | 215,000 | - | 215,000 | - | 215,000 |
| Repaid to members | - | - | - | - | - |
| Drawings | - | - | - | (1,913,209) | (1,913,209) |
| Amounts due to members | | | | 569,195 | |
| Members' interests at 31 March 2022 | 250,000 | - | 250,000 | 569,195 | 819,195 |

All of the other reserves were allocated to members.

The notes on pages 16 to 26 form an integral part of these financial statements.

MVM Partners LLP
Financial Statements for the year ended 31 March 2022
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 12) | Year ended 31/03/21 |
| | £ | £ | £ | £ | £ |
| Amounts due to members | | | | 570,474 | |
| Amounts due from members | | | | - | |
| Members' interests: balance at 01 April 2020 | 35,000 | - | 35,000 | 570,474 | 605,474 |
| Members remuneration charged as an expense | - | - | - | 924,658 | 924,658 |
| Profit for the financial year available for discretionary division among members | - | 998,804 | 998,804 | - | 998,804 |
| Members' interests after profit for the year | 35,000 | 998,804 | 1,033,804 | 1,495,132 | 2,528,936 |
| Allocated profits | - | (998,804) | (998,804) | 998,804 | - |
| Introduced by members | 4,375 | - | 4,375 | - | 4,375 |
| Repaid to members | (4,375) | - | (4,375) | - | (4,375) |
| Drawings | - | - | - | (1,585,553) | (1,585,553) |
| Amounts due to members | | | | 908,383 | |
| Members' interests at 31 March 2021 | 35,000 | - | 35,000 | 908,383 | 943,383 |

The notes on pages 16 to 26 form an integral part of these financial statements.

MVM Partners LLP
Financial Statements for the year ended 31 March 2022



CASH FLOW STATEMENT FOR THE YEAR TO 31 MARCH 2022

| | Year ended 31/03/22 £ | Year ended 31/03/21 £ |
|--|--------------------------------------|--------------------------------------|
| Net cash generated from operating activities | 1,449,475 | 2,281,380 |
| Cash flow from financing activities | | |
| Interest received | 1,073 | 1,761 |
| Interest paid | (2,693) | (40,046) |
| Payments to members | (1,913,209) | (1,589,928) |
| Contributions by members | 215,000 | 4,375 |
| Net cash used in financing activities | (1,699,829) | (1,623,838) |
| Cash flow from investing activities | | |
| Payments to acquire tangible fixed assets | (8,207) | (22,930) |
| Payments to acquire investments | (152) | - |
| Net cash used in investing activities | (8,359) | (22,930) |
| (Decrease)/increase in cash in the year from activities | (258,713) | 634,612 |

The notes on pages 16 to 26 form an integral part of these financial statements.

MVM Partners LLP

Financial Statements for the year ended 31 March 2022

CASH FLOW STATEMENT FOR THE YEAR TO 31 MARCH 2022 (CONTINUED)

| | Year ended 31/03/22 £ | Year ended 31/03/21 £ |
|--|--------------------------------|--------------------------------|
| Reconciliation of operating profit to net cash inflow from operating activities | | |
| Operating profit | 1,543,863 | 2,251,886 |
| Depreciation | 16,420 | 15,749 |
| Decrease in trade debtors and prepayments | 391,534 | 848,167 |
| Decrease in trade creditors | (502,342) | (834,422) |
| Net cash inflow from operating activities | 1,449,475 | 2,281,380 |

Reconciliation of net cash flow to movement in cash

| | | |
|---|-----------|-----------|
| Net cash at 1 April | 493,718 | 144,984 |
| Net cash (outflow)/inflow from activities | (258,713) | 634,612 |
| Foreign exchange movements | 29,968 | (285,878) |
| Net cash at 31 March | 264,973 | 493,718 |

Analysis of Change in Net Funds

| | 01/04/21 £ | Cash flows £ | Non cash movements £ | 31/03/22 £ |
|--------------|---------------|-----------------|----------------------------|---------------|
| Cash at bank | 493,718 | (258,713) | 29,968 | 264,973 |
| Overdrafts | - | - | - | - |
| Net funds | 493,718 | (258,713) | 29,968 | 264,973 |

The notes on pages 16 to 26 form an integral part of these financial statements.

MVM Partners LLP
Financial Statements for the year ended 31 March 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2022

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 14 December 2018.

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 14 December 2018.

Going concern

On the basis of its assessment of the partnership's financial position and resources, the members believe that the partnership is well placed to manage its business risks and is able to meet its liabilities as they fall due. Therefore, the members have a reasonable expectation that the partnership has adequate resources to continue in operational existence for the foreseeable future. Thus, the partnership continues to adopt the going concern basis of accounting in preparing the annual financial statements.

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.

MVM Partners LLP

Financial Statements for the year ended 31 March 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2022 (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 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 publicly 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 ended 31 March 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2022 (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.

Deferred placement agent fees

Placement agent fees incurred in relation to the raising of investment funds managed by the partnership are recognised when the investment period of the respective fund begins and the partnership begins to accrue management fee income. The placement agent fees are recognised as a contract asset debtor until released to the statement of comprehensive income in equal annual instalments over the investment period of the fund.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2022 (continued)

2. Accounting Policies (continued)

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.

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 partnership to have any critical accounting estimates or judgements that could have a significant effect upon the financial results, other than the estimated useful life of the deferred placement agent fees.

MVM Partners LLP
Financial Statements for the year ended 31 March 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2022 (continued)

3. Turnover

Turnover represents fees levied on MVM GP (No.4) LLP and MVM V LP for investment management services. 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.

5. Employee information

| | Year ended 31/03/22 | Year ended 31/03/21 |
|--|--------------------------------|--------------------------------|
| The average monthly number of persons employed by the partnership during the year was: | 3 | 4 |

| | £ | £ |
|---|----------|----------|
| Staff costs for the above persons were: | | |
| Wages and salaries | 222,431 | 285,923 |
| Social security costs | 9,343 | 17,764 |
| Other pension costs | 10,612 | 19,158 |

6. Operating profit

| | Year ended 31/03/22 £ | Year ended 31/03/21 £ |
|---|--------------------------------------|--------------------------------------|
| Is stated after charging/(crediting): | | |
| Depreciation | | |
| - owned assets | 7,090 | 5,688 |
| - leasehold improvements | 9,330 | 10,061 |
| Fees payable to the partnership's auditors and its associates for the audit of the partnership's financial statements | 15,064 | 14,600 |
| Fees payable to the partnership's auditors and its associates for other services: | | |
| - Audit of the partnership's affiliates | 9,261 | 8,820 |
| - Audit-related assurance services | 5,000 | 5,000 |
| - Tax advisory services | 86,717 | (1,000) |
| Hire of land and buildings – operating leases | 116,997 | 117,052 |
| Hire of plant and machinery – operating leases | 940 | 940 |

MVM Partners LLP
Financial Statements for the year ended 31 March 2022
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2022 (continued)
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.

8. Tangible assets

| | Leasehold improvements | Office fixtures and fittings | Total |
|---------------------------------|-----------------------------------|---|----------------|
| | £ | £ | £ |
| Cost or valuation | | | |
| At 01 April 2021 | 24,529 | 75,272 | 99,801 |
| Additions | - | 8,207 | 8,207 |
| Disposals | - | - | - |
| At 31 March 2022 | <u>24,529</u> | <u>83,479</u> | <u>108,008</u> |
| Accumulated depreciation | | | |
| At 01 April 2021 | 15,199 | 66,414 | 81,613 |
| Charge for the year | 9,330 | 7,090 | 16,420 |
| Disposals | - | - | - |
| At 31 March 2022 | <u>24,529</u> | <u>73,504</u> | <u>98,034</u> |
| Net book value | | | |
| At 31 March 2021 | <u>9,330</u> | <u>8,858</u> | <u>18,188</u> |
| At 31 March 2022 | <u>-</u> | <u>9,975</u> | <u>9,975</u> |

9. Investments

| | Investment in subsidiary undertakings | Total |
|------------------|--|---------------|
| | £ | £ |
| At 01 April 2021 | 10,307 | 10,307 |
| Additions | 152 | 152 |
| At 31 March 2022 | <u>10,459</u> | <u>10,459</u> |

All investments are held at cost less impairment.

MVM Partners LLP
Financial Statements for the year ended 31 March 2022
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2022 (continued)

| | 31/03/22 | 31/03/21 |
|--|----------------|------------------|
| | £ | £ |
| 10. Debtors | | |
| 10.A. Debtors: amounts falling after more than one year | | |
| Promissory note | 39,629 | 37,819 |
| Deferred placement agent fees | 812,798 | 1,312,923 |
| | <u>852,427</u> | <u>1,350,742</u> |
| 10.B. Debtors: amounts falling due within one year | | |
| Amounts owed by MVM Fund III LP | 27,240 | 6,016 |
| Amounts owed by MVM Fund III (No.2) LP | 1,345 | 299 |
| Amounts owed by MVM IV LP | 25,359 | 8,046 |
| Amounts owed by MVM IV Co-investment I LP | - | - |
| Amounts owed by MVM V LP | 17,418 | 5,741 |
| Amounts owed by MVM GP (No.4) Scottish LP | 147 | 56 |
| Amounts owed by MVM GP (No.5) LP | 126 | 97 |
| Amounts owed by MVM IV (2019) LP | 985 | 32 |
| Amounts owed by MVM III (2020) LP | 1,023 | 32 |
| Amounts owed by MVM V (2020) LP | 7,655 | 32 |
| Amounts owed by MVM V (2021) LP | 16,180 | - |
| Amounts owed by subsidiary undertakings | 162 | 179 |
| Deferred placement agent fees | 562,943 | 537,238 |
| Other debtors | 39,763 | 40,885 |
| Prepayments and accrued income | 79,323 | 72,425 |
| | <u>779,669</u> | <u>671,078</u> |

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

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%.

Deferred placement agent fees reflect a contract asset arising from the formation of an investment fund managed by the partnership. The asset will be released to the statement of comprehensive income over a period ending on 8 September 2024. The amount expected to be released over the next year (based on the exchange rate in effect on 31 March 2022) is £562,943.

MVM Partners LLP
Financial Statements for the year ended 31 March 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2022 (continued)

| | 31/03/22 | 31/03/21 |
|---|------------------|------------------|
| 11. Creditors: amounts falling due within one year | £ | £ |
| Amounts owed to subsidiary undertakings | 10,831 | 10,679 |
| Amounts owed to MVM General Partner (No.3) Scottish LP | 60 | 60 |
| Other creditors | 801,847 | 1,123,880 |
| Accruals and deferred income | 285,570 | 466,031 |
| | <u>1,098,308</u> | <u>1,600,650</u> |

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

| | 31/03/22 | 31/03/21 |
|---|-----------------|-----------------|
| 12. Loans and other debts due to members | £ | £ |
| Other amounts | 569,195 | 908,383 |

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

MVM Partners LLP

Financial Statements for the year ended 31 March 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2022 (continued)

13. Operating lease commitments

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

| | 31/03/22 | | 31/03/21 | |
|----------------------|-------------------------------|--------------|-------------------------------|--------------|
| | Land and Buildings | Other | Land and Buildings | Other |
| | £ | £ | £ | £ |
| Within one year | 110,653 | 940 | 57,848 | 940 |
| In two to five years | 60,356 | - | - | 940 |

| 14. Categories of financial assets and financial liabilities | 31/03/22 | 31/03/21 |
|---|-----------------|-----------------|
| | £ | £ |
| Financial assets measured at fair value through profit or loss | - | - |
| Financial assets that are debt instruments measured at amortised cost | 177,032 | 99,234 |
| Financial assets that are equity instruments measured at cost less impairment | 10,459 | 10,307 |
| Financial liabilities measured at fair value through profit or loss | - | - |
| Financial liabilities measured at amortised cost | (1,098,308) | (1,600,650) |
| Loan commitments measured at cost less impairment | - | - |

15. Ultimate controlling party

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

MVM Partners LLP

Financial Statements for the year ended 31 March 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2022 (continued)

| 16. Related Party Transactions | Year to 31/03/22 £ | Year to 31/03/21 £ |
|---|--------------------------|--------------------------|
| <u>Transactions in the year with related parties were as follows:</u> | | |
| Loans repaid to MVM General Partner (No.3) Scottish LP* | - | 30 |
| Loans made to/(repaid by) MVM Fund III LP * | 21,224 | (7,794) |
| Loans made to/(repaid by) MVM Fund III (No 2) LP * | 1,046 | (382) |
| Loans made to MVM IV LP * | 17,313 | 3,645 |
| Loans repaid by MVM IV Co-investment I LP * | - | (3,986) |
| Loans made to/(repaid by) MVM GP (No.4) Scottish LP * | 91 | (4) |
| Loans made to MVM V LP * | 11,677 | 34,726 |
| Loans made to/(repaid by) MVM GP (No.5) LP * | 29 | (90) |
| Loans made to MVM IV (2019) LP * | 953 | 32 |
| Loans made to MVM III (2020) LP * | 991 | 32 |
| Loans made to MVM V (2020) LP * | 7,623 | 32 |
| Loans made to MVM V (2021) LP * | 16,180 | - |
| Loans (received from)/repaid to subsidiary undertakings | (169) | 7 |
| Fees payable to MVM Partners, LLC ** | 2,965,089 | 3,270,299 |
| Loans received from MVM Partners, LLC ** | (7,675) | (463,630) |

MVM Partners LLP
Financial Statements for the year ended 31 March 2022

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2022 (continued)

| Related Party Transactions (continued) | Year to 31/03/22 £ | Year to 31/03/21 £ |
|--|-----------------------------------|-----------------------------------|
| <u>Outstanding at the end of the year:</u> | | |
| Amounts owed to MVM Partners, LLC ** | (676,834) | (669,159) |
| Amounts owed by MVM Fund III LP * | 27,240 | 6,016 |
| Amounts owed by MVM Fund III (No.2) LP * | 1,345 | 299 |
| Amounts owed to MVM General Partner (No.3) Scottish LP * | (60) | (60) |
| Amounts owed by MVM IV LP * | 25,359 | 8,046 |
| Amounts owed by MVM IV Co-investment I LP * | - | - |
| Amounts owed by MVM GP (No.4) Scottish LP * | 147 | 56 |
| Amounts owed by MVM V LP * | 17,418 | 5,741 |
| Amounts owed by MVM GP (No.5) LP * | 126 | 97 |
| Amounts owed by MVM IV (2019) LP * | 985 | 32 |
| Amounts owed by MVM III (2020) LP * | 1,023 | 32 |
| Amounts owed by MVM V (2020) LP * | 7,655 | 32 |
| Amounts owed by MVM V (2021) LP * | 16,180 | - |
| Amounts owed to subsidiary undertakings | (10,669) | (10,500) |

* 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.

17. Events after the End of the Reporting Period

No events occurred after the end of the reporting period that the members considers would result in the financial statements being misleading.