

hoxton ventures

## Hoxton Ventures LLP

**Report and Audited Financial Statements**  
**For the year ended 31 March 2018**

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# Hoxton Ventures LLP

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# Report of the Members

The Members present their report together with the financial statements of Hoxton Ventures LLP (the "LLP") for the year ended 31 March 2018.

## Designated Members

The Designated Members during the year ended 31 March 2018 and up to the date of signing are as follows:

Robert Kniaz  
Hussein Kanji

## Principal activity

During the year the principal activity of the LLP was to act as the manager to Hoxton Ventures Fund I, L.P.

## Results for the year

Total comprehensive income for the year available for discretionary distribution among members was £244,799 (2017: £327,366).

## Members' Drawings and the subscription and repayment of Members' capital

Each Member may receive Drawings from the LLP or an amount of that Member's entitlement to profits in such amounts as shall be determined by a Members' Resolution.

The Members shall contribute the total sum of capital on incorporation of the LLP. Members may subscribe further capital to the LLP in such sum as shall be decided from time to time by Designated Members Resolution and agreed by the relevant Member. Members' capital is not repayable except where allowed under FCA rules.

## Members' profit allocation

The profits and losses of the LLP in respect of each accounting year shall be allocated at the end of each accounting year as follows:

- (a) profits of the LLP shall first be allocated between the Members of the LLP to cover drawings;
- (b) available profits shall then be allocated between the Members of the LLP as determined by the Designated Members; and
- (c) losses shall be allocated between the Members as determined by the Designated Members;

provided that the Designated Members shall have absolute discretion in determining the distribution of profits and/or losses, save that profits and losses shall always be allocated on an equal basis to Robert Kniaz and Hussein Kanji.

# Report of the Members (continued)

## Statement of Members' responsibilities in respect of the financial statements

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

The Limited Liability Partnerships (Accounts and Audit) Regulations 2008, requires the Members to prepare financial statements for each year. Under that law, the Members have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union. The financial statements are also required by law to be prepared in accordance with the Companies Act 2006, as applicable to limited liability partnerships.

International Accounting Standard 1, 'Presentation of Financial Statements', requires that financial statements present fairly for each financial year Hoxton Ventures LLP's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions and other events and conditions, in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's 'Framework for the Preparation and Presentation of Financial Statements'. In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable International Financial Reporting Standards (IFRSs). However, Members are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The Members are responsible for keeping adequate accounting records which disclose with reasonable accuracy, at any time, the financial position of Hoxton Ventures LLP and to enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of Hoxton Ventures LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Members are responsible for the maintenance and integrity of the corporate and financial information included on Hoxton Ventures LLP's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

These responsibilities are exercised by the Members.

## Provision of information to auditors

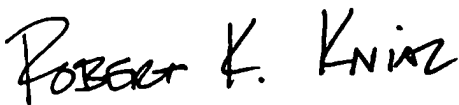
In so far as the Designated Members are aware:

- there is no relevant audit information of which the LLP's auditors are unaware; and
- the Designated Members have taken all steps that they ought to have taken as Designated Members in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of this information.

## Auditors

Rees Pollock have indicated their willingness to continue in office. The Designated Members will propose a motion re-appointing the auditors at a meeting of the members.

This report was approved by the Members and signed on their behalf by:



Robert Kniaz  
Designated Member

24 July 2018



Hussein Kanji  
Designated Member

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOXTON VENTURES LLP**

### **Opinion**

We have audited the financial statements of Hoxton Ventures LLP (the 'LLP') for the year ended 31 March 2018, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 HOXTON VENTURES 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 Statement of Members' Responsibilities on page 4, 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](http://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, as a body, 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, as a body, 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**

25 July 2018

# Statement of Comprehensive Income

For the year ended 31 March 2018

(All figures stated in GBP)	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Income</b>			
Management fee income	2(b), 6	522,126	569,833
Other income	2(c)	14,817	2,610
Foreign exchange (losses) / gains		(2,643)	13,551
<b>Total Income</b>		<b>534,300</b>	<b>585,994</b>
<b>Expenditure</b>	7	(289,501)	(258,628)
<b>Total expenses</b>		<b>(289,501)</b>	<b>(258,628)</b>
<b>Profit and total comprehensive income for the year available for discretionary division among members</b>		<b>244,799</b>	<b>327,366</b>

There were no items of other comprehensive income during the years ended 31 March 2018 or 31 March 2017.

All income and expenditure in the above statement is derived from continuing operations.

The notes on pages 11 to 18 form an integral part of these Financial Statements

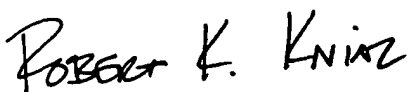
# Statement of Financial Position

As at 31 March 2018

(All figures stated in GBP)	Notes	As at 31 March 2018	As at 31 March 2017
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	8	15,487	44,444
Other current assets	9	44,785	72,072
<b>Total assets</b>		<b>60,272</b>	<b>116,516</b>
<b>Liabilities and Members' equity</b>			
<b>Current liabilities:</b>			
Other payables and accrued expenses	10	29,668	63,104
<b>Total liabilities</b>		<b>29,668</b>	<b>63,104</b>
<b>Total net assets</b>		<b>30,604</b>	<b>53,412</b>
<b>Equity and Members' interests</b>			
Members' other interests	2(m), 11	5,000	5,000
Amounts due to Members	11	25,604	48,412
<b>Total Members' interests</b>		<b>30,604</b>	<b>53,412</b>


Registered number: OC383815

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



Robert Kniaz  
Designated Member

24 July 2018



Hussein Kanji  
Designated Member

The notes on pages 11 to 18 form an integral part of these Financial Statements



# Statement of Changes in Equity

For the year ended 31 March 2018

<b>(All figures stated in GBP)</b>		<b>Members' capital classed as equity</b>	<b>Other reserves</b>	<b>Total</b>
	<b>Notes</b>			
<b>Members' equity as at 1 April 2017</b>		<b>5,000</b>	<b>-</b>	<b>5,000</b>
Total comprehensive income for the financial year	11	-	244,799	244,799
Profit allocation for the year	11	-	(244,799)	(244,799)
<b>Members' equity as at 31 March 2018</b>		<b>5,000</b>	<b>-</b>	<b>5,000</b>
<b>(All figures stated in GBP)</b>		<b>Members' capital classed as equity</b>	<b>Other reserves</b>	<b>Total</b>
<b>Members' equity as at 1 April 2016</b>		<b>5,000</b>	<b>-</b>	<b>5,000</b>
Total comprehensive income for the financial year	11	-	327,366	327,366
Profit allocation for the year	11	-	(327,366)	(327,366)
<b>Members' equity as at 31 March 2017</b>		<b>5,000</b>	<b>-</b>	<b>5,000</b>

The notes on pages 11 to 18 form an integral part of these Financial Statements

# Statement of Cash Flows

For the year ended 31 March 2018

(All figures stated in GBP)	Notes	For the year ended 31 March 2018	For the year ended 31 March 2017
<b>Cash flows from operating activities</b>			
Total comprehensive income		244,799	327,366
<i>Adjustments for:</i>			
Foreign exchange losses / (gains) on cash and cash equivalents		2,643	(13,551)
<i>Working Capital Adjustments</i>			
Decrease / (increase) in other current assets	9	27,287	(3,468)
Decrease in other payables and accrued expenses	10	(33,436)	(32,379)
<b>Cash generated from operations</b>		<b>241,293</b>	<b>277,968</b>
<b>Net cash inflow from operating activities</b>		<b>241,293</b>	<b>277,968</b>
<b>Cash flows from financing activities</b>			
Members' drawings	11	(267,607)	(281,014)
<b>Net cash outflow from financing activities</b>		<b>(267,607)</b>	<b>(281,014)</b>
Net decrease cash and cash equivalents		(26,314)	(3,046)
Cash and cash equivalents at the beginning of the year		44,444	33,939
Foreign exchange losses / (gains) on cash and cash equivalents		(2,643)	13,551
<b>Cash and cash equivalents at the end of the year</b>	8	<b>15,487</b>	<b>44,444</b>

The notes on pages 11 to 18 form an integral part of these Financial Statements

# Notes to the Financial Statements

For the year ended 31 March 2018

## 1 General information

Hoxton Ventures LLP (the "LLP") is an English limited liability partnership. The LLP was formed on 27 March 2013 and its primary purpose is to act as an investment advisor to Hoxton Ventures Fund I, L.P. and Hoxton Ventures Fund I (Ireland), L.P. (the "Partnerships"), both of which are Cayman Islands exempted limited partnerships. After the year end Hoxton Ventures Fund I (Ireland), L.P. was liquidated, at which point the LLP ceased to act as the investments advisor.

Capitalised terms used but not defined herein shall have the meaning assigned to them in the Partnership Agreement.

## 2 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the periods presented, unless otherwise stated.

### a) Basis of preparation

The financial statements for the LLP have been prepared in line with International Financial Reporting Standards ("IFRS") as adopted by the EU as determined applicable to the LLP by the Members in accordance with the Limited Liability Partnership Agreement ("Partnership Agreement") and under the historical cost convention. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Members to exercise their judgement in the process of applying the LLP's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. The Members believe that the underlying assumptions are appropriate and that the LLP's financial statements therefore present the financial position and results fairly.

### b) Management fee income

Management fee income is attributable to the provision of management services to Hoxton Ventures Fund I, L.P., for directors monitoring and advisory fees for other legacy private equity investments. In accordance with the Partnership Agreement, the management fee for each of the Partnership's Fiscal Quarters (or portions thereof), commencing on the Initial Contribution Date to and including the Fiscal Quarter in which the fifth anniversary date of the Initial Contribution Date occurs, shall be an amount equal to 0.625% of the sum of the Capital Commitments of all of the Limited Partners as of the first day of each such Fiscal Quarter (or portion thereof). Beginning with the first full Fiscal Quarter following the fifth anniversary of the Initial Contribution Date, the annual management fee shall equal 2.5% of the aggregate Cost Basis Value of Portfolio Securities as of the last day of the preceding Fiscal Quarter.

### c) Other income

Other income derives from the provision of directors and other services by the Members.

### d) Establishment and organisational expenses

Expenses incurred in establishing the LLP have been allocated in proportion to the Members' relevant commitments and are fully charged to the Statement of Comprehensive Income in the period that they are incurred. Relevant commitments with respect to any Member at any time, is the amount specified as such Member's capital commitment to the LLP at the time such Member was admitted to the LLP.

### e) Expenditure

Expenses are included in the Statement of Comprehensive Income on an accruals basis.

### f) Taxation

Taxation of the profits of the LLP is the individual liability of the Members of the LLP. No taxation is therefore provided in these financial statements.

### g) Foreign currency translation

Foreign currency monetary assets and liabilities are restated at the Statement of Financial Position date and the associated exchange gains or losses are recognised in the Statement of Comprehensive Income.

Transactions in foreign currencies are initially recorded by the LLP at their respective functional currency rates prevailing at the date of the transaction.

# Notes to the Financial Statements

For the year ended 31 March 2018

## 2 Significant accounting policies (continued)

### h) Functional and presentation currency

The LLP's functional and presentation currency is Pounds Sterling, which is the currency of the primary economic environment in which it operates. The LLP's performance is evaluated and its liquidity is managed in Pounds Sterling. Therefore, Pounds Sterling is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

### i) Cash and cash equivalents

Cash and cash equivalents may include cash at hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

### j) Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

### k) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost.

### l) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position where the LLP currently has a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### m) Members' interests

Members' interests are accounted for under the equity method.

## 3 Adoption of new and revised standards

IFRS and related Interpretations of IFRS newly issued and effective at the date of issuance of the LLP's Financial Statements are listed below.

### **New and revised standards that are effective for annual periods beginning on or after 1 January 2018**

A number of new and revised standards are effective for annual periods beginning on or after 1 January 2018. Information on these new standards is presented below:

IFRS 9: Financial Instruments with regards to recognition and measurement is the only standard effective for the LLP as of 1 January 2018 which may have a significant impact on the financial instruments held by the LLP. However, it is the opinion of the Members that regardless of whether the financial assets held by the LLP are classified as debt or equity, that the treatment as at fair value through profit or loss will remain the applicable method of recognition and hence there is no expected impact on the NAV.

There are no other standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the LLP.

## 4 Critical accounting estimates and judgements

The preparation of the LLP's financial statements requires the Members to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily available from other sources. Estimates, underlying assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### i) Critical judgements in applying the LLP's accounting policies

In the process of applying the LLP's accounting policies, which are described in Note 2 above, the Members are of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

# Notes to the Financial Statements (continued)

For the year ended 31 March 2018

## 4 Critical accounting estimates and judgements (continued)

### a) Foreign currency translation

Items included in the financial statements of the LLP are measured in the currency of the primary economic environment in which the LLP operates. The financial statements of the LLP are presented in Pounds Sterling, which is also the functional currency of the LLP.

The Members consider the currency of the primary economic environment in which the LLP operates to be Pounds Sterling, and this is the currency which in their opinion most faithfully represents the economic effect of the underlying transactions, events and conditions. Furthermore, Pounds Sterling is the currency in which the LLP measures its performance and also records capital transactions in members' interests.

### b) Going concern

The Members have made an assessment of the LLP's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, the Members are not aware of any material uncertainties that may cast doubt upon the LLP's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on a going concern basis.

## 5 Particulars of Members

The average number of Members for the year was 2 (year ended 31 March 2017: 2).

## 6 Management fee income

<b>(All figures stated in GBP)</b>	<b>For the year ended 31 March 2018</b>	<b>For the year ended 31 March 2017</b>
Management fee income	522,126	569,833
<b>Total</b>	<b>522,126</b>	<b>569,833</b>

## 7 Expenditure

<b>(All figures stated in GBP)</b>	<b>For the year ended 31 March 2018</b>	<b>For the year ended 31 March 2017</b>
Administration fees	28,644	10,008
Fees payable to the LLP's auditor for the audit of the financial statements	4,500	4,080
Fees payable to the LLP's auditor for other services	1,200	1,140
Professional fees	51,866	21,359
Placement fees	66,405	54,529
Other expenses	136,886	167,512
<b>Total</b>	<b>289,501</b>	<b>258,628</b>

## 8 Cash and cash equivalents

<b>(All figures stated in GBP)</b>	<b>As at 31 March 2018</b>	<b>As at 31 March 2017</b>
Cash at bank	15,487	44,444
<b>Total</b>	<b>15,487</b>	<b>44,444</b>

# Notes to the Financial Statements (continued)

For the year ended 31 March 2018

## 9 Other current assets

(All figures stated in GBP)	As at 31 March 2018	As at 31 March 2017
Prepayments	76	7,624
VAT recoverable	1,950	1,515
Due from related parties (note 12)	28,199	62,933
Other receivables	14,560	-
<b>Total</b>	<b>44,785</b>	<b>72,072</b>

## 10 Other payables and accrued expenses

(All figures stated in GBP)	As at 31 March 2018	As at 31 March 2017
Payables and accrued expenses	20,221	63,104
Due to related parties (note 12)	9,447	-
<b>Total</b>	<b>29,668</b>	<b>63,104</b>

## 11 Members' interest

(All figures stated in USD)	Members capital classed as equity	Other reserves	Total Members' other interests	Loans and debts due to Members less any amount due to/(from) Members	Total
As at 1 April 2017	5,000	-	5,000	48,412	53,412
Total comprehensive income for the financial year	-	244,799	244,799	-	244,799
Total comprehensive income available for division among Members	-	244,799	244,799	-	244,799
Profit allocation for the year	-	(244,799)	(244,799)	244,799	-
Amounts withdrawn by Members	-	-	-	(267,607)	(267,607)
<b>As at 31 March 2018</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>	<b>25,604</b>	<b>30,604</b>

(All figures stated in USD)	Members capital classed as equity	Other reserves	Total Members' other interests	Loans and debts due to Members less any amount due to/(from) Members	Total
As at 1 April 2016	5,000	-	5,000	2,060	7,060
Total comprehensive income for the financial year	-	327,366	327,366	-	327,366
Total comprehensive income available for division among Members	-	327,366	327,366	-	327,366
Profit allocation for the year	-	(327,366)	(327,366)	327,366	-
Amounts withdrawn by Members	-	-	-	(281,014)	(281,014)
<b>As at 31 March 2017</b>	<b>5,000</b>	<b>-</b>	<b>5,000</b>	<b>48,412</b>	<b>53,412</b>

# Notes to the Financial Statements (continued)

For the year ended 31 March 2018

## 11 Members' interest (continued)

Loans and other debts due to members rank equally with ordinary payables, and members' other interests rank after ordinary payables, in the event of a winding up.

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.

## 12 Financial risk management

### Risk management structure

The Members are ultimately responsible for the overall risk management within the LLP.

### Financial risk factors

The LLP's activities expose it to market risk, credit and liquidity risk.

### Market risk

Market risk is the potential for changes in value due to the change in underlying financial instruments.

It is managed by formulating a view on the future direction of foreign exchange rates and factoring that into its cash management decisions.

### Price risk

Price risk is the risk that the value of an investment will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The LLP holds no investments, or other financial assets and liabilities that are held at fair value. Accordingly, the members believe that the LLP is not exposed to price risk. For this reason no sensitivity analysis has been prepared.

### Currency risk

Currency risk is the potential for changes in value due to changes in foreign exchange rates.

Some of the LLP's assets are denominated in currencies other than Pounds Sterling and accordingly the value of the LLP's assets may be affected favourably or unfavourably by fluctuations in foreign exchange rates and therefore the LLP will necessarily be subject to foreign exchange risks. The Members have not hedged the LLP's foreign currency exposure.

At the year end the LLP held a cash balance and other current assets in USD as detailed in the table below:

	As at 31 March 2018	As at 31 March 2017
	USD	USD
<b>Assets</b>		
Cash and cash equivalents	10,695	32,300
Other current assets	-	78,580
	<b>10,695</b>	<b>110,880</b>

Currency risk is the potential for changes in value due to changes in foreign exchange rates.

	As at 31 March 2018	Currency	Change in Rate	Currency Rate	Amount (£)	Effect on Profit (£)
Cash and cash equivalents		USD	5%	0.748	7,622	381
Cash and cash equivalents		USD	(5%)	0.677	7,622	(381)

	As at 31 March 2017	Currency	Change in Rate	Currency Rate	Amount (£)	Effect on Profit (£)
Cash and cash equivalents		USD	5%	0.731	25,868	1,293
Cash and cash equivalents		USD	(5%)	0.662	25,868	(1,293)

# Notes to the Financial Statements (continued)

For the year ended 31 March 2018

## 12 Financial risk management (continued)

### Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair value of financial instruments.

At the LLP level there are no significant interest bearing financial assets or financial liabilities. The only interest-bearing assets consist of cash and cash equivalents on which interest income derived is considered insignificant and therefore no sensitivity analysis has been prepared.

Currency risk is the potential for changes in value due to changes in foreign exchange rates.

The members believe that there are no material interest rate exposures, please refer to the following tables for additional information:

(All figures stated in GBP)	Less than 3 months	3 months- 6 months	6 months- 1 year	More than 1 Year	Non- interest bearing	Total
<b>As at 31 March 2018</b>						
<b>Assets</b>						
Cash and cash equivalents	15,487	-	-	-	-	15,487
Other current assets	-	-	-	-	44,785	44,785
<b>Total assets</b>	<b>15,487</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>44,785</b>	<b>60,272</b>
<b>Liabilities</b>						
Other payables and accrued expenses	-	-	-	-	(29,668)	(29,668)
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(29,668)</b>	<b>(29,668)</b>
<b>Total interest sensitivity gap</b>	<b>15,487</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,117</b>	<b>30,604</b>

(All figures stated in GBP)	Less than 3 months	3 months- 6 months	6 months- 1 year	More than 1 Year	Non- interest bearing	Total
<b>As at 31 March 2017</b>						
<b>Assets</b>						
Cash and cash equivalents	44,444	-	-	-	-	44,444
Other current assets	-	-	-	-	72,072	72,072
<b>Total assets</b>	<b>44,444</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>72,072</b>	<b>116,516</b>
<b>Liabilities</b>						
Other payables and accrued expenses	-	-	-	-	(63,104)	(63,104)
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(63,104)</b>	<b>(63,104)</b>
<b>Total interest sensitivity gap</b>	<b>44,444</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,968</b>	<b>53,412</b>

### Credit risk

Credit risk is the potential that an issuer, counterparty or an underlying investment third party will be unable to meet commitments that it has entered into with the LLP and/or the commitments with underlying assets of the LLP.

At the LLP level, the maximum exposure to credit risk, in the event that counterparties fail to perform their obligations as at year end (in relation to each class of recognised financial assets), is the carrying amount of those assets as indicated in the Statement of Financial Position. Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect the LLP's counterparties whose aggregate credit exposure is significant in relation to the LLP's total credit exposure.

Bank accounts are maintained with Barclay's Bank pic. The LLP monitors credit ratings on a regular basis.



# Notes to the Financial Statements (continued)

For the year ended 31 March 2018

## 12 Financial risk management (continued)

### Liquidity risk

Liquidity risk is the risk that the LLP may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Members, as outlined in the Partnership Agreement, are responsible for determining the level of liquid funds to be held by the LLP. A prudent liquidity risk management approach is adopted to ensure sufficient cash is available for operational expenses.

The following table analyses the LLP's liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position date. The amounts in the tables are the contractual undiscounted cash flows.

<b>(All figures stated in GBP)</b>	<b>Liabilities less than 1 year</b>	<b>Liabilities between 1-5 years</b>	<b>Liabilities more than 5 years</b>	<b>Total</b>
Payables and accrued expenses	29,668	-	-	29,668
<b>As at 31 March 2018</b>	<b>29,668</b>	<b>-</b>	<b>-</b>	<b>29,668</b>

The following table illustrates the expected liquidity of liabilities held as at 31 March 2017. The amounts in the table are the contractual undiscounted cash flows.

<b>(All figures stated in GBP)</b>	<b>Liabilities less than 1 year</b>	<b>Liabilities between 1-5 years</b>	<b>Liabilities more than 5 years</b>	<b>Total</b>
Payables and accrued expenses	63,104	-	-	63,104
<b>As at 31 March 2017</b>	<b>63,104</b>	<b>-</b>	<b>-</b>	<b>63,104</b>

The following table illustrates the expected liquidity of assets held as at 31 March 2018. The amounts in the table are the contractual undiscounted cash flows.

<b>(All figures stated in GBP)</b>	<b>Assets less than 1 year</b>	<b>Assets between 1-5 years</b>	<b>Assets more than 5 years</b>	<b>Total</b>
Cash and cash equivalents	15,487	-	-	15,487
Other current assets	44,785	-	-	44,785
<b>As at 31 March 2018</b>	<b>60,272</b>	<b>-</b>	<b>-</b>	<b>60,272</b>

The following table illustrates the expected liquidity of assets held as at 31 March 2017. The amounts in the table are the contractual undiscounted cash flows.

<b>(All figures stated in GBP)</b>	<b>Assets less than 1 year</b>	<b>Assets between 1-5 years</b>	<b>Assets more than 5 years</b>	<b>Total</b>
Cash and cash equivalents	44,444	-	-	44,444
Other current assets	72,072	-	-	72,072
<b>As at 31 March 2017</b>	<b>116,516</b>	<b>-</b>	<b>-</b>	<b>116,516</b>

# **Notes to the Financial Statements (continued).**

**For the year ended 31 March 2018**

## **12 Financial risk management (continued)**

### **Excessive risk concentration**

A concentration of risk exists where: (i) positions in financial instruments are affected by changes in the same risk factor or group of correlated factors; and (ii) the exposure could, in the event of large but plausible adverse developments, result in significant losses. Concentrations of liquidity risk may arise from the repayment terms of financial liabilities, sources of borrowing facilities or reliance on a particular market in which to realise liquid assets. Concentrations of foreign exchange risk may arise if the LLP has a significant net open position in a single foreign currency, or aggregate net open positions in several currencies that tend to move together. Concentrations of counterparty risk may arise when a number of financial instruments or contracts are contracted with the same counterparty, or where a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

In order to avoid excessive concentration of risk, the Members manage this through their portfolio allocation decisions and may use derivative instruments to manage excessive risk concentrations when they arise.

### **Capital risk management**

The capital of the LLP is represented by the net assets attributable to the Members. The LLP's objective when managing the capital is to safeguard its ability to continue as a going concern in order to provide returns for Members and benefits for other stakeholders and to maintain a strong capital base. The LLP maintains a cash balance of £5,000 in order to meet the capital resource rules of the Financial Conduct Authority.

## **13 Related party transactions**

During the year ended 31 March 2018, £646,133 and £nil (year to 31 March 2017 £528,178 and £41,655) management fee was generated from Hoxton Ventures Fund I (GP) Manager Ltd and Hoxton Ventures Fund I (Ireland), L.P. respectively, related parties of the LLP due to common control. As at 31 March 2018, there was £174,000 (31 March 2017: £nil) amount due from Hoxton Ventures Fund I (Ireland), L.P. in respect of management fees. At 31 March 2018, an amount of £10,905 (31 March 2017: £nil) was due from Hoxton Ventures Fund I Opportunities, L.P, related party of the LLP due to common control, in respect of expenses incurred on their behalf.

At 31 March 2018, an amount of £17,293 (31 March 2017: £62,933) was due from Hoxton Ventures Fund I, L.P, related party of the LLP due to common control, in respect of management fees and expenses incurred on their behalf.

At 31 March 2018, an amount of £9,447 (31 March 2017: £ Nil) was due to Hoxton Ventures Fund I, L.P, related party of the LLP due to common control, in respect of fees and expenses paid on the LLP's behalf.

During the year the LLP reimbursed Robert Kniaz and Hussein Kanji (the Members) to the amount of £104,337 (31 March 2017: £144,417) in relation to expenses. As at 31 March 2018, an amount of £nil (31 March 2017: £21,701) was due to the Members in relation to expenses which relate to the current year.

## **14 Subsequent events**

There are no events subsequent to the year end that requires additional disclosure.

## **15 Approval of Financial Statements**

The financial statements were approved by the Members and authorised for issue on DATE

## **16 Ultimate controlling parties**

The ultimate controlling parties of the LLP are its members, Robert Kniaz and Hussein Kanji.

# General Information

## Designated Members

Robert Kniaz

Hussein Kanji

## Registered Office

483 Green Lanes

London N13 4BS

## Banker

Barclays Bank plc

City International Operations

200 St. Swithins House

Swithins Lane

London EC4N 8AS

## Independent Auditors

Rees Pollock

35 New Bridge Street

London EC4V 6BW

## Independent Fund Administrator

Augentius Fund Administration (Guernsey) Limited

PO Box 60, Ground Floor

Cambridge House, Le Truchot

St Peter Port,

Guernsey, GY1 4BF

Ipes (Guernsey) Limited

1 Royal Plaza

Royal Avenue

St Peter Port

Guernsey

GY1 2HL

## Legal Advisor

Gunderson Dettmer Stough Villeneuve Franklin & Hachigian, LLP

850 Winter Street

Waltham

MA 02451

## Registered Number

OC383815