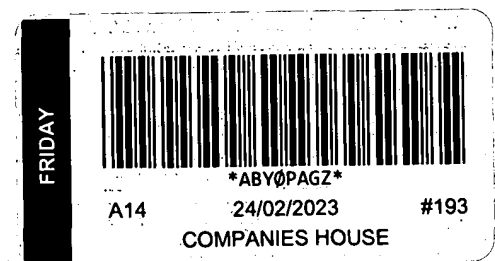


REGISTERED NUMBER: OC320937 (England and Wales)

HORIZON CAPITAL LLP

ANNUAL REPORT

31 MARCH 2022



**Horizon Capital LLP**

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## **Horizon Capital LLP**

### **Report of the Members** **for the Year Ended 31 March 2022**

The Members have pleasure in presenting their report and the audited financial statements of HorizonCapital LLP ("the Partnership") for the year ended 31 March 2022.

#### **PRINCIPAL ACTIVITY**

The principal activity of the Partnership is the provision of venture capital portfolio investment management and advice acting as the Manager for Horizon Capital Fund 2013 A Limited Partnership, Horizon Capital Fund 2013 B Limited Partnership, Horizon Capital 2013 Friends and Family Limited Partnership, LCF III Limited Partnership, Horizon Capital 2018 Limited Partnership, Horizon Capital 2019 Syndication Limited Partnership, Horizon Capital 2019 Syndication (B) Limited Partnership, Horizon Capital 2019 Syndication (C) Limited Partnership, Horizon Capital 2013 Steeple Co-Investment Limited Partnership, Horizon Capital 2013 Ignis Co-Investment Limited Partnership, Mills Co-Investment Limited Partnership, Horizon Capital 2013 Briefing Media Co-Investment Limited Partnership, Horizon Capital DMC Limited Partnership, Horizon Capital (DMC) Co-Invest Limited Partnership, Horizon Capital 2018 Co-Invest Limited Partnership, Horizon Capital II Limited Partnership, Horizon Capital II CIP Limited Partnership, Horizon Capital 2018 SPV LP. The Partnership is authorised and regulated by the Financial Conduct Authority ("FCA").

Detailed information can be found on the Firm's website (<https://www.horizonpe.co.uk/about/>).

#### **DESIGNATED MEMBERS**

The designated members during the year under review were:

Mr J Hand  
Mr. S J Hitchcock  
Mr L A Kingston  
Mr A S Lewis  
Horizon Capital (Founders) Limited  
Horizon Capital (Holdings) Limited  
Mr M Squier

#### **RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS**

The profit for the year before members' remuneration and profit shares was £5,322,471 (2021 - £6,850,393 profit).

#### **MEMBERS' INTERESTS**

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.

For as long as the Partnership is authorised by the FCA to conduct regulated activities the Designated Members must ensure that the Partnership has capital at least equal to its Regulatory Capital and all such capital shall be held in a reserve known as the "Regulatory Capital Reserve".

The Partnership Board shall ensure that no distributions or other payments shall be made from or by the Partnership to its Members if, as a result of such distributions, the Partnership would no longer have sufficient Regulatory Capital. Capital may only be repaid to Members provided that Regulatory Capital is maintained by transfers into the Regulatory Capital Reserve by Members.

## **Horizon Capital LLP**

### **Report of the Members** **for the Year Ended 31 March 2022**

#### **RISKS AND UNCERTAINTIES**

The operational risks faced by the Partnership and its subsidiaries and related entities ("group") are managed from the perspective of the group rather than a statutory entity basis. The group has an established governance framework and organisation structure, with documented responsibilities.

All risks facing the group are assessed regularly by the Members, together with the effectiveness of existing controls. The nature of the discretionary investment managed activities undertaken by the group means that market risks arising from the underlying assets are borne by the beneficial owners of the underlying funds. These risks are actively managed within the investment mandates given to the group and the regulatory environment within which the group operates.

The Partnership is regulated by the Financial Conduct Authority ("FCA"). The standards imposed by the FCA with which the Partnership must demonstrate compliance, are subject to continuous review. New directives may result in a change of reporting requirements, capital requirements or business processes. Failure to comply with the FCA standards could materially affect the Partnership's ability to operate due to the FCA's ability to impose restrictions on trading activity.

The group's revenues are based on profit entitlements that do not have any significant exposure to movements in financial markets or movements in market valuations of assets under management. The majority of the transactions of the group are undertaken in Pounds Sterling and the group had no external borrowings during the year. Therefore, there is no foreign exchange risk or significant exposure to interest rate movement.

The group is exposed to credit risk in respect of profits due from investment funds and from cash held at bank. The latter is managed by minimising cash balances and holding such balances with banks with a high credit rating.

COVID-19 was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020. The global impact of the outbreak has been rapidly evolving and many countries have reacted by instituting restrictions and regulations. Such actions are impacting a number of industries and consequently presents uncertainty and risk with respect to the Partnership's performance and financial results. The Members continuously review the impact and expects the Partnership to be in a position to continue operations throughout this period of uncertainty.

#### **FUTURE PROSPECTS AND GOING CONCERN**

The Members are confident about the group's long-term prospects and consider that the activities of both the Partnership and the group will remain unchanged for the foreseeable future.

The following were Members during the year:

J Hand  
S Hitchcock  
A Lewis  
M Squier  
L Kingston  
Horizon Capital (Founders) Limited (Corporate Member)  
Horizon Capital (Holdings) Limited (Corporate Member)

**Horizon Capital LLP**

**Report of the Members**  
**for the Year Ended 31 March 2022**

**STATEMENT OF MEMBERS' RESPONSIBILITIES**

The members are responsible for preparing the Annual 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 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, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period. In preparing 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 Partnership will continue in business.

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

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the limited liability partnership and enable them to ensure that the financial statements comply with the Companies Act 2006 as applied to limited liability partnerships by the Regulations.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

Insofar as the Members are aware:

- there is no relevant audit information of which the Partnership's auditors are unaware; and
- the Members have taken all necessary steps to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Horizon Capital LLP**

**Report of the Members**  
**for the Year Ended 31 March 2022**

**INDEPENDENT AUDITORS**

PricewaterhouseCoopers LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008.

Registered office:  
Level 9  
The Shard  
32 London Bridge Street  
London  
SE1 9SG

**ON BEHALF OF THE MEMBERS:**

*MS*

M Squier  
Designated member  
Date: 22/02/2023

# Independent auditors' report to the members of Horizon Capital LLP

## Report on the audit of the financial statements

### Opinion

In our opinion, Horizon Capital LLP's financial statements:

- give a true and fair view of the state of the Partnership'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, including 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, 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 Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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 Partnership'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 Partnership'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, 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 Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Partnership or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 Partnership and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK regulatory principles as governed by the FCA, 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 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 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 or management bias in accounting estimates in the financial statements such as valuation of the investments. Audit procedures performed by the engagement team included:

- Obtaining management information to validate the Partnership's inputs into the calculation of the value of investments and challenging assumptions made, where appropriate;
- Reviewing correspondence with the Financial Conduct Authority in relation to compliance with laws and regulations;
- Reviewing relevant meeting minutes;
- Enquiring with management as to any actual or suspected instances of fraud or non-compliance with laws and regulations;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing and;
- Identifying and testing journal entries with unusual characteristics such as unexpected account combinations and words.



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](http://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.

## Other required reporting

### Companies Act 2006 exception reporting

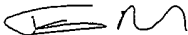
Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

### 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.



James Read (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
22/02/2023

**Horizon Capital LLP**

**Statement of Comprehensive Income**  
**for the Year Ended 31 March 2022**

	Notes	31.3.22 £	31.3.21 £
<b>TURNOVER</b>	4	7,506,161	8,148,229
Administrative expenses		<u>(2,423,695)</u>	<u>(1,969,631)</u>
<b>OPERATING PROFIT</b>	6	5,082,466	6,178,598
Realised and unrealised gain on investments		240,005	671,795
<b>PROFIT FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES</b>		<u>5,322,471</u>	<u>6,850,393</u>
Members' remuneration charged as an expense	7	<u>(1,520,000)</u>	<u>(1,012,446)</u>
<b>PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>		<u>3,802,471</u>	<u>5,837,947</u>
Other comprehensive income		-	-
Total tax on components of other comprehensive income		-	-
<b>Other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive income for the year</b>		<u>3,802,471</u>	<u>5,837,947</u>

The Partnership's turnover and expenses all relate to continuing operations.

The notes on page 14 to 24 form part of these financial statements

**Horizon Capital LLP (Registered number: OC320937)****Balance Sheet****As at 31 March 2022**

	Notes	31.3.22 £	31.3.21 £
<b>FIXED ASSETS</b>			
Tangible assets	8	17,258	18,166
Investments	9	<u>1,139,631</u>	<u>1,215,786</u>
		1,156,889	1,233,952
<b>CURRENT ASSETS</b>			
Debtors	10	5,097,906	6,148,996
Cash at bank and in hand		<u>937,444</u>	<u>1,546,566</u>
		6,035,350	7,695,562
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>(1,550,990)</u>	<u>(1,444,773)</u>
<b>NET CURRENT ASSETS</b>		<u>4,484,360</u>	<u>6,250,789</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES and NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u>5,641,249</u>	<u>7,484,741</u>
<b>REPRESENTED BY:</b>			
<b>LOANS AND OTHER DEBTS DUE TO MEMBERS</b>		3,307,653	-
<b>MEMBERS' OTHER INTERESTS</b>			
Members' capital		5,000	5,000
Other reserves		<u>2,328,596</u>	<u>7,479,741</u>
		<u>5,641,249</u>	<u>7,484,741</u>
<b>TOTAL MEMBERS' INTERESTS</b>			
Loans and other debts due to members		3,307,653	-
Members' other interests		2,333,596	7,484,741
Amounts due from members	10	<u>-</u>	<u>(1,030,141)</u>
		<u>5,641,249</u>	<u>6,454,600</u>

The notes on pages 14 to 24 form part of these financial statements

Horizon Capital LLP (Registered number: OC320937)

Balance Sheet - continued  
31 March 2022

The financial statements have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

The financial statements were approved by the members of the LLP and authorised for issue on 22/02/2023 and were signed by:

*MS*

M Squier  
Designated member

The notes on pages 14 to 24 form part of these financial statements

**Horizon Capital LLP**

**Reconciliation of Members' Interests**  
**for the Year Ended 31 March 2022**

	EQUITY			DEBT	
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors	
	Members capital	Other reserves	Total	Other amounts	Total
	£	£	£	£	£
Balance at 1 April 2021	5,000	7,479,741	7,484,741	(1,030,141)	6,454,600
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	-	-	1,520,000	1,520,000
Profit for the financial year available for discretionary division among members	-	3,802,471	3,802,471	-	3,802,471
Members' interests after profit for the year	5,000	11,282,212	11,287,212	489,859	11,777,071
Divisions of profit	-	(8,953,616)	(8,953,616)	8,953,616	-
Drawings	-	-	-	(6,992,554)	(6,992,554)
Loans to members	-	-	-	(1,569,443)	(1,569,443)
Loans repayments	-	-	-	2,426,175	2,426,175
Balance at 31 March 2022	5,000	2,328,596	2,333,596	3,307,653	5,641,249

The notes on pages 14 to 24 form part of these financial statements

**Horizon Capital LLP**

**Reconciliation of Members' Interests**  
**for the Year Ended 31 March 2021**

	EQUITY			DEBT	
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors	
	Members capital £	Other reserves £	Total £	Other amounts £	Total £
Balance at 1 April 2020	5000	4,038,684	4,043,684	(2,412,947)	1,630,737
Members' remuneration charged as an expense, including employment and retirement benefit costs	-	-	-	1,012,446	1,012,446
Profit for the financial year available for discretionary division among members	-	5,837,947	5,837,947	-	5,837,947
Members' interests after profit for the year	5,000	9,876,631	9,881,631	(1,400,471)	8,481,160
Divisions of profit	-	(2,396,890)	(2,396,890)	2,396,890	-
Drawings	-	-	-	(2,402,683)	(2,402,683)
Loans to members	-	-	-	(477,803)	(477,803)
Loans repayments	-	-	-	853,926	853,926
Balance at 31 March 2021	<u>5,000</u>	<u>7,479,741</u>	<u>7,484,741</u>	<u>(1,030,141)</u>	<u>6,454,600</u>

The notes on pages 14 to 24 form part of these financial statements

**Horizon Capital LLP****Cash Flow Statement****for the Year Ended 31 March 2022**

		31.3.22 £	31.3.21 £
<b>Cash flows from operating activities</b>	<b>Notes</b>		
Cash generated from operations	14	<u>5,222,831</u>	<u>3,007,341</u>
Net cash from operating activities		<u>5,222,831</u>	<u>3,007,341</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(12,291)	(11,343)
Purchase of fixed asset investments		(6,956)	(71,276)
Distribution of investments		<u>323,116</u>	<u>520,129</u>
Net cash from investing activities		<u>303,869</u>	<u>437,510</u>
<b>Cash flows from financing activities</b>			
Payments to members		(8,561,997)	(2,880,486)
Contributions by members		<u>2,426,175</u>	<u>853,926</u>
Net cash from financing activities		<u>(6,135,822)</u>	<u>(2,026,560)</u>
(Decrease)/increase in cash and cash equivalents		(609,122)	1,418,291
Cash and cash equivalents at beginning of year		<u>1,546,566</u>	<u>128,275</u>
Cash and cash equivalents at end of year		<u>937,444</u>	<u>1,546,566</u>

The notes on pages 14 to 24 form part of these financial statements

## **Horizon Capital LLP**

### **Notes to the Financial Statements** **for the Year Ended 31 March 2022**

#### **1. STATUTORY INFORMATION**

Horizon Capital LLP ('the Partnership') is a limited liability partnership and is incorporated in United Kingdom. The address of its registered office is Level 9, The Shard, 32 London Bridge Street, London SE1 9SG.

The principal activity of the Partnership is the provision of private equity portfolio investment management and advice.

#### **2. STATEMENT OF COMPLIANCE**

The financial statements of Horizon Capital LLP have been prepared in compliance with the applicable United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006 as applied to Limited Liability Partnerships and in compliance with Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' (SORP) along with Limited Liability Partnership Act, 2000 and Limited Liability Partnership (Accounts and Audit) and (Application of Companies Act 2006) Regulations 2008.

#### **3. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention in accordance with the Companies Act 2006 as applied to Limited Liability Partnerships and in accordance with applicable UK Accounting Standards, and the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships' (LLP SORP) issued in December 2018.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Partnerships' accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3(i) (Critical accounting judgements and key sources of estimation uncertainty).

The Partnership has changed the presentation of the primary statement in the year, whereby, the Statement of Changes in Equity has been replaced with the Reconciliation of Member's Interests as recommended by the LLP SORP.

##### **Preparation of consolidated financial statements**

In the opinion of the Members, the Partnership and its subsidiary undertakings comprise a small group. The Partnership has therefore taken advantage of the exemption provided by Section 398 of the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2001 not to prepare group financial statements.

##### **Related party transactions**

The Partnership has taken advantage of the exemption, as provided by paragraph 33.1A of FRS 102 and does not disclose transactions with members of the same group that are wholly owned. The Partnership discloses transactions with related parties which are not wholly owned with the same group.

##### **Going concern**

The Partnership meets its day-to-day working capital requirements through its bank facilities. The current economic conditions continue to create uncertainty over (a) the level of demand for the Partnerships' management services; and (b) the availability of bank finance for the foreseeable future. The Partnerships' forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Partnership should be able to operate within the level of its current facilities. After making enquiries, the Members have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. The Partnership therefore continues to adopt the going concern basis in preparing its financial statements.



**Horizon Capital LLP**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2022**

**3. ACCOUNTING POLICIES - continued**

**Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgement, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

**(i) Investment valuations**

The process of valuing the investments is inevitably based on inherent uncertainties and the resulting values will differ, perhaps materially, from the amounts ultimately realised. The Members uses judgement in selecting an appropriate valuation technique for financial instruments that are not quoted in an active market.

**Impairment of non-financial assets**

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the statement of comprehensive income.

If an impairment loss is subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

**Turnover**

Turnover, which is stated net of Value Added Tax and accounted for on an accruals basis, consists of management fees received from the general partners of the limited partnerships to which the Partnership provides investment advice and fund management services.

**Horizon Capital LLP**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2022**

**3. ACCOUNTING POLICIES - continued**

**Fixed assets**

All fixed assets are initially recorded at cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, cost directly attributable to bringing the asset to its working condition for its intended use.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer Equipment	- 3 years straight line
Office Equipment	- 18 months straight line
Leasehold Improvements	- Straight line over the term of the lease

Repair, maintenance and minor inspection cost are expensed as incurred.

Fixed assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in statement of comprehensive income.

**Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short- term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, if any are shown within creditors in current liabilities.

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2022**

**3. ACCOUNTING POLICIES - continued**

**Other financial instruments**

The Partnership has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

**(i) Financial assets**

Basic financial assets, including debtors, 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 the statement of comprehensive income.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of comprehensive income.

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) despite having retained some significant risks and rewards of ownership, 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.

**(ii) Financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

The Partnership does not hold any derivative financial instruments.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**(iii) Offsetting**

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**3. ACCOUNTING POLICIES - continued**

**Foreign currencies**

**(i) Functional and presentation currency**

The Partnership's functional and presentation currency is the pound sterling.

**(ii) Transaction and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

**Members' participation rights**

Members' participation rights are the rights of a member against the Partnership that arise under the Members' agreement (for example, in respect of amounts subscribed or otherwise contributed, remuneration and profits).

Members' participation rights in the earnings or assets of the Partnership are analysed between those that are, from the Partnership's perspective, either a financial liability or equity, in accordance with section 11 of FRS 102. A Member's participation right results in a liability unless the right to any payment is discretionary on the part of the Partnership.

Where profits are automatically divided as they arise, so the Partnership does not have an unconditional right to refuse payment, the amounts arising that are due to Members are in the nature of liabilities. They are therefore treated as an expense in the statement of comprehensive income in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the Balance Sheet.

Conversely, where profits are divided only after a decision by the Partnership or its representative, so that the Partnership has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among Members in the statement of comprehensive income and are equity appropriations in the Balance Sheet.

Other amounts applied to Members and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the Partnership has, in each case, an unconditional right to refuse payment.

All amounts due to Members that are classified as liabilities are presented in the Balance Sheet within 'Loans and other debts due to Members', are payable on demand and rank below unsecured creditors i.e member's debt are subordinated to other creditors. Amounts due to Members that are classified as equity are shown in the Balance Sheet within 'Members' other interests'.

**Employee benefits**

The Partnership provides a range of benefits to employees, including annual bonus arrangements and paid holiday arrangements.

**(i) Short term benefits:**

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as expense in the period in which the service is received.

## **Horizon Capital LLP**

### **Notes to the Financial Statements - continued** **for the Year Ended 31 March 2022**

#### **3. ACCOUNTING POLICIES - continued**

##### **Taxation**

As Members are responsible for their own taxation in respect of profits and losses no provision for taxation has been made in the financial statements.

##### **Investments**

###### **(i) Investment in subsidiary**

Investment in subsidiary is held at historical cost less accumulated impairment losses.

The Partnership has taken advantage of the transition exemption under paragraph 35.10(f) of FRS 102 in respect of measurement of investments in subsidiaries on the date of transition to FRS 102 (1 April 2014) and continues to measure investments at cost.

###### **(ii) Investment in Limited Partnerships**

The investment is in private equity limited partnerships for which no public market exists and is held at fair value. They are valued by the General Partner, as required by the Limited Partnership Agreement, based upon the latest investee information available, including financial statements and other similar information, and the nature and marketability of such investments and re-assessed by the Members of the LLP. The value of holdings in unquoted private equity limited partnerships are determined on a net asset basis; the General Partners having valued the underlying net assets in accordance with International Private Equity and Venture Capital Valuation Guidelines.

Unrealised losses and gains on valuation of investments are reflected through the Income Statement.

#### **4. TURNOVER**

The turnover and profit for the financial year before members' remuneration and profit shares are attributable to the one principal activity of the LLP.

An analysis of turnover by class of business is given below:

	31.3.22	31.3.21
	£	£
Fees income	7,308,144	7,799,967
Other income	<u>198,017</u>	<u>348,262</u>
	<u>7,506,161</u>	<u>8,148,229</u>

An analysis of turnover by geographical market is given below:

	31.3.22	31.3.21
United Kingdom	<u>100.00%</u>	<u>100.00%</u>
	<u>100.00%</u>	<u>100.00%</u>

**Horizon Capital LLP**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2022**

**5. EMPLOYEE INFORMATION**

	31.3.22	31.3.21
	£	£
Wages and salaries	1,027,244	820,627
Social security costs	131,252	105,859
	<u>1,158,496</u>	<u>926,486</u>

The average number of employees, including members with contracts of employment, during the year was as follows:

	31.3.22	31.3.21
	No	No
Number of administrative and support staff	<u>9</u>	<u>8</u>

**6. OPERATING PROFIT**

The operating profit is stated after charging:

	31.3.22	31.3.21
	£	£
Depreciation - owned assets	13,199	23,821
Fees payable to Partnership's auditors and their associates in respect of Client Assets ("CASS") audit work	18,900	18,000
Fees payable to Partnership's auditors and their associates for the audit of the Partnership financial statements for current year	27,010	25,775
Fees payable to the Partnership's auditors and their associates for the additional audit of the Partnership financial statements relating to prior year	<u>-</u>	<u>20,835</u>

**7. MEMBERS' REMUNERATION CHARGED AS AN EXPENSE**

	31.3.22	31.3.21
	£	£
Amounts arising from participation rights that give rise to a liability	<u>1,520,000</u>	<u>1,012,446</u>

	31.3.22	31.3.21
	£	£
The amount of profit attributable to the member with the largest entitlement was	<u>1,298,750</u>	<u>643,798</u>

	31.3.22	31.3.21
	No	No
The average number of Members during the year was	<u>5</u>	<u>6</u>

	31.2.22	31.3.21
	£	£
The average Members' remuneration during the year was	<u>953,000</u>	<u>400,447</u>

During the year the Partnership recognised the full base drawings as Members' remuneration charged as an expense.

**Horizon Capital LLP**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2022**

**8. TANGIBLE FIXED ASSETS**

	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 April 2021	252,394	529,502	781,896
Additions	-	12,291	12,291
At 31 March 2022	<u>252,394</u>	<u>541,793</u>	<u>794,187</u>
<b>ACCUMULATED DEPRECIATION</b>			
At 1 April 2021	252,394	511,336	763,730
Charge for year	-	13,199	13,199
At 31 March 2022	<u>252,394</u>	<u>524,535</u>	<u>776,929</u>
<b>NET BOOK VALUE</b>			
At 31 March 2022	<u>-</u>	<u>17,258</u>	<u>17,258</u>
At 31 March 2021	<u>-</u>	<u>18,166</u>	<u>18,166</u>

**9. INVESTMENTS**

	<b>Subsidiaries £</b>	<b>Investments £</b>	<b>Totals £</b>
<b>COST</b>			
As at 1 April 2021	2	414,302	414,304
Additions	-	219,695	219,695
Disposals	-	(175,737)	(175,737)
At 31 March 2022	<u>2</u>	<u>458,260</u>	<u>458,262</u>
<b>FAIR VALUE</b>			
At 31 March 2022	<u>2</u>	<u>1,139,631</u>	<u>1,139,631</u>
At 31 March 2021	<u>2</u>	<u>1,215,786</u>	<u>1,215,786</u>

Horizon Capital LLP owns 100% of the issued Ordinary share capital of Horizon Capital (Holdings) Limited, and Horizon Capital MemberCo Limited, which are companies incorporated and operating in the UK. Their principal activity is that of intermediate holding companies.

**Horizon Capital LLP**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2022**

**10. DEBTORS: AMOUNTS FALLING WITHIN ONE YEAR**

	31.3.22	31.3.21
	£	£
Amounts owed by group undertakings	4,881,136	3,479,101
Amounts due from members	-	1,030,141
Other debtors	104,062	1,530,112
Amounts due from non-members executives	30,203	86,119
Prepayments and accrued income	82,505	23,523
	<u>5,097,906</u>	<u>6,148,996</u>

Amounts owed by group undertakings are unsecured, interest free and payable on demand.

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.3.22	31.3.21
	£	£
Trade creditors	478,345	322,122
Amounts due to group undertakings	94,887	450,933
Social security and other taxes	246,196	175,227
Other creditors	440,639	416,626
Accruals and deferred income	290,923	79,865
	<u>1,550,990</u>	<u>1,444,773</u>

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

**12. FINANCIAL INSTRUMENTS**

The partnership has the following financial instruments:

Financial assets that are debt instruments measured at amortised cost, total of £5,015,401 (2021: 6,125,473) as follows: amount owed by group undertaking £4,881,136 (2021: £3,479,101), other debtors £104,062 (2021: £1,530,112), amounts due from members £nil (2021: £1,030,141) amounts due from non-members executives £30,203 (2021: £86,119).

Financial liabilities measured at amortised cost, total of £1,260,067 (2021: £1,364,908) as follows: trade creditors £478,345 (2021: £322,122), amounts owed to group undertakings £94,887 (2021: £450,933), other taxation and social security £246,196 (2021: £175,227), other creditors £440,639 (2021: £416,626).



## Horizon Capital LLP

### Notes to the Financial Statements - continued for the Year Ended 31 March 2022

#### 13. RELATED PARTY DISCLOSURES

The Partnership received management fee income from the limited partnerships it manages of £2,550,048 (2021: £3,717,362), and from fee income from portfolio companies of £4,758,096 (2021: £4,082,605).

At the year end, the Partnership was owed net £4,786,249 (2021: £3,028,168) from the limited partnerships it manages. The amounts owed from portfolio companies in respect of monitoring fees was £104,062 (2021: £1,526,256) and the Partnership shared office space with portfolio companies under a licence to occupy, the rent fee paid to portfolio companies was £252,637 (2021: £241,487).

The principal activity of the Partnership is to act as the Manager of the Funds. In its capacity as Manager the Partnership has transactions with the Funds. These transactions are in the normal course of the business and have been fully disclosed above.

In the ordinary course of the business that Partnership has transactions with Funds. These transactions are all undertaken with reference to the management agreements in place between the parties. The balances included above reflect (i) management fees owed to the Partnership; (ii) amounts owed to the Partnership for reimbursement of costs; and (iii) rebates owed by the Partnership in respect of surplus income.

#### 14. RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS TO CASH GENERATED FROM OPERATIONS

	31.3.22	31.3.21
	£	£
Profit for the financial year available for discretionary division among members	3,802,471	5,837,947
Members' remuneration charged as an expense	1,520,000	1,012,446
Depreciation charges	13,199	23,822
Gain on revaluation of fixed assets	(240,005)	(671,795)
Decrease in amounts due from executives	55,916	229,178
	<u>5,151,581</u>	<u>6,431,598</u>
(Increase)/Decrease in trade and other debtors	(34,967)	(2,593,146)
Increase/(Decrease) in trade and other creditors	<u>106,217</u>	<u>(831,111)</u>
Cash generated from operations	<u>5,222,831</u>	<u>3,007,341</u>

**Horizon Capital LLP**

**Notes to the Financial Statements - continued**  
**for the Year Ended 31 March 2022**

**15. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)**

	At 1.4.21 £	Cash flow £	Other non-cash changes £	At 31.3.22 £
<b>Net cash</b>				
Cash at bank	<u>1,546,566</u>	<u>(609,122)</u>		<u>937,444</u>
	<u>1,546,566</u>	<u>(609,122)</u>		<u>937,444</u>
<b>Net funds (before members' debt)</b>	1,546,566	(609,122)	-	937,444
<b>Loans and other debts due to members</b>				
Other amounts due to members	<u>-</u>	<u>6,135,822</u>	<u>(9,443,475)</u>	<u>(3,307,653)</u>
<b>Net funds/(debt)</b>	1,546,566	5,526,700	(9,443,475)	(2,370,209)

**16. ULTIMATE CONTROLLING PARTY**

In the opinion of the Members the Partnership has no ultimate controlling party.

**17. SUBSEQUENT EVENTS**

There are no events subsequent to the year-end that require disclosure or adjustment to the financial statements.