

hoxton ventures

Hoxton Ventures LLP

**Report and Audited Financial Statements
For the year ended 31 March 2021**



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 2021.

Designated Members

The Designated Members during the year ended 31 March 2021 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 and Hoxton Ventures II, L.P.

Results for the year

Total comprehensive income for the year available for discretionary distribution among members was £884,970 (2020: £1,080,787).

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

Blick Rothenberg Audit LLP 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

Date: 27 July 2021



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 2021, which comprise the statement of comprehensive income, the balance sheet, the reconciliation of members' interests, 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 2021 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 Auditor's 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

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the LLP's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the members with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The members are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 members' responsibilities statement set out on page 1, 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, and non-compliance with laws and regulations, our procedures included the following: enquiring of management concerning the LLP's policies with regards identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; enquiring of management concerning the LLP's policies detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; enquiring of management concerning the LLP's policies in relation to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud; and obtaining an understanding of the legal and regulatory framework that the LLP operates in and focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the LLP. The key laws and regulations we considered in this context included the UK Companies Act 2006 and the Financial Services and Markets Act 2000.

One particular focus area was the risk of fraud through management override of controls. Our procedures to respond to risks identified included the following: performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; reviewing the bank statements of the LLP for evidence of any large or unusual activity which may be indicative of fraud; enquiring of management in relation to any potential litigation and claims; and testing the appropriateness of journal entries and other adjustments.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOXTON VENTURES LLP (CONTINUED)

Another focus area was non-compliance with the rules of the Financial Conduct Authority ('the FCA'). The LLP was authorised and regulated by the FCA throughout the period. Our procedures to respond to risks identified included the following: reviewing correspondence between the LLP and the FCA, performing analytical review to detect receipts of client money and remaining alert to the possibility of accidental receipt of client monies; and discussion of regulatory matters with the appointed officers of the LLP.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the members and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 auditor's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Shaun Melvin (senior statutory auditor)
for and on behalf of
Blick Rothenberg Audit LLP
Chartered Accountants
Statutory Auditor

16 Great Queen Street
London
WC2B 5AH

27 July 2021

Statement of Comprehensive Income

For the year ended 31 March 2021

(All figures stated in GBP)	Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Income			
Management fee income	2(c) , 5	2,142,275	1,734,152
Other income	2(d)	7,096	14,027
Total Income		2,149,371	1,748,179
Expenditure	6	(1,225,750)	(667,392)
Operating income		923,621	1,080,787
Interest income	10	6,160	-
Interest expense	10	(44,811)	-
Net interest expense		(38,651)	-
Profit and total comprehensive income for the year available for discretionary division among members		884,970	1,080,787

There were no items of other comprehensive income during the year ended 31 March 2021 or 31 March 2020.

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

Statement of Financial Position

As at 31 March 2021

(All figures stated in GBP)	Notes	As at 31 March 2021	As at 31 March 2020
Assets			
Non Current assets:			
Tangible fixed assets	9	589,643	-
Right-of-use asset	10	629,958	-
Rent deposit		118,027	-
Current assets:			
Cash and cash equivalents	11	86,032	465,118
Other current assets	12	86,019	77,627
Total assets		1,509,679	542,745
Liabilities and Members' equity			
Non Current liabilities:			
Lease liability	10	801,035	-
Current liabilities:			
Other payables and accrued expenses	13	208,341	77,584
Lease liability	10	250,322	-
Total liabilities		1,259,698	77,584
Total net assets		249,981	465,161
Equity and Members' interests			
Members' other interests	2(n), 14	5,000	5,000
Amounts due to Members	14	244,981	460,161
Total Members' interests		249,981	465,161

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



Hussein Kanji
Designated Member

Date: 27th July 2021

Statement of Changes in Equity

For the year ended 31 March 2021

(All figures stated in GBP)	Members' capital classed as equity	Other reserves	Total
Members' equity as at 1 April 2020	5,000	-	5,000
Total comprehensive income for the financial period	-	884,970	884,970
Profit allocation for the period	-	(884,970)	(884,970)
Members' equity as at 31 March 2021	5,000	-	5,000
(All figures stated in GBP)	Members' capital classed as equity	Other reserves	Total
Members' equity as at 1 April 2019	5,000	-	5,000
Total comprehensive income for the financial year	-	1,080,787	1,080,787
Profit allocation for the year	-	(1,080,787)	(1,080,787)
Members' equity as at 31 March 2020	5,000	-	5,000

Statement of Cash Flows

For the year ended 31 March 2021

(All figures stated in GBP)		Notes	For the year ended 31 March 2021	For the year ended 31 March 2020
Cash flows from operating activities				
Total comprehensive income			884,970	1,080,787
<i>Adjustments for:</i>				
Foreign exchange losses on cash and cash equivalents			30,929	(1,388)
Depreciation			145,621	-
<i>Working Capital Adjustments:</i>				
(Increase) / decrease in other current assets	12		(188,222)	125,273
Increase / (decrease) in other payables and accrued expenses	13		169,075	(172,539)
Cash generated from operations			1,042,373	1,032,133
Net cash inflow from operating activities			1,042,373	1,032,133
Cash flows used in financing activities				
Members' drawings	14		(1,100,150)	(705,609)
Payment of lease liability	10		(38,318)	-
Net cash outflow used in financing activities			(1,138,468)	(705,609)
Cash flows used in investing activities				
Purchase of office furniture and equipment	9		(252,062)	-
Net cash outflow used in investing activities			(252,062)	-
Net (decrease) / increase cash and cash equivalents			(348,157)	326,524
Cash and cash equivalents at the beginning of the year			465,118	137,206
Foreign exchange losses on cash and cash equivalents			(30,929)	1,388
Cash and cash equivalents at the end of the year	11		86,032	465,118

Notes to the Financial Statements

For the year ended 31 March 2021

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. (the "Partnership"), a Cayman Islands exempted limited partnership. Hoxton Ventures LLP also acts as the Manager of Hoxton Ventures II, LP a private fund limited partnership registered in England.

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) Tangible fixed assets

Office furniture and equipment and leasehold improvements are stated at cost and depreciated on a straight line basis over the useful economic life of three to five years.

c) 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 venture capital investments. Management fee income is calculated in accordance with the terms of Hoxton Ventures Fund I, LP's Limited Partnership agreement.

Management fee income is attributable to the provision of management services to Hoxton Ventures Fund II, L.P., for directors monitoring and advisory fees for other venture capital investments. Management fee income is calculated in accordance with the terms of Hoxton Ventures II, LP's Limited Partnership agreement.

d) Other income

Other income derives from the provision of Directors and other services by the Members and from bank interest received.

e) 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.

f) Expenditure

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

g) 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.

h) 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 2021

2 Significant accounting policies (continued)

i) 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.

j) 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.

k) 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.

l) Trade and other payables

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

m) 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.

n) Members' interests

Members' interests are accounted for under the equity method.

3 Adoption of new and revised standards

Standards, amendments and interpretations effective since 1 January 2020

There were no new standards, amendments and interpretations that were effective for the annual year beginning on or after 1 January 2020 that impacts these financial statements.

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.

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.

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 are 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 and have provided a letter of support to this effect. Therefore, the Financial Statements continue to be prepared on a going concern basis.

Notes to the Financial Statements (continued)

For the year ended 31 March 2021

5 Management fee income

(All figures stated in GBP)	For the year ended 31 March 2021	For the year ended 31 March 2020
Management fee income	2,142,275	1,734,152
Total	2,142,275	1,734,152

6 Expenditure

(All figures stated in GBP)	For the year ended 31 March 2021	For the year ended 31 March 2020
Administration fees	24,615	27,088
Staff costs	244,360	62,335
Fees payable to the LLP's auditor for the audit of the financial statements	6,000	5,910
Fees payable to the LLP's auditor for other services	1,500	900
Professional fees	368,054	180,860
Placement fees	-	27,278
Depreciation of tangible asset	62,419	-
Depreciation on rights-of-use asset	83,202	-
Other expenses	435,600	363,021
Total	1,225,750	667,392

7 Staff costs

During the year ended 31 March 2021, £193,750 (year to 31 March 2020: £51,667) was paid to members of staff in salary, national insurance £19,095 (year to 31 March 2020: £6,854), pension £15,500 (year ended 31 March 2020: £Nil) and benefit in kind amounted to £16,015 (year to 31 March 2020 £ 3,814).

8 Particulars of Members

The average number of Members for the year was 2 (year ended 31 March 2020 : 2). Amounts attributable to the member with the highest allocation of profits for the year are £442,485.

9 Tangible fixed assets

Reconciliation of carrying amount

(All figures stated in GBP)	Office furniture and equipment	Leasehold improvement	Total
Cost			
Opening balance	-	-	-
Additions	151,558	500,504	652,062
Total	151,558	500,504	652,062
Accumulated depreciation			
Opening balance	-	-	-
Depreciation	22,053	40,366	62,419
Total	22,053	40,366	62,419
Carrying amounts at 31 March 2021	129,505	460,138	589,643

Notes to the Financial Statements (continued)

For the year ended 31 March 2021

10 Leases

(i) Amount recognised in the statement of financial position

The statement of financial position shows the following amounts relating to leases:

(All figures stated in GBP)	As at 31 March 2021	As at 31 March 2020
Right-of-use asset		
Right-of-use asset	629,958	-
Total	629,958	-
Lease liability		
Current	250,322	-
Non-current	801,035	-
Total	1,051,357	-

During the year ended 31 March 2021, addition to the right-of-use assets were £713,160 (year to 31 March 2020: £nil). The accumulated depreciation as at that date is £83,202 (year to 31 March 2020: £nil) resulted to a carrying amount are £629,958 (year to 31 March 2020: £nil) for right-of-use assets.

(ii) Amount recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

(All figures stated in GBP)	As at 31 March 2021	As at 31 March 2020
Depreciation charge		
Right-of-use asset	83,202	-
Tangible fixed assets: leasehold improvements	32,511	-
Total	115,713	-
Interest expense		
Right-of-use asset	35,513	-
Tangible fixed assets: leasehold improvements	9,299	-
Total	44,812	-
Interest income		
Right-of-use asset	6,160	-
Total	6,160	-

11 Cash and cash equivalents

(All figures stated in GBP)	As at 31 March 2021	As at 31 March 2020
Cash at bank	86,032	465,118
Total	86,032	465,118

12 Other current assets

(All figures stated in GBP)	As at 31 March 2021	As at 31 March 2020
Prepayments	35,097	20,169
Due from related parties (note 16)	50,922	23,641
Other receivables	-	33,817
Total	86,019	77,627

Notes to the Financial Statements (continued)

For the year ended 31 March 2021

13 Other payables and accrued expenses

(All figures stated in GBP)	As at 31 March 2021	As at 31 March 2020
Payables and accrued expenses	157,986	24,918
Due to related parties (note 16)	-	52,666
Deferred income	50,355	-
Total	208,341	77,584

14 Members' interest

(All figures stated in GBP)	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 2020	5,000	-	5,000	460,161	465,161
Total comprehensive income for the financial period	-	884,970	884,970	-	884,970
Total comprehensive income available for division among Members	-	884,970	884,970	-	884,970
Profit allocation for the year	-	(884,970)	(884,970)	884,970	-
Amounts withdrawn by Members	-	-	-	(1,100,150)	(1,100,150)
As at 31 March 2021	5,000	-	5,000	244,981	249,981

(All figures stated in GBP)	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 2019	5,000	-	5,000	84,983	89,983
Amounts withdrawn by Members	-	1,080,787	1,080,787	-	1,080,787
Total comprehensive income available for division among Members	-	1,080,787	1,080,787	-	1,080,787
Profit allocation for the year	-	(1,080,787)	(1,080,787)	1,080,787	-
Amounts withdrawn by Members	-	-	-	(705,609)	(705,609)
As at 31 March 2020	5,000	-	5,000	460,161	465,161

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.

Notes to the Financial Statements (continued)

For the year ended 31 March 2021

15 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. The rent deposit asset and lease liabilities are denominated in GBP.

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

	As at 31 March 2021		As at 31 March 2020	
	GBP	USD	GBP	USD
Assets				
Cash and cash equivalents	13,231	99,903	162,828	202,003
Other current assets	58,135	37,895	8,672	11,073
	71,366	137,798	171,500	213,076
Liabilities				
Other payable	142,927	89,767	24,470	67,518
	142,927	89,767	162,828	202,003

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

	As at 31 March 2021	Currency	Change in Rate	Currency Rate	Amount (£)	Effect on Profit (£)
Cash and cash equivalents		USD	5%	0.765	86,032	4,302
Cash and cash equivalents		USD	(5%)	0.693	86,032	(4,302)

	As at 31 March 2020	Currency	Change in Rate	Currency Rate	Amount (£)	Effect on Profit (£)
Cash and cash equivalents		USD	5%	0.846	465,118	23,256
Cash and cash equivalents		USD	(5%)	0.766	465,118	(23,256)

Notes to the Financial Statements (continued)

For the year ended 31 March 2021

15 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.

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
As at 31 March 2021						
Assets						
Cash and cash equivalents	86,032	-	-	-	-	86,032
Other current assets	-	-	-	-	86,019	86,019
Rent deposit	-	-	-	118,027	-	118,027
Total assets	86,032	-	-	118,027	86,019	290,078
Liabilities						
Other payables and accrued expenses	-	-	-	-	(208,341)	(208,341)
Lease liabilities	-	-	-	-	(1,051,037)	(1,051,037)
Total liabilities	-	-	-	-	(1,259,378)	(1,259,378)
Total interest sensitivity gap	86,032	-	-	118,027	(1,173,359)	(969,300)

(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
As at 31 March 2020						
Assets						
Cash and cash equivalents	465,118	-	-	-	-	465,118
Other current assets	-	-	-	-	77,627	77,627
Total assets	465,118	-	-	-	77,627	542,745
Liabilities						
Other payables and accrued expenses	-	-	-	-	(77,584)	(77,584)
Total liabilities	-	-	-	-	(77,584)	(77,584)
Total interest sensitivity gap	465,118	-	-	-	43	465,161

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 2021

15 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.

(All figures stated in GBP)	Liabilities less than 1 year	Liabilities between 1-5 years	Liabilities more than 5 years	Total
Payables and accrued expenses	208,341	-	-	208,341
Lease liability	342,470	918,820	-	1,261,289
As at 31 March 2021	550,811	918,820	-	1,469,630

The following table illustrates the expected liquidity of liabilities held as at 31 March 2020. The amounts in the table are the contractual undiscounted cash flows.

(All figures stated in GBP)	Liabilities less than 1 year	Liabilities between 1-5 years	Liabilities more than 5 years	Total
Payables and accrued expenses	77,584	-	-	77,584
As at 31 March 2020	77,584	-	-	77,584

The following table illustrates the expected liquidity of assets held as at 31 March 2021. The amounts in the table are the contractual undiscounted cash flows.

(All figures stated in GBP)	Assets less than 1 year	Assets between 1-5 years	Assets more than 5 years	Total
Cash and cash equivalents	86,032	-	-	86,032
Other current assets	86,019	-	-	86,019
Rent deposit	-	180,063	-	180,063
As at 31 March 2021	172,051	180,063	-	352,114

Notes to the Financial Statements (continued)

For the year ended 31 March 2021

15 Financial risk management (continued)

Liquidity risk (continued)

The following table illustrates the expected liquidity of assets held as at 31 March 2020. The amounts in the table are the contractual undiscounted cash flows.

(All figures stated in GBP)	Assets less than 1 year	Assets between 1-5 years	more than 5 years	Total
Cash and cash equivalents	465,118	-	-	465,118
Other current assets	77,627	-	-	77,627
As at 31 March 2020	542,745	-	-	542,745

The amounts above reconcile to current carrying values as at 31 March 2021 as follows:

(All figures stated in GBP)	Other payables and accrued expenses	Lease liability	Total
Undiscounted cash flow	208,341	1,261,289	1,469,630
Less: Future interest costs	-	(209,932)	(209,932)
Current value	208,341	1,051,357	1,259,698
Falling due within one year	208,341	250,322	458,663

(All figures stated in GBP)	Cash and cash equivalents	Other current assets	Rent deposit	Total
Undiscounted cash flow	86,032	86,019	180,063	352,114
Less: Future interest income	-	-	(62,036)	(62,036)
Current value	86,032	86,019	118,027	290,078
Falling due within one year	86,032	86,019	-	172,051

The amounts above reconcile to current carrying values as at 31 March 2020 as follows:

(All figures stated in GBP)	Other payables and accrued expenses	Lease liability	Total
Undiscounted cash flow	77,584	-	77,584
Less: Future interest costs	-	-	-
Current value	77,584	-	77,584
Falling due within one year	77,584	-	77,584

Notes to the Financial Statements (continued)

For the year ended 31 March 2021

Liquidity risk (continued)

	Cash and cash equivalents	Other current assets	Total
(All figures stated in GBP)			
Undiscounted cash flow	465,118	77,627	542,745
Current value	465,118	77,627	542,745
Falling due within one year	465,118	77,627	542,745

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.

16 Related party transactions

During the year ended 31 March 2021, £196,305 (31 March 2020: £240,587) management fee was generated from Hoxton Ventures Fund I (LP) Manager Limited and £1,945,970 (31 March 2020: £1,493,566) in respect of management fees were generated from Hoxton Ventures Fund II LP.

At 31 March 2021, an amount of £31,152 (31 March 2020: £19,637) 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 2021, an amount of £3,619 (31 March 2020: £4,003) was due from Hoxton Ventures Fund II Opportunities, L.P, related party of the LLP due to common control, in respect of expenses incurred on their behalf.

During the year the LLP reimbursed Robert Kniaz and Hussein Kanji (the Members) to the amount of £64,793 (31 March 2020: £237,158) in relation to expenses. As at 31 March 2021, an amount of £nil (31 March 2020: £nil) was due to the Members in relation to expenses which relate to the current year.

17 Subsequent events

There are no subsequent events to the date of the signing of the Financial Statements.

18 Approval of Financial Statements

The financial statements were approved by the Members and authorised for issue on 27 July 2021

19 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

Blick Rothenberg Audit LLP

16 Great Queen Street

London

WC2B 5AH

Independent Fund Administrator

Apex Corporate and Fund Services (UK) 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

Morrison and Foerster (UK) LLP

52 Lime Street

London EC3M 7AF

Registered Number

OC383815