

# **Passion Capital Investments LLP**

**Report And Financial Statements**

*31 March 2017*

Rees Pollock  
Chartered Accountants

WEDNESDAY



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COMPANIES HOUSE

Passion Capital Investments LLP

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INFORMATION

<b>Designated Members</b>	S Glaenzer E Burbidge R Dighero
<b>LLP registered number</b>	OC361157
<b>Registered office</b>	White Bear Yard 144a Clerkenwell Road London EC1R 5DF
<b>Independent auditors</b>	Rees Pollock 35 New Bridge Street London EC4V 6BW

**MEMBERS' REPORT**

For the Year Ended 31 March 2017

The members present their annual report together with the audited financial statements of Passion Capital Investments LLP (the LLP) for the year ended 31 March 2017.

**Principal activities**

The principal activity of the LLP is the provision of investment management services.

**Designated Members**

The following were designated members of the LLP during the year:

S Glaenzer  
R Dighero  
E Burbidge

**Members' capital and interests**

Each member's subscription to the capital of the LLP is determined by their share of the profit and is repayable following retirement from the LLP.

Details of changes in members' capital in the year ended 31 March 2017 are set out in the financial statements.

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

**Members' responsibilities statement**

The members are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, (as applied by 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 the profit or loss of the LLP for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for 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 to enable them to

Passion Capital Investments LLP

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MEMBERS' REPORT (continued)  
For the Year Ended 31 March 2017

ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Disclosure of information to auditors**

Each of the persons who are members at the time when this Members' report is approved has confirmed that:

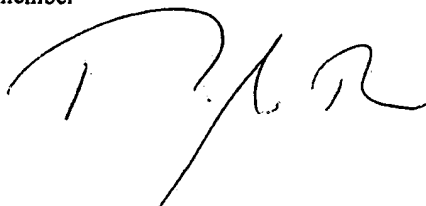
- so far as that member is aware, there is no relevant audit information of which the LLP's auditors are unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

**Auditors**

Rees Pollock have expressed their willingness to continue as auditors.

This report was approved by the members on 5/6/17 and signed on their behalf by:

R Dighero  
Designated member



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
PASSION CAPITAL INVESTMENTS LLP**

We have audited the financial statements of Passion Capital Investments LLP for the year ended 31 March 2017, set out on pages 5 to 15. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the LLP's members in accordance with the Companies Act 2006, as applied by Part 12 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Members and Auditors**

As explained more fully in the Members' responsibilities statement on page 2, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 March 2017 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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.

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

We have nothing to report in respect of the following matters where the Companies Act 2006, as applied to limited liability partnerships, requires us 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.

Jonathan Munday (Senior Statutory Auditor)  
for and on behalf of  
**Rees Pollock, Statutory Auditor**  
7 June 2017

Passion Capital Investments LLP

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STATEMENT OF COMPREHENSIVE INCOME  
For the Year Ended 31 March 2017

	Note	2017 £	2016 £
Turnover	2	1,766,229	1,488,123
Administrative expenses		<u>(767,768)</u>	<u>(752,402)</u>
Operating profit	3	998,461	735,721
Interest receivable and similar income		40	663
Interest payable and expenses		<u>(5)</u>	<u>-</u>
Profit for the year before members' remuneration and profit shares available for discretionary division among members		<u>998,496</u>	<u>736,384</u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

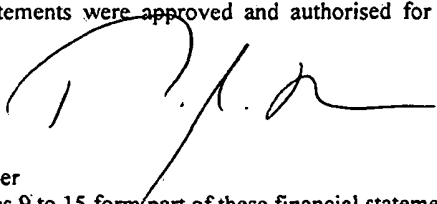
The notes on pages 9 to 15 form part of these financial statements.

**BALANCE SHEET**  
As at 31 March 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	6	10,927	11,082
Investments	7	1	3
		<u>10,928</u>	<u>11,085</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	8	502,151	254,694
Cash at bank and in hand		<u>204,770</u>	<u>306,880</u>
		706,921	561,574
Creditors: Amounts Falling Due Within One Year	9	<u>(25,155)</u>	<u>(140,915)</u>
<b>Net current assets</b>		<u>681,766</u>	<u>420,659</u>
<b>Total assets less current liabilities</b>		<u>692,694</u>	<u>431,744</u>
<b>Net assets</b>		<u><u>692,694</u></u>	<u><u>431,744</u></u>
<b>Represented by:</b>			
<b>Loans and other debts due to members within one year</b>			
Other amounts	10	<u>672,694</u>	<u>411,744</u>
		672,694	411,744
<b>Members' other interests</b>			
Members' capital classified as equity		20,000	20,000
		<u>20,000</u>	<u>20,000</u>
		<u>692,694</u>	<u>431,744</u>
<b>Total members' interests</b>		<u><u>692,694</u></u>	<u><u>431,744</u></u>
<b>Amounts due from members (included in debtors)</b>	8	(46,250)	(18,750)
<b>Loans and other debts due to members</b>	10	672,694	411,744
<b>Members' other interests</b>		<u>20,000</u>	<u>20,000</u>
		<u>646,444</u>	<u>412,994</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on

5 JUNE 2017



R S Dighero  
Designated member

The notes on pages 9 to 15 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY**  
For the Year Ended 31 March 2017

	EQUITY Members' other interests			DEBT Loans and other debts due to members less any amounts due from members in debtors		Total members' interests
	Members' capital (classified as equity) £	Other reserves £	Total £	Other amounts £	Total £	Total £
Amounts due to members				343,131	343,131	
<b>Balance at 1 April 2015</b>	20,000	-	20,000	343,131	343,131	363,131
Profit for the year available for discretionary division among members	-	736,384	736,384	-	-	736,384
<b>Members' interests after profit for the year</b>	20,000	736,384	756,384	343,131	343,131	1,099,515
Allocated profit for the year	-	(736,384)	(736,384)	736,384	736,384	-
Amounts withdrawn by members	-	-	-	(667,771)	(667,771)	(667,771)
Other movements	-	-	-	(18,750)	(18,750)	(18,750)
Amounts due to members				411,744	411,744	
Amounts due from members				(18,750)	(18,750)	
<b>Balance at 31 March 2016</b>	20,000	-	20,000	392,994	392,994	412,994
Profit for the year available for discretionary division among members	-	998,496	998,496	-	-	998,496
<b>Members' interests after profit for the year</b>	20,000	998,496	1,018,496	392,994	392,994	1,411,490
Allocated profit for the year	-	(998,496)	(998,496)	998,496	998,496	-
Amounts withdrawn by members	-	-	-	(737,546)	(737,546)	(737,546)
Other movements	-	-	-	(27,500)	(27,500)	(27,500)
Amounts due to members				672,694	672,694	
Amounts due from members				(46,250)	(46,250)	
<b>Balance at 31 March 2017</b>	20,000	-	20,000	626,444	626,444	646,444

The notes on pages 9 to 15 form part of these financial statements.



**STATEMENT OF CASH FLOWS**  
For the Year Ended 31 March 2017

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	998,496	736,384
<b>Adjustments for:</b>		
Depreciation of tangible assets	6,373	2,784
Interest paid	5	-
Interest received	(40)	(663)
(Increase) in debtors	(219,955)	(215,663)
(Decrease)/increase in creditors	(115,760)	111,803
<b>Net cash generated from operating activities</b>	<u>669,119</u>	<u>634,645</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(6,218)	(11,095)
Interest received	40	663
<b>Net cash from investing activities</b>	<u>(6,178)</u>	<u>(10,432)</u>
<b>Cash flows from financing activities</b>		
Payments to members	(765,046)	(686,521)
Interest paid	(5)	-
<b>Net cash used in financing activities</b>	<u>(765,051)</u>	<u>(686,521)</u>
<b>Net (decrease) in cash and cash equivalents</b>	<u>(102,110)</u>	<u>(62,308)</u>
Cash and cash equivalents at beginning of year	306,880	369,188
<b>Cash and cash equivalents at the end of year</b>	<u><u>204,770</u></u>	<u><u>306,880</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	204,770	306,880
	<u><u>204,770</u></u>	<u><u>306,880</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2017

**1. Accounting policies**

**1.1 Basis of preparation of financial statements**

Passion Capital Investments LLP is a limited liability partnership incorporated in the UK.

The entity's registered address is White Bear Yard, 144a Clerkenwell Road, London, EC1R 5DF.

The principal activities are documented in the Members' Report.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. Management do not consider there are any key accounting estimates or assumptions made that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Management are also required to exercise judgment in applying the entity's accounting policies. Due to the straight forward nature of the business management consider that no critical judgements have been made in applying the entity's accounting policies.

The following principal accounting policies have been applied:

**1.2 Revenue**

Revenue is recognised by the LLP in respect of management services supplied during the year, exclusive of value added tax. Fees are recognised over the period in which services are provided.

**1.3 Tangible fixed assets**

Tangible fixed assets are stated at historical cost less accumulated depreciation.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives are as follows:

Office equipment	- 3 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

**1.4 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2017

**1. Accounting policies (continued)**

**1.5 Financial instruments**

The entity does not trade in financial instruments and all such instruments arise directly from operations.

All trade and other debtors are initially recognised at transaction value, as none contain in substance a financing transaction. Thereafter trade and other debtors are reviewed for impairment where there is objective evidence based on observable data that the balance may be impaired. The entity does not hold collateral against its trade and other receivables so its exposure to credit risk is the net balance of trade and other debtors after allowance for impairment.

The entity's cash holdings comprise on demand balances. All cash is held with banks with strong external credit ratings.

Trade and other creditors and accruals are initially recognised at transaction value as none represent a financing transaction. They are only derecognised when they are extinguished. As the entity only has short term receivables and payables, its net current asset position is a reasonable measure of its liquidity at any given time.

**1.6 Foreign currency translation**

**Functional and presentation currency**

The LLP's functional and presentational currency is GBP.

**Transactions 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.

**1.7 Members' profit allocation**

A members' discretionary share in the profit or the loss for the year is accounted for as an allocation of profits. Unallocated profits and losses are included within 'other reserves'.

**1.8 Related party policy**

The company is exempt under section 33 of FRS102 from disclosing transactions or balances between wholly owned group companies.

**2. TURNOVER**

The turnover for the period was derived from the LLP's principal activity.

All turnover arose within the United Kingdom.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2017

**3. Operating profit**

The operating profit is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	6,373	2,784
Fees payable to the LLP's auditor for the audit of the LLP's annual financial statements	4,450	4,350
Fees payable to the LLP's auditor for audit and non-audit services for other group entities	10,760	10,500
Auditors' remuneration - non-audit	1,125	1,100
Exchange differences	65	-
	<u>          </u>	<u>          </u>

**4. Employees**

Staff costs were as follows:

	2017	2016
	£	£
Wages and salaries	297,588	230,831
Social security costs	31,789	25,257
	<u>329,377</u>	<u>256,088</u>

The average monthly number of persons (including members with contracts of employment) employed during the year was as follows:

2017	2016
No.	No.
7	6
<u>          </u>	<u>          </u>

**5. Information in relation to members**

	2017	2016
	Number	Number
The average number of members during the year was	3	3
	<u>          </u>	<u>          </u>
	2017	2016
	£	£
The amount of profit attributable to the member with the largest entitlement was	332,832	245,461
	<u>          </u>	<u>          </u>

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NOTES TO THE FINANCIAL STATEMENTS  
For the Year Ended 31 March 2017

6. Tangible fixed assets

	Office equipment £
<b>Cost or valuation</b>	
At 1 April 2016	17,512
Additions	6,218
At 31 March 2017	<u>23,730</u>
<b>Depreciation</b>	
At 1 April 2016	6,430
Charge for the period on owned assets	6,373
At 31 March 2017	<u>12,803</u>
<b>Net book value</b>	
At 31 March 2017	<u>10,927</u>
At 31 March 2016	<u>11,082</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2017

**7. Fixed asset investments**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 April 2016	3
Transfers intra group	(2)
At 31 March 2017	<u>1</u>
<b>Net book value</b>	
At 31 March 2017	<u><u>1</u></u>
At 31 March 2016	<u><u>3</u></u>

The LLP had the following subsidiary undertaking:

The LLP holds 100% of the ordinary share capital of Passion Capital GP Limited. The principal activity of the company is that of a general partner of a limited partnership. The aggregate capital and reserves at 31 March 2017 was (£4,144). The loss for the year ending 31 March 2017 was £1,670.

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2017

**8. Debtors**

	2017 £	2016 £
Trade debtors	-	9,808
Other debtors	442,757	220,312
Prepayments and accrued income	13,144	5,824
Amounts due from members	46,250	18,750
	<u>502,151</u>	<u>254,694</u>

**9. Creditors: Amounts falling due within one year**

	2017 £	2016 £
Trade creditors	607	125,234
Other taxation and social security	58	2,712
Other creditors	6,591	281
Accruals and deferred income	17,899	12,688
	<u>25,155</u>	<u>140,915</u>

**10. Loans and other debts due to members**

	2017 £	2016 £
Other amounts due to members	672,694	411,744
	<u>672,694</u>	<u>411,744</u>

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

Loans and other debts due to members may be further analysed as follows:

	2017 £	2016 £
Falling due within one year	672,694	411,744
	<u>672,694</u>	<u>411,744</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
For the Year Ended 31 March 2017

**11. Related party transactions**

The following entities are related parties of Passion Capital Investments LLP ('PCI LLP') by virtue of being under common control: Passion Capital (GP) Limited, Passion Capital II (GP) LLP, Passion Capital FS (GP) LLP, Passion Capital (FP) LLP, Passion Capital II (FP) LLP, Passion Capital FS (FP) LLP and White Bear Yard Management Limited.

	2017 £	2016 £
<b>Amounts due from/(to)</b>		
Passion Capital (GP) Limited	248,106	4,865
Passion Capital II (GP) LLP	360	442
Passion Capital (FP) LLP	(2,295)	(2,217)
Passion Capital II (FP) LLP	360	442
White Bear Yard Management Limited	187,847	109,499

**Transactions during the period**

During the period PCI LLP charged the following entities investment management fees of:

Passion Capital (GP) Limited	1,764,636	514,812
Passion Capital II (GP) LLP	-	870,644
Passion Capital FS (GP) LLP	-	39,882

During the period the following entities recharged PCI LLP costs of:

Passion Capital (GP) Limited	80	3,372
Passion Capital II (GP) LLP	82	58
Passion Capital (FP) LLP	78	3,667
Passion Capital II (FP) LLP	82	58
White Bear Yard Management Limited	96,652	172,901

During the period PCI LLP advanced loans to the following entities:

White Bear Yard Management Limited	175,000	210,000
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The loan due from White Bear Yard Management Limited is interest-free and repayable on demand.