

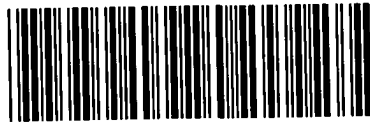
**CAPVEST PARTNERS LLP**

**Registration No. OC342888**

**Members' Report and Audited Financial Statements**

**Year Ended 31 March 2021**

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## **CAPVEST PARTNERS LLP**

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**CAPVEST PARTNERS LLP**

**OFFICERS AND PROFESSIONAL ADVISERS**

**MEMBERS**

Penelope Kate Briant  
Christopher Campbell  
F1 Capital Limited  
Seamus FitzPatrick  
Neil Radia  
Jason Rodrigues

**REGISTERED OFFICE**

100 Pall Mall  
London  
SW1Y 5NQ

**AUDITOR**

KPMG LLP  
Statutory Auditor  
15 Canada Square  
London  
E14 5GL

## **CAPVEST PARTNERS LLP**

### **MEMBERS' REPORT**

The Members present their report and Audited Financial Statements of CapVest Partners LLP for the year ended 31 March 2021.

#### **Business Review and Principal Activities**

The principal activity of CapVest Partners LLP ("the Partnership") is the provision of investment advisory and management services. On the 1 July 2009 the Partnership received authorisation from the Financial Conduct Authority to commence activities as an Investment Advisor.

Capital Markets Initiative LLP ("CMI") is a limited liability company which provides corporate financial advice and whose registered office is 100 Pall Mall, London, SW1Y 5NQ. On 18 July 2018, by virtue of the departure of CMI's controlling Member, Thibaut Parayre, the Partnership was deemed to have acquired 100% interest of CMI. On the same date, CMI was de-registered from the FCA. Following the transfer of all its assets to the Partnership and the settlement of all outstanding liabilities in March 2020, CMI filed for a voluntary strike off with Companies House and was officially dissolved on 29 September 2020.

On 7 November 2018, the Partnership was registered as a BIPRU firm and granted permission by the Financial Conduct Authority to act as the delegated investment manager to CapVest Irish Partners Limited, an EEA Authorised Alternative Investment Fund Manager based in Ireland.

The Members take appropriate steps to minimize the impact of the operating risks faced by the Partnership through their day to day management of the Partnership.

#### **Results for the year**

The Members consider the results for the year satisfactory. The profit for the year amounted to EUR 13,294,662 (2020: EUR 9,849,426).

#### **Designated Member**

Seamus FitzPatrick and Neil Radia acted as the Designated Members during the year as defined in the Limited Liability Partnerships Act 2000.

#### **Going concern**

The Members have a reasonable expectation that the Partnership will continue in operational existence for at least the next 12 months from the date of signing the financial statements and have therefore used the going concern basis in preparing the Financial Statements. The Partnership had cash of EUR 5,961,480 (2020: EUR 3,477,948) and EUR nil (2020: EUR 1,489,327) of priority profit share receivable at year end.

The funds for which the Partnership provides investment advice and delegated management services, have continued to perform in line with expectations as at the signing date of these Financial Statements. There have been no LP defaults, nor do we anticipate there to be any in the future given the diverse range of LPs and nature of implications of a defaulting LP under the terms of the Limited Partnership Agreements.


We note that even in a reasonably plausible downside scenario, the Partnership expects to receive fees sufficient to enable it to pay its forecast expenses as and when they fall due.

In respect of the developing situation with COVID-19, as at the date of approval of these Financial Statements, the Members consider COVID-19 to be a non-adjusting subsequent event.

#### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Members and signed on the behalf of the Partnership.



Neil Radia

Designated Member

\_\_\_\_\_ 23/07/ 2021

## **CAPVEST PARTNERS LLP**

### **STATEMENT OF MEMBERS' RESPONSIBILITIES IN RESPECT OF THE MEMBERS' REPORT AND THE FINANCIAL STATEMENTS**

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

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the Members to prepare financial statements for each financial year. Under that law the Members have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland).

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 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 LLP and of its profit or loss for that period. In preparing these financial statements, the Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the Members are 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 its financial statements comply with those regulations. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAPVEST PARTNERS LLP**

### **Opinion**

We have audited the financial statements of CapVest Partners LLP ("the LLP") for the year ended 31 March 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, Reconciliation of Members' Interests and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view, of the state of affairs of the LLP as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the LLP in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The members have prepared the financial statements on the going concern basis as they do not intend to liquidate the LLP or to cease its operations, and as they have concluded that the LLP's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the members' conclusions, we considered the inherent risks to the LLP's business model and analysed how those risks might affect the LLP's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the members' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the LLP's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the LLP will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of members as to the LLP's policies and procedures to prevent and detect fraud as well as whether they have knowledge of any actual, suspected or alleged fraud;
- reading the LLP's meeting minutes;
- using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue is generated from few sources and transactions are easily verifiable to external sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to revenue and cash.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the members and other management (as required by auditing standards), and from inspection of the LLP's regulatory correspondence, and discussed with the members and other management the policies and procedures regarding compliance with laws and regulations.

As the LLP is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the LLP is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related LLP legislation) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the LLP is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the LLP's regulatory permissions. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, regulatory capital and liquidity and certain aspects of LLP legislation recognising the financial and regulated nature of the LLP's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the members and other management and inspection of regulatory correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*Context of the ability of the audit to detect fraud or breaches of law or regulation.*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Other information**

The members are responsible for the other information, which comprises the members' report. 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 conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

**Matters on which we are required to report by exception**

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

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

We have nothing to report in these respects.

### **Members' responsibilities**

As explained more fully in their statement set out on page 3, the members are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the members of the LLP, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan Lungalang

**Jonathan Lungalang (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

Chartered Accountants

15 Canada Square

London E14 5GL

23/07/2021



**CAPVEST PARTNERS LLP**

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021**

|   | <b>Note</b> | <b>2021</b><br>€  | <b>2020</b><br>€  |
|---|-------------|-------------------|-------------------|
| <b>TURNOVER</b>   | <b>1</b>    | <b>27,615,200</b> | <b>22,334,428</b> |
| Administrative expenses   |             | (12,247,881)      | (10,457,066)      |
| <b>OPERATING PROFIT</b>   | <b>2</b>    | <b>15,367,319</b> | <b>11,877,362</b> |
| Interest receivable   | <b>1</b>    | <b>147,543</b>    | <b>18,698</b>     |
| Gain on forward foreign exchange contracts                                    | <b>5</b>    | <b>259,024</b>    | <b>–</b>          |
| <b>PROFIT FOR THE YEAR BEFORE MEMBERS' REMUNERATION</b>                       |             | <b>15,773,886</b> | <b>11,896,060</b> |
| Members' remuneration charged as an expense                                   |             | (2,479,224)       | (2,046,634)       |
| <b>PROFIT FOR THE YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b> |             | <b>13,294,662</b> | <b>9,849,426</b>  |

There were no other items of comprehensive income for the year and therefore the profit for the year is also the total comprehensive income for the year.

All of the above results for the period derive from continuing activities.

The accompanying notes on pages 11 to 16 form an integral part of these Financial Statements

## CAPVEST PARTNERS LLP

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

|  | Note | 2021<br>€           | 2020<br>€           |
|--|------|---------------------|---------------------|
| <b>FIXED ASSETS</b>  |      |                     |                     |
| Tangible assets  | 4    | 139,428             | 139,971             |
|  |      | <u>139,428</u>      | <u>139,971</u>      |
| <b>CURRENT ASSETS</b>  |      |                     |                     |
| Trade debtors  | 8    | 1,281,636           | 3,543,849           |
| Other debtors (includes EUR 16,482,794 due after more than one year) | 8    | 21,956,966          | 30,490,603          |
| Cash at bank and in hand   |      | 5,961,480           | 3,477,948           |
| Forward foreign exchange contracts                                   | 5    | 259,024             | —                   |
|  |      | <u>29,459,106</u>   | <u>37,512,400</u>   |
| <b>CREDITORS: amounts falling due within one year</b>                | 9    | (11,829,989)        | (11,975,083)        |
| <b>NET CURRENT ASSETS</b>  |      | <b>17,629,117</b>   | <b>25,537,317</b>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                         |      | <b>17,768,545</b>   | <b>25,677,288</b>   |
| <b>CREDITORS: amounts falling due after one year</b>                 | 9    | (15,146,996)        | (23,332,438)        |
| <b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>                            |      | <b>2,621,549</b>    | <b>2,344,850</b>    |
| <b>REPRESENTED BY:</b>   |      |                     |                     |
| Members' capital classified as equity                                |      | 316,525             | 316,525             |
| Other reserves   |      | 2,305,024           | 2,028,325           |
| <b>MEMBERS' INTERESTS</b>  |      | <b>2,621,549</b>    | <b>2,344,850</b>    |
| Amounts due from Members   |      | (13,841,895)        | (18,519,658)        |
| Members' other interests   |      | 2,621,549           | 2,344,850           |
| <b>TOTAL MEMBERS' INTERESTS</b>                                      |      | <b>(11,220,346)</b> | <b>(16,174,808)</b> |

The accompanying notes on pages 11 to 16 form an integral part of these Financial Statements.

The Financial Statements were approved and authorised for issue by the Members on 23/07/ 2021 and signed on its behalf by:



Neil Radia

Designated Member

23/07/ 2021

Registration No. OC342888

## CAPVEST PARTNERS LLP

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

|   | Note | 2021<br>€           | 2020<br>€           |
|---|------|---------------------|---------------------|
| <b>Cash flow from operating activities</b>        |      |                     |                     |
| Operating profit                                  |      | 15,367,319          | 11,877,362          |
| Adjustments for:                                  |      |                     |                     |
| Depreciation                                      | 4    | 59,396              | 42,458              |
| Amortisation                                      |      | 1,753,130           | 1,314,848           |
| Decrease / (Increase) in Debtors                  |      | 2,756,947           | (13,559,783)        |
| (Decrease) / Increase in Creditors                |      | (1,797,965)         | 9,150,801           |
| Interest received                                 |      | 147,543             | 18,698              |
| Gain on forward foreign exchange contracts        | 5    | 259,024             | –                   |
| Interest accrued on long-term debt issued         |      | 130,075             | (14,820)            |
| Interest accrued on long-term debt borrowed       |      | (107,957)           | 79,056              |
| <b>Net cash from operating activities</b>         |      | <b>18,567,512</b>   | <b>8,908,620</b>    |
| <b>Cash flow from investing activities</b>        |      |                     |                     |
| Capital expenditure and financial investment      | 4    | (58,853)            | (133,480)           |
| Return of investment capital (CMI LLP)            |      | –                   | 17,724              |
| <b>Net cash from investing activities</b>         |      | <b>(58,853)</b>     | <b>(115,756)</b>    |
| <b>Cash flow from financing activities</b>        |      |                     |                     |
| Increase in long-term debt borrowed               |      | 12,550,000          | 10,185,000          |
| (Decrease) in long-term debt borrowed             |      | (18,974,612)        | –                   |
| (Increase) in long-term debt due                  |      | (12,521,127)        | (9,903,110)         |
| Decrease in long-term debt due                    |      | 18,417,799          | –                   |
| Capital contributions                             |      | –                   | 1,112               |
| Profit distributed to Members                     |      | (15,497,187)        | (13,100,700)        |
| <b>Net cash from financing activities</b>         |      | <b>(16,025,126)</b> | <b>(12,817,698)</b> |
| <br>Increase / (Decrease) in net cash in the year |      | <br>2,483,532       | <br>(4,024,834)     |
| Cash and cash equivalents at 1 April 2020         |      | 3,477,948           | 7,502,782           |
| <b>Cash and cash equivalents at 31 March 2021</b> |      | <b>5,961,480</b>    | <b>3,477,948</b>    |

The accompanying notes on pages 11 to 16 form an integral part of these Financial Statements.

**CAPVEST PARTNERS LLP**
**RECONCILIATION OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 MARCH 2021**

|  | EQUITY<br>Members' Other Interests         |                |              | DEBT<br>Loans and other debts due to Members less any amounts<br>due from Members in debtors |               |              | TOTAL MEMBERS'<br>INTERESTS |
|--|--|----------------|--------------|--|---------------|--------------|-----------------------------|
|  | Member's Capital<br>(Classified as equity) | Other reserves | Total        | Member's Capital<br>(Classified as debt)   | Other amounts | Total        | Total 2021                  |
| Amounts due from Members   |  |                |              |  | (18,519,658)  | (18,519,658) |                             |
| Balance as at 1 April 2020   | 316,525                                    | 2,028,325      | 2,344,850    | –  | (18,519,658)  | (18,519,658) | (16,174,808)                |
| Additional capital contributions   | –  | –              | –            | –  | –             | –            | –                           |
| Remuneration charged as an expense   | –  | –              | –            | –  | 2,479,224     | 2,479,224    | 2,479,224                   |
| Profit for the financial year available for discretionary division among Members | –  | 13,294,662     | 13,294,662   | –  | –             | –            | 13,294,662                  |
| Members' interests after profit for the year                                     | 316,525                                    | 15,322,987     | 15,639,512   | –  | (16,040,434)  | (16,040,434) | (400,922)                   |
| Other divisions of profits   | –  | (13,017,963)   | (13,017,963) | –  | 13,017,963    | 13,017,963   | –                           |
| Drawings   | –  | –              | –            | –  | (15,330,754)  | (15,330,754) | (15,330,754)                |
| Loans to Members   | –  | –              | –            | –  | 4,511,330     | 4,511,330    | 4,511,330                   |
| Balance as at 31 March 2021  | 316,525                                    | 2,305,024      | 2,621,549    | –  | (13,841,895)  | (13,841,895) | (11,220,346)                |

**Reconciliation of Members' Interests for the year ended 31 March 2020**

|  | EQUITY<br>Members' Other Interests         |                |              | DEBT<br>Loans and other debts due to Members less any amounts<br>due from Members in debtors |               |              | TOTAL MEMBERS'<br>INTERESTS |
|--|--|----------------|--------------|--|---------------|--------------|-----------------------------|
|  | Member's Capital<br>(Classified as equity) | Other reserves | Total        | Member's Capital<br>(Classified as debt)   | Other amounts | Total        | Total 2020                  |
| Amounts due from Members   |  |                |              |  | (6,347,121)   | (6,347,121)  |                             |
| Balance as at 1 April 2019   | 315,413                                    | 3,232,966      | 3,548,379    | –  | (6,347,121)   | (6,347,121)  | (2,798,742)                 |
| Additional capital contributions   | 1,112                                      | –              | 1,112        | –  | –             | –            | 1,112                       |
| Remuneration charged as an expense   | –  | –              | –            | –  | 2,046,634     | 2,046,634    | 2,046,634                   |
| Profit for the financial year available for discretionary division among Members | –  | 9,849,426      | 9,849,426    | –  | –             | –            | 9,849,426                   |
| Members' interests after profit for the year                                     | 316,525                                    | 13,082,392     | 13,398,917   | –  | (4,300,487)   | (4,300,487)  | 9,098,430                   |
| Other divisions of profits   | –  | (11,054,067)   | (11,054,067) | –  | 11,054,067    | 11,054,067   | –                           |
| Drawings   | –  | –              | –            | –  | (16,049,855)  | (16,049,855) | (16,049,855)                |
| Loans to Members   | –  | –              | –            | –  | (9,223,383)   | (9,223,383)  | (9,223,383)                 |
| Balance as at 31 March 2020  | 316,525                                    | 2,028,325      | 2,344,850    | –  | (18,519,658)  | (18,519,658) | (16,174,808)                |

The average number of Members during the year was six (2020: five). In the event of a winding up of the Partnership, monies due to creditors will be paid before any distributions of loans and other debts due to Members.

The highest paid Member was distributed profits totalling EUR 5,851,559 (2020: EUR 4,885,456).

Drawings for the year include EUR 2,782,721 (2020: EUR 2,949,154) paid to members in advance which do not relate to profit distributions for the year.

Included within the balance relating to Other divisions of profit are the 2020 drawings of EUR 2,949,154 (2020: nil) paid in advance in the prior financial year.

The accompanying notes on pages 11 to 16 form an integral part of these Financial Statements.

## **CAPVEST PARTNERS LLP**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 31 March 2021**

#### **1. ACCOUNTING POLICIES**

##### **Basis of accounting**

CapVest Partners LLP ("the Partnership") is a Limited Liability Partnership domiciled in the United Kingdom. The principal place of business is 100 Pall Mall, London, SW1Y 5NQ.

These Financial Statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The presentation currency of these financial statements is Euro.

The Financial Statements have also been prepared on a going concern basis under the historical cost convention in accordance with the Statement of Recommended Practice for Limited Liability Partnerships.

The Members acknowledge their responsibility for complying with the requirements of Companies Act 2006 with respect to the preparation of accounts.

The following principle accounting policies have been applied:

##### **Turnover**

All turnover for the year represents amounts receivable for advisory services and delegated management services provided in the normal course of business, net of Value Added Tax, plus any transaction fees, recognised as earned.

##### **Interest Income**

During the year, interest income of EUR 147,543 (2020: EUR 18,698) was earned in relation to loans to members and employees which is explained in Note 10.

##### **Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is based on the original acquisition value. Depreciation takes place over the useful life of the asset down to the estimated residual value. The following depreciation period is applied for tangible fixed assets:

|                                 |         |
|---------------------------------|---------|
| Computer Equipment              | 3 years |
| Computer Equipment (IT Servers) | 7 years |
| Furniture & Fittings            | 3 years |
| Office Equipment                | 3 years |

##### **Foreign currency**

Transactions in currency other than Euro, are recorded at the rate of exchange at the date of the transaction or, if appropriate at the average rate. Monetary assets and liabilities denominated in foreign currencies at the year-end date are reported at the rates of exchange prevailing at that date. All foreign exchange gains/(losses) are included in the income statement.

##### **Taxation**

Income tax payable on the profits of the Partnership is solely the personal liability of the individual members and consequently is not dealt with in these financial statements.

##### **Members' allocation of Profit**

In line with the Limited Liability Partnership Agreement ("LLP Agreement"), the Members determine the profits to be retained by the Partnership to maintain sufficient funds to finance the working capital and other needs of the business. Profits over and above this are allocated in accordance with the Partnership Deed and are classed as equity.

## CAPVEST PARTNERS LLP

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### Going concern

The Members have a reasonable expectation that the Partnership will continue in operational existence for at least the next 12 months from the date of signing the Financial Statements and have therefore used the going concern basis in preparing the financial statements. The Partnership had cash of EUR 5,961,480 (2020: EUR 3,477,948) and EUR nil (2020: EUR 1,489,327) of priority profit share receivable at year end.

The funds for which the Partnership provides investment advice and delegated management services, have continued to perform in line with expectations as at the signing date of these financial statements. There have been no LP defaults, nor do we anticipate there to be any in the future given the diverse range of LPs and nature of implications of a defaulting LP under the terms of the Limited Partnership Agreements.

We note that even in a reasonably plausible downside scenario, the Partnership expects to receive fees sufficient to enable it to pay its forecast expenses as and when they fall due.

#### Employee Pension Scheme

The Partnership operates a defined contribution pension scheme. Contributions to the scheme are recognised as an expense in the profit and loss account as they become payable in accordance with the rules of the scheme. As at 31 March 2021, there were no unpaid pension contributions shown in the accounts.

#### Operating leases

Rentals under operating leases are charged to the profit and loss account net of VAT where appropriate on a straight-line basis over the lease term, even if payments are not made on such basis. Non-cancellable operating lease rentals are payable as follows:

| <b>Rental Lease</b> | <b>2021</b>      | <b>2020</b>      |
|---------------------|------------------|------------------|
|                     | €                | €                |
| Due in one year     | 809,444          | 781,307          |
| Due in 2 - 5 years  | 1,013,468        | 1,759,547        |
| More than 5 years   | —                | —                |
|                     | <u>1,822,912</u> | <u>2,540,854</u> |

During the year, EUR 644,354 (2020: EUR 666,595) was recognised as an expense in the profit and loss account in respect of operating leases.

## 2. OPERATING PROFIT

|  |             |             |
|--|-------------|-------------|
| The operating profit is stated after charging: | <b>2021</b> | <b>2020</b> |
|  | €           | €           |
| Depreciation                                   | 59,396      | 43,926      |
| Amortisation                                   | 1,753,130   | 1,314,848   |
| Financial Statement audit fee                  | 54,579      | 40,736      |
| CASS audit fee                                 | 17,606      | 13,579      |

## 3. STAFF NUMBERS

|   |                  |                  |
|---|------------------|------------------|
|   | <b>2021</b>      | <b>2020</b>      |
|   | Number           | Number           |
| Average number of office staff and management | <u>27</u>        | <u>25</u>        |
| <b>Staff costs</b>                            | €                | €                |
| Wages and salaries                            | 7,954,089        | 5,540,510        |
| Social security costs                         | 946,844          | 503,203          |
| Pension                                       | 47,896           | 70,707           |
|   | <u>8,948,829</u> | <u>6,114,420</u> |

Wages and salaries include EUR 1,629,224 (2020: EUR 1,196,634) of members' remuneration charged as an expense.

**CAPVEST PARTNERS LLP**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**4. TANGIBLE FIXED ASSETS**

|                       | <b>Computer<br/>equipment<br/>€</b> | <b>Furniture and<br/>fittings<br/>€</b> | <b>Office<br/>equipment<br/>€</b> | <b>Bike / Car<br/>Addition<br/>€</b> | <b>Total<br/>€</b> |
|-----------------------|-------------------------------------|---|-----------------------------------|--------------------------------------|--------------------|
| <u>Cost</u>           |                                     |   |                                   |                                      |                    |
| At 1 April 2020       | 208,641                             | 317,796                                 | 11,327                            | 2,810                                | 540,574            |
| Additions             | 24,947                              | 19,788                                  | 14,118                            | –                                    | 58,853             |
| At 31 March 2021      | <b>233,588</b>                      | <b>337,584</b>                          | <b>25,445</b>                     | <b>2,810</b>                         | <b>599,427</b>     |
| <u>Depreciation</u>   |                                     |   |                                   |                                      |                    |
| At 1 April 2020       | (117,746)                           | (275,569)                               | (4,478)                           | (2,810)                              | (400,603)          |
| Charge for the period | (29,917)                            | (19,437)                                | (10,042)                          | –                                    | (59,396)           |
| At 31 March 2021      | <b>(147,663)</b>                    | <b>(295,006)</b>                        | <b>(14,520)</b>                   | <b>(2,810)</b>                       | <b>(459,999)</b>   |
| <u>Net book value</u> |                                     |   |                                   |                                      |                    |
| At 31 March 2021      | <b>85,925</b>                       | <b>42,578</b>                           | <b>10,925</b>                     | <b>–</b>                             | <b>139,428</b>     |
| At 1 April 2020       | <b>90,895</b>                       | <b>42,227</b>                           | <b>6,849</b>                      | <b>–</b>                             | <b>139,971</b>     |

**5. FORWARD FOREIGN EXCHANGE CONTRACTS**

In 2020, the Partnership entered into forward foreign exchange contracts with a final settlement date in December 2021. The fair value of the contracts is derived from the agreed forward rate with the counterparty bank. The Partnership uses S&P Global to obtain the forward rate.

|  | <b>2021<br/>€</b> | <b>2020<br/>€</b> |
|--|-------------------|-------------------|
| Gross forward foreign exchange contracts in profit | 259,024           | –                 |

In the Statement of Financial Position, these contracts are recognised as follows:

|  | <b>2021<br/>€</b> | <b>2020<br/>€</b> |
|--|-------------------|-------------------|
| Forward foreign exchange contracts asset | 259,024           | –                 |

**6. FINANCIAL INSTRUMENTS**

**Credit Risk**

Credit risk on the forward foreign exchange contracts is mitigated with institutions with high credit ratings. If possible, cash is deposited with financial institutions that have a long-term credit rating ascribed by Moody's of A2 or above.

|  | <b>2021<br/>€</b> | <b>2020<br/>€</b> |
|--|-------------------|-------------------|
| Forward foreign exchange contracts in profit | 259,024           | –                 |
| Cash and cash equivalents                    | 5,961,480         | 3,477,948         |
|  | <b>6,220,504</b>  | <b>3,477,948</b>  |

**Currency Exposure**

In order to protect the Company's Sterling statement of FP and reduce flow risk, the Company uses FFECs to mitigate the risk of foreign exposures arising on forecast receipts, cash balances and payments in foreign currencies.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

|            | 2021             | 2020             |
|------------|------------------|------------------|
|            | €                | €                |
| Euro       | 5,537,512        | 2,701,017        |
| US Dollars | 319,555          | 277,401          |
| Other      | 104,413          | 499,531          |
|            | <u>5,961,480</u> | <u>3,477,948</u> |

## 7. PLACEMENT AGENT FEE PREPAYMENT

|                                | 2021               | 2020               |
|--------------------------------|--------------------|--------------------|
|                                | €                  | €                  |
| <b>Cost</b>                    |                    |                    |
| At 1 April                     | 8,765,650          | –                  |
| Cost capitalised in the period | –                  | 8,765,650          |
| At 31 March                    | <u>8,765,650</u>   | <u>8,765,650</u>   |
| <b>Amortisation</b>            |                    |                    |
| At 1 April                     | (1,314,848)        | –                  |
| Charge for the period          | (1,753,130)        | (1,314,848)        |
| At 31 March                    | <u>(3,067,978)</u> | <u>(1,314,848)</u> |
| <b>Net Book Value</b>          |                    |                    |
| At 1 April                     | 7,450,802          | –                  |
| At 31 March                    | <u>5,697,672</u>   | <u>7,450,802</u>   |

Placement agent fees are recognised as a prepayment and are measured at cost less any accumulated amortisation and any accumulated impairment losses. The Partnership has deemed the useful life of the asset to be a period of five years, from 1 July 2019 to 30 June 2024, this being the Commitment Period of Fund IV. The residual value of the Placement Agent Fee prepayment is recognised as a debtor, split between current and non-current as presented in note 8.

## 8. DEBTORS

| Debtors: Amounts falling due within one year                 | 2021              | 2020              |
|--|-------------------|-------------------|
|  | €                 | €                 |
| Trade debtors  | 1,281,636         | 3,543,849         |
| Prepayments  | 777,363           | 1,000,392         |
| Other debtors  | 2,943,679         | 3,474,407         |
| Placement Agent Fee prepayment                               | 1,753,130         | 2,607,781         |
|  | <u>6,755,808</u>  | <u>10,626,429</u> |
| <b>Debtors: Amounts falling due after more than one year</b> |                   |                   |
| Other debtors  | 12,538,252        | 18,565,002        |
| Placement Agent Fee prepayment                               | 3,944,542         | 4,843,021         |
|  | <u>16,482,794</u> | <u>23,408,023</u> |
|  | <u>23,238,602</u> | <u>34,034,452</u> |

The portion of the Placement Agent Fee prepayment presented as due within one year represents the amount due to be amortised in the year ended 31 March 2022, in line with the account policy explained in note 7.

Other debtors falling due within one year includes EUR 2,782,721 (2020: EUR 2,949,154) due from members.

Other debtors falling due after more than one year includes EUR 11,059,174 (2020: EUR 15,570,504) due from members. This is due to be re-paid by December 2023.



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 9. CREDITORS

| Creditors: Amounts falling due within one year          | 2021<br>€         | 2020<br>€         |
|---|-------------------|-------------------|
| Trade creditors   | 2,699,793         | 4,994,679         |
| Accruals and deferred income                            | 8,535,305         | 6,418,000         |
| Taxation and social security                            | 486,569           | 346,125           |
| Other creditors   | 108,322           | 216,279           |
|   | <u>11,829,989</u> | <u>11,975,083</u> |
| Creditors: Amounts falling due after more than one year |                   |                   |
| Other creditors   | 15,146,996        | 23,332,438        |
|   | <u>15,146,996</u> | <u>23,332,438</u> |

Other creditors falling due after more than one year includes a EUR 2,596,996 (2020: EUR 4,357,826) Placement Agent Fee creditor. The final payment of this is due in July 2023.

Other creditors falling due after more than one year also includes a EUR 12,550,000 (2020: EUR 18,974,612) Revolving Credit Facility agreement with Investec Bank plc which is due to be repaid by December 2023, explained further in note 10.

## 10. REVOLVING CREDIT FACILITY

On 4 December 2018, the Partnership entered into a Revolving Facility Agreement ("the Facility") with Investec Bank plc ("Investec") in the amount of EUR 15,000,000. The first utilisation of the loan took place on 5 December 2018 in the amount of EUR 8,789,612.

The Facility is guaranteed by its Members and the Partnership has entered into back-to-back loan agreements with certain employees within the Partnership.

The margin on drawn amounts is 4% per annum and any unutilised amounts incur a charge of 1.15% per annum. Any interest has been recorded in the results of the Partnership. Interest is due to Investec semi-annually and the Facility must be repaid within the agreed five-year term.

On 21 January 2020, the Facility was increased to EUR 25,000,000. A second utilisation took place on the same date in the amount of EUR 10,185,000. Following the exit of a Fund III asset and per the mandatory repayment conditions of the facility agreement, the loan along with any interest accrued was repaid in full on 9 December 2020.

A third utilisation took place on 12 March 2021 in the amount of EUR 12,550,000. This amount is total loan principal amount outstanding as at 31 March 2021 (2020: EUR 18,974,612). The loan terms are unchanged per the above.

As at 31 March 2021, the amount due from these members and employees amounted to EUR 12,538,254 (2020: EUR 18,565,002).

## 11. RELATED PARTIES

Certain Members of the Partnership are also Members of CapVest Associates LLP. As at 31 March 2021, EUR nil (2020: EUR nil) was owed by or to the Partnership.

Certain Members of the Partnership have an interest in CapVest Equity Management III, Limited, a Company which the Partnership offers advisory services to. During the year, the Partnership invoiced EUR 4,507,220 (2020: EUR 4,817,764) to CapVest Equity Management III, Limited. As at 31 March 2021, EUR nil (2020: EUR nil) was owed to the Partnership.

Certain Members of the Partnership have an interest in CapVest Equity Management II-B, Limited, a Company which the Partnership offers advisory services to. During the year, the Partnership invoiced EUR 1,649,144 (2020: EUR 2,353,216) to CapVest Equity Management II-B, Limited. As at 31 March 2021, EUR nil (2020: EUR 1,489,327) was owed to the Partnership.

Certain Members of the Partnership have an interest in CapVest Irish Partners Limited ("the AIFM"), a related CapVest entity domiciled in Ireland. During the year, the Partnership invoiced EUR 24,149,452 (2020: EUR 17,089,852) to the AIFM in relation to certain investment management services which the AIFM delegates to the Partnership. As at 31 March 2021, EUR 136,338 (2020: EUR 13,167) in expenses was owed to the Partnership.

## **CAPVEST PARTNERS LLP**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Certain Members of the Partnership have an interest in CapVest Private Equity IV S.a.r.l, to which the Partnership, via its delegation from the AIFM, provides investment management services. During the year, the Partnership invoiced EUR nil (2020: EUR nil) to CapVest Private Equity IV S.a.r.l.

Certain Members of the Partnership have an interest in CapVest General Partners IV S.a.r.l, to which the Partnership, via its delegation from the AIFM, provides investment management services. During the year, the Partnership invoiced EUR nil to CapVest General Partners IV S.a.r.l.