

M V M

MVM PARTNERS LLP

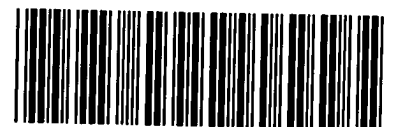
MVM PARTNERS LLP

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

Registered in the
Companies House

FRIDAY



ACGXZH0Z

A33

24/11/2023

#15

COMPANIES HOUSE

MVM Partners LLP
Financial Statements for the year ended 31 March 2023

CONTENTS

Pages

1	Designated members and advisers
2 - 3	Members' report
4	Statement of members' responsibilities in respect of the financial statements
5 - 8	Independent Auditors' report
9	Statement of Comprehensive Income
10	Balance sheet
11 - 12	Reconciliation of members' interests
13 - 14	Cash flow statement
15 - 26	Notes to the financial statements

MVM Partners LLP
Financial Statements for the year ended 31 March 2023

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 2023

MEMBERS' REPORT

The members present their report and the audited financial statements for the year ended 31 March 2023.

Principal activities

The principal activities of MVM Partners LLP ("the partnership") during the year were those of private fund management and investment advice.

On 1 July 2022, the partnership resigned as manager of MVM V LP and MVM GP (No.5) LP. Simultaneously, MVM Partners, LLC was appointed as manager of these entities and the partnership agreed to provide investment advice to MVM Partners, LLC in relation to these limited partnerships.

On 8 July 2022, the partnership entered into an agreement to provide investment advice to MVM Partners, LLC in relation to MVM VI LP and MVM GP (No.6) LP.

On 3 October 2022, the partnership resigned as manager of MVM III (2020) LP, MVM V (2020) LP and MVM V (2021) LP. Simultaneously, MVM Partners, LLC was appointed as manager of these entities.

The designated members anticipate that the investment advisory activities outlined above will continue in the coming year and 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 and MVM IV (2019) LP.

Review of the business and future developments

The members are satisfied with the results for the year.

Results for the year and allocation to members

The partnership's profit for the year available for discretionary distribution to members was £Nil (restated 2022: £Nil).

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 ended 31 March 2023

MEMBERS' REPORT (continued)

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.

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
25 July 2023

MVM Partners LLP

Financial Statements for the year ended 31 March 2023

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" Section 1A) 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 Section 1A, 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 2023 and of its result 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, 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 2023; 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 2023

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.

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 in Respect of the Financial Statements, 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.

MVM Partners LLP

Financial Statements for the year ended 31 March 2023

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.

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.

MVM Partners LLP

Financial Statements for the year ended 31 March 2023

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.

Entitlement to exemptions

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion, the members were not entitled to: prepare financial statements in accordance with the small limited liability partnerships regime. We have no exceptions to report arising from this responsibility.



Caroline May (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
26 July 2023

MVM Partners LLP

Financial Statements for the year ended 31 March 2023

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR TO 31 MARCH 2023

Note	Year ended 31/03/23 £	Year ended 31/03/22 £ (restated)
3 Turnover	9,038,411	6,068,726
Administrative expenses	<u>(5,516,963)</u>	<u>(4,524,863)</u>
6 Operating profit	3,521,448	1,543,863
Interest expense	-	(2,693)
Interest receivable and similar income	1,859	1,073
Gains on sale of investment	461	-
Foreign exchange movements	<u>(73,475)</u>	<u>31,778</u>
Profit for the financial year before members' remuneration and profit shares	3,450,293	1,574,021
Members' remuneration charged as an expense	<u>(3,450,293)</u>	<u>(1,574,021)</u>
Profit for the financial year available for discretionary division among members	<u>-</u>	<u>-</u>
Total comprehensive income	<u><u>-</u></u>	<u><u>-</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.

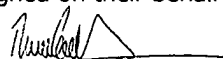
The notes on pages 15 to 26 form an integral part of these financial statements.

MVM Partners LLP
Financial Statements for the year ended 31 March 2023

BALANCE SHEET AS AT 31 MARCH 2023

Note		31/03/23 £	31/03/22 £
	Fixed Assets		
8	Tangible assets	13,081	9,975
9	Investments	469	10,459
		<u>13,550</u>	<u>20,434</u>
	Current assets		
10	Debtors: amounts falling after more than one year	266,081	852,427
10	Debtors: amounts falling due within one year	1,185,517	779,669
	Cash at bank and in hand	424,054	264,973
		<u>1,875,652</u>	<u>1,897,069</u>
11	Creditors: amounts falling due within one year	<u>(159,891)</u>	<u>(1,098,308)</u>
	Net current assets	1,715,761	798,761
	Total assets less current liabilities	<u>1,729,311</u>	<u>819,195</u>
	Creditors: amounts falling due after more than one year	-	-
	NET ASSETS ATTRIBUTABLE TO MEMBERS	<u>1,729,311</u>	<u>819,195</u>
	REPRESENTED BY:		
	Loans and other debts due to members		
12	Other amounts	1,479,311	569,195
	Members' other interests		
	Members' capital classified as equity	250,000	250,000
		<u>250,000</u>	<u>250,000</u>
		<u>1,729,311</u>	<u>819,195</u>
	Total members' interests		
12	Loans and other debts due to members	1,479,311	569,195
	Members' other interests	250,000	250,000
		<u>1,729,311</u>	<u>819,195</u>

These financial statements have been prepared in accordance with the special provisions applicable to LLPs subject to the small LLPs regime. The financial statements were approved by the members and signed on their behalf on 25 July 2023 by:



Thomas Casdagli
Designated member

The notes on pages 15 to 26 form an integral part of these financial statements.

MVM Partners LLP

Financial Statements for the year ended 31 March 2023

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 31/03/23
	£	£	£	£	£
Amounts due to members				569,195	
Amounts due from members				-	
Members' interests: balance at 01 April 2022	250,000	-	250,000	569,195	819,195
Members remuneration charged as an expense	-	-	-	3,450,293	3,450,293
Profit for the financial year available for discretionary division among members	-	-	-	-	-
Members' interests after profit for the year	250,000	-	250,000	4,019,488	4,269,488
Allocated profits	-	-	-	-	-
Introduced by members	-	-	-	-	-
Repaid to members	-	-	-	-	-
Drawings	-	-	-	(2,540,177)	(2,540,177)
Amounts due to members				1,479,311	
Members' interests at 31 March 2023	250,000	-	250,000	1,479,311	1,729,311

All of the other reserves were allocated to members.

The notes on pages 15 to 26 form an integral part of these financial statements.

MVM Partners LLP
Financial Statements for the year ended 31 March 2023
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 (restated*)	-	-	-	1,574,021	1,574,021
Profit for the financial year available for discretionary division among members (restated*)	-	-	-	-	-
Members' interests after profit for the year (restated*)	35,000	-	35,000	2,482,404	2,517,404
Allocated profits (restated*)	-	-	-	-	-
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

The notes on pages 15 to 26 form an integral part of these financial statements.

* Members' remuneration charged as an expense was restated, with an increase of £588,370, and profit available for discretionary division was restated, with a reduction of £588,370. Allocated profits were also restated, with a reduction of £588,370, resulting in no overall net impact on members' interests. Refer to note 18 for further details.

MVM Partners LLP**Financial Statements for the year ended 31 March 2023****M V M**

MVM PARTNERS LLP

CASH FLOW STATEMENT FOR THE YEAR TO 31 MARCH 2023

	Year ended 31/03/23 £	Year ended 31/03/22 £
Net cash generated from operating activities	2,770,702	1,449,475
Cash flow from financing activities		
Interest received	1,859	1,073
Interest paid	-	(2,693)
Payments to members	(2,540,177)	(1,913,209)
Contributions by members	-	215,000
Net cash used in financing activities	(2,538,318)	(1,699,829)
Cash flow from investing activities		
Payments to acquire tangible fixed assets	(10,289)	(8,207)
Sale of investments	10,461	(152)
Net cash generated from/(used in) investing activities	172	(8,359)
(Increase)/decrease in cash in the year from activities	232,556	(258,713)

The notes on pages 15 to 26 form an integral part of these financial statements.

MVM Partners LLP

Financial Statements for the year ended 31 March 2023

CASH FLOW STATEMENT FOR THE YEAR TO 31 MARCH 2023 (CONTINUED)

	Year ended 31/03/23 £	Year ended 31/03/22 £
Reconciliation of operating profit to net cash inflow from operating activities		
Operating profit	3,521,448	1,543,863
Depreciation	7,183	16,420
Decrease in trade debtors and prepayments	180,498	391,534
Decrease in trade creditors	(938,427)	(502,342)
Net cash inflow from operating activities	<u>2,770,702</u>	<u>1,449,475</u>

Reconciliation of net cash flow to movement in cash

Net cash at 1 April 2022	264,973	493,718
Net cash inflow/(outflow) from activities	232,556	(258,713)
Foreign exchange movements	(73,475)	29,968
Net cash at 31 March 2023	<u>424,054</u>	<u>264,973</u>

Analysis of Change in Net Funds

	01/04/22 £	Cash flows £	Non cash movements £	31/03/23 £
Cash at bank	264,973	232,556	(73,475)	424,054
Overdrafts	-	-	-	-
Net funds	<u>264,973</u>	<u>232,556</u>	<u>(73,475)</u>	<u>424,054</u>

The notes on pages 15 to 26 form an integral part of these financial statements.

MVM Partners LLP

Financial Statements for the year ended 31 March 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2023

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') Section 1A, as applicable to Smaller Entities, and the requirements of the Statement of Recommended Practice for Limited Liability Partnerships issued on 17 December 2021.

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 Section 1A, 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 Section 1A and the requirements of the Statement of Recommended Practice for Limited Liability Partnerships issued on 17 December 2021.

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 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2023 (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 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2023 (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 or advised 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.

MVM Partners LLP

Financial Statements for the year ended 31 March 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2023 (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. Furthermore, other amounts are allocated among the members on a discretionary basis by the personnel committee of the partnership, but, as any residual profits remaining after such discretionary allocations are automatically allocated to the members, all of these amounts are also included within members' remuneration charged as an expense. Also included are amounts relating to investments which are automatically allocated.

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 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2023 (continued)

3. Turnover

Turnover represents fees levied on MVM GP (No.4) LLP and MVM V LP for investment management services and fees charged to MVM Partners, LLC for investment advice. The members consider that the LLP's turnover derives from a single business segment, being fees levied in relation to investment management and advisory 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 31/03/23	Year ended 31/03/22
The average monthly number of persons employed by the partnership during the year was:	4	3

	£	£
Staff costs for the above persons were:		
Wages and salaries	326,689	222,431
Social security costs	5,039	9,343
Other pension costs	24,595	10,612

6. Operating profit

	Year ended 31/03/23 £	Year ended 31/03/22 £
Is stated after charging:		
Depreciation		
- owned assets	7,183	7,090
- leasehold improvements	-	9,330
Fees payable to the partnership's auditors and its associates for the audit of the partnership's financial statements	18,073	15,064
Fees payable to the partnership's auditors and its associates for other services:		
- Audit of the partnership's affiliates	11,100	9,261
- Audit-related assurance services	5,000	5,000
- Tax advisory services	10,226	86,717
Hire of land and buildings – operating leases	116,279	116,997
Hire of plant and machinery – operating leases	940	940

MVM Partners LLP

Financial Statements for the year ended 31 March 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2023 (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 2022	24,529	83,479	108,008
Additions	-	10,289	10,289
Disposals	-	-	-
At 31 March 2023	24,529	93,768	118,297
Accumulated depreciation			
At 01 April 2022	24,529	73,504	98,033
Charge for the year	-	7,183	7,183
Disposals	-	-	-
At 31 March 2023	24,529	80,687	105,216
Net book value			
At 31 March 2022	-	9,975	9,975
At 31 March 2023	-	13,081	13,081

9. Investments

	Investment in subsidiary undertakings	Total
	£	£
At 01 April 2022	10,459	10,459
Disposals	(10,000)	(10,000)
Foreign exchange movements	10	10
At 31 March 2023	469	469

All investments are held at cost less impairment.

MVM Partners LLP

Financial Statements for the year ended 31 March 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2023 (continued)

10. Debtors	31/03/23	31/03/22
	£	£
10.A. Debtors: amounts falling after more than one year		
Promissory note	-	39,629
Deferred placement agent fees	266,081	812,798
	<u>266,081</u>	<u>852,427</u>
10.B. Debtors: amounts falling due within one year		
Amounts owed by MVM Fund III LP	7,040	27,240
Amounts owed by MVM Fund III (No.2) LP	347	1,345
Amounts owed by MVM IV LP	7,462	25,359
Amounts owed by MVM IV Co-investment I LP	-	-
Amounts owed by MVM V LP	-	17,418
Amounts owed by MVM GP (No.4) Scottish LP	60	147
Amounts owed by MVM GP (No.5) LP	102	126
Amounts owed by MVM IV (2019) LP	2,624	985
Amounts owed by MVM III (2020) LP	1,130	1,023
Amounts owed by MVM V (2020) LP	8,152	7,655
Amounts owed by MVM V (2021) LP	4,075	16,180
Amounts owed by MVM A LP	1,775	-
Amounts owed by MVM C LP	1,794	-
Amounts owed by MVM D LP	244	-
Amounts owed by subsidiary undertakings	193,433	162
Deferred placement agent fees	599,505	562,943
Other debtors	278,406	39,763
Prepayments and accrued income	79,368	79,323
	<u>1,185,517</u>	<u>779,669</u>

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

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 2023) is £599,505.

MVM Partners LLP

Financial Statements for the year ended 31 March 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2023 (continued)

	31/03/23	31/03/22
11. Creditors: amounts falling due within one year	£	£
Amounts owed to subsidiary undertakings	380	10,831
Amounts owed to MVM General Partner (No.3) Scottish LP	60	60
Other creditors	55,918	801,847
Accruals and deferred income	103,533	285,570
	<u>159,891</u>	<u>1,098,308</u>

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

	31/03/23	31/03/22
12. Loans and other debts due to members	£	£
Other amounts	<u>1,479,311</u>	<u>569,195</u>

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 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2023 (continued)

13. Operating lease commitments

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

	31/03/23		31/03/22	
	Land and Buildings	Other	Land and Buildings	Other
	£	£	£	£
Within one year	60,356	-	110,653	940
In two to five years	-	-	60,356	-

14. Categories of financial assets and financial liabilities	31/03/23	31/03/22
	£	£
Financial assets measured at fair value through profit or loss	-	-
Financial assets that are debt instruments measured at amortised cost	506,644	177,032
Financial assets that are equity instruments measured at cost less impairment	468	10,459
Financial liabilities measured at fair value through profit or loss	-	-
Financial liabilities measured at amortised cost	(159,891)	(1,098,308)
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 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2023 (continued)

16. Related Party Transactions	Year to 31/03/23 £	Year to 31/03/22 £
<u>Transactions in the year with related parties were as follows:</u>		
Loans repaid to MVM General Partner (No.3) Scottish LP*	-	-
Loans (repaid by)/made to MVM Fund III LP *	(20,200)	21,224
Loans (repaid by)/made to MVM Fund III (No 2) LP *	(998)	1,046
Loans (repaid by)/made to MVM IV LP *	(17,897)	17,313
Loans repaid by MVM IV Co-investment I LP *	-	-
Loans (repaid by)/made to MVM GP (No.4) Scottish LP *	(87)	91
Loans (repaid by)/made to MVM V LP ***	(17,418)	11,677
Loans (repaid by)/made to MVM GP (No.5) LP ***	(24)	29
Loans made to MVM IV (2019) LP *	1,639	953
Loans made to MVM III (2020) LP ***	107	991
Loans made to MVM V (2020) LP ***	497	7,623
Loans (repaid by)/made to MVM V (2021) LP ***	(12,105)	16,180
Loans made to MVM A LP ***	1,775	-
Loans made to MVM C LP ***	1,794	-
Loans made to MVM D LP ***	244	-
Loans repaid to/(received from) subsidiary undertakings	203,722	(169)
Fees payable to MVM Partners, LLC **	4,114,357	2,965,089
Fees receivable from MVM Partners, LLC **	6,269,806	-
Loans received from/(made to) MVM Partners, LLC **	881,839	(7,675)

MVM Partners LLP

Financial Statements for the year ended 31 March 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2023 (continued)

Related Party Transactions (continued)	Year to 31/03/23 £	Year to 31/03/22 £
<u>Outstanding at the end of the year:</u>		
Amounts owed by/(to) MVM Partners, LLC **	205,005	(676,834)
Amounts owed by MVM Fund III LP *	7,040	27,240
Amounts owed by MVM Fund III (No.2) LP *	347	1,345
Amounts owed to MVM General Partner (No.3) Scottish LP *	(60)	(60)
Amounts owed by MVM IV LP *	7,462	25,359
Amounts owed by MVM IV Co-investment I LP *	-	-
Amounts owed by MVM GP (No.4) Scottish LP *	60	147
Amounts owed by MVM V LP ***	-	17,418
Amounts owed by MVM GP (No.5) LP ***	102	126
Amounts owed by MVM IV (2019) LP *	2,624	985
Amounts owed by MVM III (2020) LP ***	1,130	1,023
Amounts owed by MVM V (2020) LP ***	8,152	7,655
Amounts owed by MVM V (2021) LP ***	4,075	16,180
Amounts owed by MVM A LP ***	1,775	-
Amounts owed by MVM C LP ***	1,794	-
Amounts owed by MVM D LP ***	244	-
Amounts owed by/(to) subsidiary undertakings	193,053	(10,669)

* 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.

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

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR TO 31 MARCH 2023 (continued)

17. Events after the End of the Reporting Period

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

18. Members' remuneration charged as an expense – prior period adjustment

The Statement of Comprehensive Income and the Reconciliation of Members' Interests have been restated to incorporate the impact of a misclassification in the prior year of profit allocations to the members of the LLP. In the prior year financial statements, £588,370 was classified as profit for the financial year available for discretionary division among members. Following a careful review of this classification, in light of the introduction of the revised Statement of Recommended Practice ("SORP") for Accounting by Limited Liability Partnerships which took effect for accounting periods commencing on or after 1 January 2022, it was identified that this amount should have recognised within the line for members' remuneration charged as an expense.

The restatement results in an increase in the prior year members' remuneration charged as an expense by £588,370, from £985,651 to £1,574,021 and reductions in the profit for the financial year available for discretionary division among members, the total comprehensive income and the allocation of profits to the members in the Reconciliation of Members' Interests by £588,370, each from £588,370 to £Nil.

The restatement had no overall net impact on the prior year closing members' interests.