

Registered No. OC318087

Esprit Capital Partners LLP

**Members' Report and Financial Statements
for the year ended 31 March 2023**

WEDNESDAY



AC9JP4EP

A15

09/08/2023

#11

COMPANIES HOUSE

Esprit Capital Partners LLP

Registered Number: OC318087

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

CONTENTS	Page(s)
Limited liability partnership information	3
Members' report	4
Statement of members' responsibilities	5
Independent auditors' report	6-8
Statement of comprehensive income	9
Statement of financial position	10
Statement of changes in members' interests	11
Notes to the financial statements	12-17

Esprit Capital Partners LLP

Registered Number: OC318087

LIMITED LIABILITY PARTNERSHIP INFORMATION

Members

Molten Ventures plc

Molten Ventures Nominee Limited

LLP Registration No

OC318087

Independent Auditors

PricewaterhouseCoopers LLP

7 More London Riverside

London

SE1 2RT

Registered Office

20 Garrick Street

London

WC2E 9BT

Esprit Capital Partners LLP

Registered Number: OC318087

Members' report

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

Principal activities

The principal activity of Esprit Capital Partners LLP ("the LLP") is the provision of investment management services and as an authorised AIFM.

Designated Members

Molten Ventures plc
Molten Ventures Nominee Limited

Business review

The LLP was incorporated on 1 March 2006 and was authorised by the FCA on 27 June 2006 to perform certain regulated activities. The Statement of Comprehensive Income on page 9 shows a profit for the year, before members' remuneration charged as an expense, of £17,199k (2022: £14,526k).

On 15th June 2016, the LLP was acquired by Molten Ventures plc as part of an AIM listing which also included the acquisition of the Esprit Capital III LP, Encore I GP Ltd, and Esprit Capital I (GP) Ltd funds which the LLP manages.

Members' Capital and Interests

Each member's subscription to the capital of the LLP determines their share of the profit and is non-refundable. Detail of changes in members' capital in the year ended 31 March 2023 are set out in the financial statements.

Members are remunerated from profits of the LLP and are required to make their own provision for pensions. Profits are allocated and divided between members after finalisation of the financial statements. Members draw a proportion of their profit shares during the year in which it is made, with the balance of profit being distributed after the year end, subject to the cash requirements of the business.

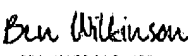
Other matters

There is no relevant audit information of which the auditors are unaware. The members have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and have ensured that the auditors are aware of that information.

Independent Auditors

PricewaterhouseCoopers LLP have been appointed as auditors for the current year. A proposal to reappoint PricewaterhouseCoopers LLP as auditors for the ensuing year will be considered at the next Members' meeting.

This Members' Report was approved by the members on 20.07.2023 and signed on their behalf by:

DocuSigned by:

22C103020C04485
B D Wilkinson
For and on behalf of Molten Ventures plc (Designated Member)
20.07.2023

Esprit Capital Partners LLP

Registered Number: OC318087

Statement of members' responsibilities in respect of the financial statements

The members are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and regulation.

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 101 "Reduced Disclosure Framework", 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 101 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.

DocuSigned by:



22C1D3D20C04485...

Ben Wilkinson

Director of Moten Ventures Plc, a Member of Esprit Capital Partners LLP (Designated Member)

20.07.2023

Esprit Capital Partners LLP

Registered Number: OC318087

Independent auditors' report to the members of Esprit Capital Partners LLP

Report on the audit of the financial statements

Opinion

In our opinion, Esprit Capital 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 101 "Reduced Disclosure Framework", 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 Members' Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 31 March 2023; Statement of comprehensive income, and Statement of changes in members' interests 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.

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.

Esprit Capital Partners LLP

Registered Number: OC318087

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.

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 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 and the potential for manipulation of financial data. Audit procedures performed by the engagement team included:

- Enquiring with those charged with governance, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing relevant meeting minutes;
- Reviewing correspondence with the Financial Conduct Authority in relation to compliance with laws and regulations;
- Selecting a sample of journals throughout the year based on a risk based strategy, such as unexpected account combinations, unusual amounts, unusual words and journals posted on unusual days; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

Esprit Capital Partners LLP

Registered Number: OC318087

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 LLP 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.

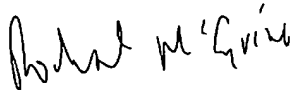
Other required reporting

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.



Richard McGuire (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 July 2023

Esprit Capital Partners LLP

Registered Number: OC318087

Statement of comprehensive income**for the year ended 31 March 2023**

		2023	2022
		£'000s	£'000s
	Note		
Turnover	8	16,681	13,846
Other income	8	562	763
Administration expenses		(44)	(83)
Operating profit	9	17,199	14,526
Profit for the financial year before members' remuneration and profit shares		17,199	14,526
Members' remuneration charged as an expense		(17,199)	(14,426)
Result/profit for the financial year available for discretionary division among members		-	100

All income and expenses have been generated from continuing operations.

There were no other gains or losses other than those included in the Statement of Comprehensive Income for the year. The result/profit for the financial year available for discretionary division among members is also the total comprehensive income for the year.

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

Esprit Capital Partners LLP

Registered Number: OC318087

Statement of financial position

as at 31 March 2023

		2023 £'000s	2022 £'000s
	Note		
Assets			
Non-current assets			
Investments	11	4,007	4,007
Total non-current assets		4,007	4,007
Current assets			
Trade and other receivables	12	6,489	4,034
Cash at bank and in hand		1,125	987
		7,614	5,021
Current liabilities			
Creditors falling due within one year	13	(4,158)	(4,247)
		(4,158)	(4,247)
NET ASSETS ATTRIBUTABLE TO MEMBERS		7,463	4,781
REPRESENTED BY:			
Loans and other debts due to members		6,697	4,015
<i>Members' other interests:</i>			
Members' capital classified as equity		450	450
Other Reserves		316	316
		7,463	4,781
TOTAL MEMBERS' INTERESTS:			
Loans and other debts due to members		6,697	4,015
Members' other interests		766	766
		7,463	4,781

The financial statements were approved by the members on 20.07.2023 and signed on their behalf by:

DocuSigned by:

23CJDD00CO4495...
Ben WilkinsonFor and behalf of Molten Ventures plc
(Designated Member of Esprit Capital Partners LLP)

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

Esprit Capital Partners LLP

Registered Number: OC318087

Statement of changes in members' interest**for the year ended 31 March 2023**

	EQUITY		Total members' other interests £'000	DEBT	Members' total interests £'000
	Members' Capital classified as equity £'000	Other Reserves £'000		Loans and other debts due to Members £'000	
At 1 April 2021	350	316	666	7,841	8,507
Additions in Members' capital classified as equity	100	-	100	-	100
Members' remuneration charged as an expense	-	-	-	14,426	14,426
Movements in Loans to Members	-	-	-	904	904
Members' interests after profit for the year	450	316	766	23,171	23,937
Profit allocation	-	-	-	-	-
Drawings	-	-	-	(19,156)	(19,156)
At 31 March 2022	450	316	766	4,015	4,781
Additions in Members' capital classified as equity	-	-	-	-	-
Members' remuneration charged as an expense	-	-	-	17,199	17,199
Movements in Loans (from) Members	-	-	-	(11,878)	(11,878)
Members' interests after profit for the year	450	316	766	9,336	10,102
Result allocation	-	-	-	-	-
Drawings	-	-	-	(2,639)	(2,639)
Amounts due to members				6,697	
				6,697	
At 31 March 2023	450	316	766	6,697	7,463

In the event of winding up the amounts included in "Loans and other debts due to members" will rank equally with unsecured creditors.

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

Esprit Capital Partners LLP

Registered Number: OC318087

Notes to the financial statements

for the year ended 31 March 2023

1. Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 101 – 'The Reduced Disclosure Framework' (FRS 101).

In preparing these financial statements, the LLP applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards), but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

2. Entity information

The principal activity of the LLP is the provision of venture capital management services. The LLP is a UK limited liability partnership headquartered at 20 Garrick Street, London, WC2E 9BT.

3. Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The financial statements are presented in Sterling (£) which is also the functional currency of the LLP. All amounts are rounded to the nearest thousand, unless otherwise stated.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the LLP's accounting policies

4. Going concern

The members have assessed the current financial position of Esprit Capital Partners LLP, along with future cash flow requirements to determine if the LLP has the financial resources to continue as a going concern for the foreseeable future. The conclusion of this assessment is that it is appropriate that the LLP be considered a going concern. For this reason, the members continue to adopt the going concern basis in preparing the financial statements.

5. Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The financial statements do not include any significant judgment or estimates.

6. Parent Company

The LLP is 100% owned by Molten Ventures plc, which went public on 15 June 2016 and purchased Esprit Capital Partners LLP from the former members. Molten Ventures plc prepares publicly available consolidated financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 in which these accounts are included. These accounts are available from 20 Garrick Street, London, WC2E 9BT.

Esprit Capital Partners LLP

Registered Number: OC318087

Notes to the financial statements

for the year ended 31 March 2023

7. Principal accounting policies

Disclosure exemptions adopted

The following disclosure exemptions have been adopted:

- Preparation of a cash flow statement and related notes;
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered between two or more members of the group as they are wholly owned within the group;
- Disclosure of key management personnel compensation;
- Capital management disclosures; and
- Disclosures in respect of standards in issue not yet effective.

The following disclosure exemption has also been adopted as equivalent disclosures are provided in the parent's consolidated financial statements.

- Reduced disclosures relating to the following as equivalent disclosures are provided by the parent entity: IFRS 7, IFRS 13, IAS 1, IAS 16.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales related taxes. All revenue from services is generated within the United Kingdom and is stated exclusive of value added tax. Revenue from services comprises:

a. Fund management services

Fund management fees are either earned at a fixed annual rate or are set at a fixed percentage of funds under management, measured either by commitments or invested cost, depending on the investment stage of the fund being managed. Revenues are recognised as the related services are provided.

b. Portfolio directors' fees

Portfolio directors' fees are charged to an investee company and payable to Esprit Capital Partners LLP as the fund manager. The LLP only charges directors' fees on a limited number of the investee companies. Fees are recognised as the related services are provided.

c. Performance fees

Performance fees are earned on a percentage basis on returns over a hurdle rate in the statement of comprehensive income as per the agreement in place. Amounts are recognised as revenue when it can be reliably measured, and it is probable funds will flow to the partnership. As per the agreement, these fees are due to fixed participants from Encore Ventures LLP and as such an equivalent related party receivable will be recognised.

Members' remuneration and interests

The Members' rights to participate in the profits or losses, or assets of the LLP are analysed between those that give rise to, from the LLP's perspective, either a financial liability or equity, in accordance with the Limited Liability Partnerships (Accounts and Audits) (Application of Companies Act 2006) Regulations 2008. The Members' different participation rights are analysed separately into liability and equity elements.

Members' remuneration

Non-discretionary amounts becoming due to members in respect of participation rights in the profits of the LLP for an accounting year that give rise to liabilities are presented as an expense within the Statement of Comprehensive Income (within the heading Members' remuneration charged as an expense).

Esprit Capital Partners LLP

Registered Number: OC318087

Notes to the financial statements

for the year ended 31 March 2023

7. Principal accounting policies (continued) **Members' remuneration (continued)**

Amounts becoming due to members in respect of equity participation rights, following a discretionary division of profits, are debited directly to equity in the accounting year in which the division occurs. Such amounts are not presented as an expense within the Statement of Comprehensive Income.

Members' interests

Members' capital is accounted for in accordance with the Limited Liability Partnerships (Accounts and Audits) (Application of Companies Act 2006) Regulations 2008. Where the LLP has a contractual obligation to deliver cash or another financial asset to the member, the capital is treated as debt. Where the LLP has an unconditional right to avoid delivering cash or other financial assets to a member in respect of such amounts, (i.e. repayment of the members' capital is discretionary), it is treated as equity.

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or as incurred.

Taxation

Tax to be paid on the profits arising in the LLP are a personal tax liability of the members of the LLP and therefore are not included as a tax charge or provision within these financial statements.

Cash and cash equivalents

Cash comprise cash on hand and demand deposits which is presented as cash at bank and in hand in the statement of financial position.

Cash equivalents comprise short-term, highly liquid investments with maturities of three months or less from inception that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are presented as part of current asset investments in the statement of financial position.

Foreign currency translation

In preparing the financial statements, transactions in currencies other than the functional currency are recognised at the spot rate at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise.

Investment in subsidiaries

Investments in subsidiaries are held at cost less accumulated impairment losses with an impairment review performed on an annual basis to check for any potential markdowns.

Esprit Capital Partners LLP

Registered Number: OC318087

Notes to the financial statements

for the year ended 31 March 2023

8. Turnover

Revenue is derived solely within the United Kingdom, from continuing operations for all periods.

	2023 £'000	2022 £'000
Management fees	16,681	12,797
Partnership income	476	1,049
Other income	86	763
	<u>17,243</u>	<u>14,609</u>

9. Operating profit

This is stated after charging:

	2023 £'000	2022 £'000
Auditors' remuneration:		
Audit fee	17	16
Other assurance services	15	14

10. Members and employees

The average number of members during the year was 2 (2022: 2).

The profit (including remuneration), that is attributable to the member with the largest entitlement to profit (including remuneration), is £17,199k (2022: £14,526k).

There were no employees in the current and prior year(s).

Esprit Capital Partners LLP

Registered Number: OC318087

Notes to the financial statements

for the year ended 31 March 2023

11. Investments

Details of the LLP's investments as at 31 March 2023 and at 31 March 2022 are as follows:

	Total
	£'000
Cost or valuation	
At 1 April 2021	4,007
Additions	-
Disposals	-
Revaluations	-
	<hr/>
At 31 April 2022	4,007
At 1 April 2022	4,007
Additions	-
Disposals	-
Revaluations	-
	<hr/>
At 31 March 2023	4,007
Net book value	
At 31 March 2023	<u>4,007</u>
At 31 March 2022	<u>4,007</u>

Details of investments held are detailed below.

Name	Place of incorporation	Nature of business	Proportion of ownership interest %
Encore Ventures LLP	England	Investment Management	100%
Esprit Capital Holdings Limited	England	Dormant	100%

Both of the above are located at 20 Garrick Street, London, WC2E 9BT

Esprit Capital Partners LLP

Registered Number: OC318087

Notes to the financial statements**for the year ended 31 March 2023****12. Trade and other receivables****Amounts falling due in less than one year**

	2023 £'000	2022 £'000
Trade debtors	15	19
Amounts owed by group undertakings	5,946	2,540
Prepayments and accrued income	517	1,300
Other debtors	11	175
	<u>6,489</u>	<u>4,034</u>

There are no balances included that are due greater than one year (2022: £Nil). Amounts owed by group undertakings are unsecured, interest free and repayable on demand. The amounts owed by group undertakings includes £4,218k (2022: £nil) in relation to management fees owed by entities under the Molten Ventures plc group.

13. Creditors falling due within one year**Amounts falling due within one year**

	2023 £'000	2022 £'000
Amounts owed to group undertakings	59	138
Accruals and deferred income	4,099	4,109
	<u>4,158</u>	<u>4,247</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

14. Capital commitments

The LLP has no capital commitments for the year (2022: Nil).

15. Transactions with related parties

During the year, the LLP was entitled to £476k (2022: £1,049k) of drawings from their holding in Encore Ventures LLP. The LLP also received £nil (2022: £513k) of performance fee income from Encore Ventures LLP.

16. Ultimate controlling party

As at 31 March 2023, the members consider that the LLP's parent and ultimate controlling party is Molten Ventures plc, headquartered at 20 Garrick Street, London, WC2E 9BT. The parent's financial statements can be obtained from this address. The largest and smallest group in which the results of the LLP are consolidated are headed by the ultimate parent entity.