

Passion Capital Investments LLP

Report And Financial Statements

31 March 2018

Rees Pollock
Chartered Accountants

FRIDAY



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29/06/2018
COMPANIES HOUSE

INFORMATION

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

MEMBERS' REPORT

For the Year Ended 31 March 2018

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 2018.

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 2018 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

MEMBERS' REPORT (continued)
For the Year Ended 31 March 2018

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:

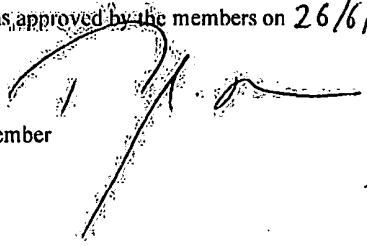
- so far as that member is aware, there is no relevant audit information of which the LLP's auditors are unaware, and
- that member has taken all the steps that ought to have been taken as a member in order to be aware of any relevant audit information and to establish that the LLP's auditors are aware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

Auditors

Rees Pollock have expressed their willingness to continue as auditors.

This report was approved by the members on 26/6/18 and signed on their behalf by:

R Dighero
Designated member



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

Opinion

We have audited the financial statements of Passion Capital Investments LLP (the 'LLP') for the year ended 31 March 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Reconciliation of members' interests and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 March 2018 and of its results 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the LLP in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the LLP's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The members are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PASSION CAPITAL INVESTMENTS LLP (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of members

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, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the LLP's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications 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.

Jonathan Munday (Senior statutory auditor)
for and on behalf of
Rees Pollock, Statutory Auditor
26 June 2018

STATEMENT OF COMPREHENSIVE INCOME
For the Year Ended 31 March 2018

	Note	2018 £	2017 £
Turnover	3	1,713,096	1,766,229
Administrative expenses		(753,956)	(767,768)
Operating profit	4	959,140	998,461
Interest receivable and similar income		8	40
Interest payable and expenses		-	(5)
Profit for the year before members' remuneration and profit shares available for discretionary division among members		959,148	998,496

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

The notes on pages 10 to 17 form part of these financial statements.

BALANCE SHEET
As at 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	7	7,763	10,927
Investments	8	1	1
		<u>7,764</u>	<u>10,928</u>
Current assets			
Debtors: amounts falling due within one year	9	246,221	502,151
Bank & cash balances		432,977	204,770
		<u>679,198</u>	<u>706,921</u>
Creditors: Amounts Falling Due Within One Year	10	(37,162)	(25,155)
Net current assets		<u>642,036</u>	<u>681,766</u>
Total assets less current liabilities		<u>649,800</u>	<u>692,694</u>
Net assets		<u>649,800</u>	<u>692,694</u>
Represented by:			
Loans and other debts due to members within one year			
Other amounts	11	629,800	672,694
		<u>629,800</u>	<u>672,694</u>
Members' other interests			
Members' capital classified as equity	20,000	20,000	20,000
		<u>649,800</u>	<u>692,694</u>
Total members' interests		<u>649,800</u>	<u>692,694</u>
Amounts due from members (included in debtors)	9	(93,125)	(46,250)
Loans and other debts due to members	11	629,800	672,694
Members' other interests		20,000	20,000
		<u>556,675</u>	<u>646,444</u>

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 26/6/18

R S Dighero
Designated member

The notes on pages 16 to 17 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
For the Year Ended 31 March 2018

	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				411,744	411,744	
Amounts due from members				(18,750)	(18,750)	
Balance at 1 April 2016	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
Members' interests after profit for the year	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)	
Balance at 31 March 2017	20,000	-	20,000	626,444	626,444	646,444
Profit for the year available for discretionary division among members	-	959,148	959,148	-	-	959,148
Members' interests after profit for the year	20,000	959,148	979,148	626,444	626,444	1,605,592
Allocated profit for the year	-	(959,148)	(959,148)	959,148	959,148	-
Amounts withdrawn by members	-	-	-	(1,002,042)	(1,002,042)	(1,002,042)
Other movements	-	-	-	(46,875)	(46,875)	(46,875)
Amounts due to members				629,800	629,800	
Amounts due from members				(93,125)	(93,125)	
Balance at 31 March 2018	20,000	-	20,000	536,675	536,675	556,675

The notes on pages 10 to 17 form part of these financial statements.

The ability of the members of the LLP to reduce the amount of Members' other interests is restricted by the regulatory capital requirements of the FCA.

STATEMENT OF CASH FLOWS
For the Year Ended 31 March 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	959,148	998,496
Adjustments for:		
Depreciation of tangible assets	6,462	6,373
Interest paid	-	5
Interest received	(8)	(40)
Decrease/(increase) in debtors	302,805	(219,955)
Increase/(decrease) in creditors	12,007	(115,760)
Net cash generated from operating activities before transactions with members	<u>1,280,414</u>	<u>669,119</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(3,298)	(6,218)
Interest received	8	40
Net cash from investing activities	<u>(3,290)</u>	<u>(6,178)</u>
Cash flows from financing activities		
Interest paid	-	(5)
Payments to members	(1,048,917)	(765,046)
Net cash used in financing activities	<u>(1,048,917)</u>	<u>(765,051)</u>
Net increase/(decrease) in cash and cash equivalents	<u>228,207</u>	<u>(102,110)</u>
Cash and cash equivalents at beginning of year	<u>204,770</u>	<u>306,880</u>
Cash and cash equivalents at the end of year	<u><u>432,977</u></u>	<u><u>204,770</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u>432,977</u>	<u>204,770</u>
	<u><u>432,977</u></u>	<u><u>204,770</u></u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2018

1. Accounting policies

1.1 Basis of preparation of financial statements

Passion Capital Investments LLP is a limited liability partnership incorporated in the UK and registered in England and Wales.

The LLP'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 LLP's accounting policies. Due to the straight forward nature of the business management consider that no critical judgments have been made in applying the LLP's accounting policies.

The LLP is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the LLP as an individual undertaking and not about its group.

1.2 Turnover

Turnover comprises revenue 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 under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

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 2018

1. Accounting policies (continued)

1.5 Financial instruments

The LLP 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 LLP 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 LLP'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 LLP 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 Related party policy

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

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

2. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. Management consider the following are 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:

Valuation of Investments

Fixed asset investments are included in the balance sheet at a value determined in accordance with the "International Private Equity and Venture Capital Valuations Guidelines" developed by the British Venture Capital Association as permitted under the alternative accounting rules of the Companies Act 2006.

Investments are initially valued on acquisition at the cost of the investment. The investment cost is considered to provide the best indication of fair value for an initial period after the investment has been made. Subsequently, investments are valued at their fair value using methodologies set out in the guidelines, which may include: earnings multiple; the price at which third party capital has recently been raised; or other relevant factors.

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.

3. Turnover

The turnover for the year 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 2018

4. Operating profit

The operating profit is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets	6,462	6,373
Fees payable to the LLP's auditor for the audit of the LLP's annual financial statements	4,550	4,450
Fees payable to the LLP's auditor for audit and non-audit services for other group entities	10,950	10,760
Auditors' remuneration - non-audit	1,150	1,125
Exchange differences	32	65
Pension costs	1,330	-
	<u> </u>	<u> </u>

5. Employees

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	293,014	297,588
Social security costs	30,049	31,789
Pension costs	1,330	-
	<u>324,393</u>	<u>329,377</u>

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

2018	2017
No.	No.
<u>8</u>	<u>7</u>

6. Information in relation to members

	2018	2017
	Number	Number
The average number of members during the year was	<u>3</u>	<u>3</u>
	2018	2017
	£	£
The amount of profit attributable to the member with the largest entitlement was	<u>321,000</u>	<u>332,832</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2018

7. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 April 2017	23,730
Additions	3,298
At 31 March 2018	<u>27,028</u>
Depreciation	
At 1 April 2017	12,803
Charge for the year on owned assets	6,462
At 31 March 2018	<u>19,265</u>
Net book value	
At 31 March 2018	<u><u>7,763</u></u>
At 31 March 2017	<u><u>10,927</u></u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2018

8. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 April 2017	1
At 31 March 2018	<u>1</u>
Net book value	
At 31 March 2018	<u><u>1</u></u>
At 31 March 2017	<u><u>1</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 deficit on aggregate capital and reserves at 31 March 2018 was £4,242 (2017: £4,144). The loss for the year ending 31 March 2018 was £98 (2017: £1,670).

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 March 2018

9. Debtors

	2018 £	2017 £
Other debtors	152,642	442,757
Prepayments and accrued income	454	13,144
Amounts due from members	93,125	46,250
	<u>246,221</u>	<u>502,151</u>

10. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	1,696	607
Other taxation and social security	184	58
Other creditors	10,641	6,591
Accruals and deferred income	24,641	17,899
	<u>37,162</u>	<u>25,155</u>

11. Loans and other debts due to members

	2018 £	2017 £
Other amounts due to members	629,800	672,694
	<u>629,800</u>	<u>672,694</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:

	2018 £	2017 £
Falling due within one year	629,800	672,694
	<u>629,800</u>	<u>672,694</u>

NOTES TO THE FINANCIAL STATEMENTS

For the Year Ended 31 March 2018

12. 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 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 ('WBYM').

	2018 £	2017 £
Amounts due from/(to)		
Passion Capital II (GP) LLP	360	360
Passion Capital (FP) LLP	(6,049)	(2,295)
Passion Capital II (FP) LLP	360	360
WBYM	90,204	187,847

Transactions during the period

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

Passion Capital II (GP) LLP	-	82
Passion Capital (FP) LLP	-	78
Passion Capital II (FP) LLP	-	82

During the period WBYM charged PCI LLP rent of	117,360	128,522
During the period WBYM charged PCI LLP a marketing fee of	72,000	60,000
During the period PCI LLP recharged WBYM expenses of	12,155	14,182
During the period PCI LLP paid for expenses on behalf of WBYM of	22,319	2,740
During the period WBYM paid for expenses on behalf of PCI LLP of	19,503	39,216
During the period PCI LLP advanced loans to WBYM of	-	175,000

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