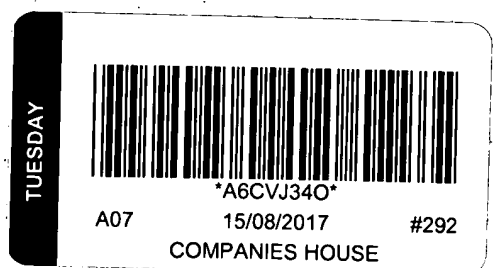


Registered number: OC 394649

Key Capital Partners (Investments) VIII LLP

Report and Financial Statements

Year ended 31 December 2016



Key Capital Partners (Investments) VIII LLP

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Key Capital Partners (Investments) VIII LLP

LLP INFORMATION

REGISTERED NUMBER

OC 394649

MEMBERS

Michael Fell (Designated Member)
Owen Trotter (Designated Member)
Peter Armitage (Designated Member)
James Hall (Designated Member)
Philip Duquenoy (Designated Member)
Thomas Lamb
David Fraser
John Philips

REGISTERED OFFICE

Princes Exchange
Princes Square
Leeds
LS1 4HY

BANKERS

Lloyds Bank plc
Lloyds TSB Corporate Markets
25 Gresham Street
London
EC2V 7HN

AUDITORS

PKF Littlejohn LLP
Statutory Auditor
1 Westferry Circus
Canary Wharf
London
E14 4HD

Key Capital Partners (Investments) VIII LLP

MEMBERS' REPORT

For the year ended 31 December 2016

The members present their report and the audited financial statements for the year to 31 December 2016.

Principal activity

The principal activity of the LLP is investment in the Key Capital Partners Fund VIII (the "Fund").

Business Review and future developments

The Fund has made one investments in the current year.

Profits, losses and appropriations

The result for the year is shown in the profit and loss account on page 6.

Members

The LLP's members during the year are shown below:

Michael Fell (Designated Member)
Owen Trotter (Designated Member)
Peter Armitage (Designated Member)
James Hall (Designated Member) (appointed 23 May 2016)
Philip Duquenoy (Designated Member)
David Fraser
John Philips
Thomas Lamb

Members' drawings and the subscription and repayment of Members' capital

All members are equity members and share in the profits and subscribe the entire capital of the LLP. Each member's capital subscription is linked to his share of the profit and is repaid in full on ceasing to be a member of the LLP.

The capital contributions of the members are classified as debt.

Members may receive drawings on account of their share of profits for the year. All payments are made subject to the cash requirements of the business.

Profits are determined, allocated and divided between members during the year and after the finalisation of the financial statements. Unallocated profits are included within Members' other interests.

Key Capital Partners (Investments) VIII LLP

MEMBERS' REPORT

For the year ended 31 December 2016

Members' responsibilities

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

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 period. 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:

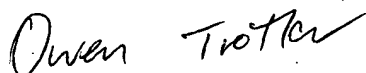
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The Members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with 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. 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.

Auditors

The auditors, PKF Littlejohn LLP, have expressed their willingness to continue in office.

By order of the Members



Owen Trotter
Designated Member

Date: 3 August 2017

Key Capital Partners (Investments) VIII LLP

AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KEY CAPITAL PARTNERS (INVESTMENTS) VIII LLP

We have audited the financial statements of Key Capital Partners (Investments) VIII LLP for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement, the Reconciliation of Members' Interests and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 - The Financial reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to Limited Liability Partnerships. Our audit work has been undertaken so that we might state to the Limited Liability Partnership'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 Limited Liability Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditors

As explained more fully in the Members Responsibilities Statement, the Members are responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Limited Liability Partnership's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Designated Member's, and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited Financial Statements to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view the state of the Limited Liability Partnership's affairs as at 31 December 2016 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.

Key Capital Partners (Investments) VIII LLP

AUDITOR'S REPORT (CONTINUED)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to Limited Liability Partnerships requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Financial Statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Ian Cowan (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP

Statutory Auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

Date: 4 August 2017

Key Capital Partners (Investments) VIII LLP

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2016

	Note	Year ended 31 December 2016 £	Period ended 31 December 2015 £
Turnover	2	-	-
Administrative expenses		(77)	(-)
(Decrease) in value of investments	4	(9,991)	-
Operating (loss)	3	<u>(10,068)</u>	<u>(-)</u>
Interest receivable and other income		-	-
Loss for the year / period before members' remuneration and profit share available for discretionary division among members		<u><u>(10,068)</u></u>	<u><u>-</u></u>

The profit and loss has been prepared on the basis that all operations are continuing.

Other comprehensive income

The LLP has no comprehensive income other than the amounts recognised in the Profit and Loss Account above. Accordingly, no Statement of Comprehensive Income has been presented.

The notes on pages 10 to 14 form an integral part of these financial statements.

Key Capital Partners (Investments) VIII LLP

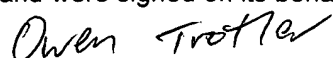
Registered number: OC 394648

BALANCE SHEET

as at 31 December 2016

	Note	As at 31 December 2016 £	As at 31 December 2015 £
Fixed assets			
Investments	4	201,502	23
Current assets			
Debtors	6	-	103
Cash at bank and in hand		3,283	-
Creditors: amounts falling due within one year			
Other creditors	7	-	(23)
Net current assets		3,283	80
Net assets attributable to members		204,785	103
Represented by:			
Loans and other debts due to members			
Members' capital classified as a liability	5	103	103
Other amounts		214,750	-
Members' other interests			
Other reserves classified as equity	5	(10,068)	-
Total Members' Interests		204,785	103
Memorandum of Members' total interest			
Amount due from members		-	(103)
Loans and other debts due to members		214,853	103
Members' other interests	5	(10,068)	-
		204,785	-

The Financial Statements were approved and authorised for issue by the members on 3 August 2017 and were signed on its behalf by:



Owen Trotter (Designated Member)

The notes on pages 10 to 14 form part of these financial statements.

Key Capital Partners (Investments) VIII LLP

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2016

Members other interests

	Other Reserves	Total
	£	£
Result for the period	-	-
Members' interests after result for the period	-	-
Other divisions of profits	-	-
As at 31 December 2015	-	-
As at 1 January 2016	-	-
Loss for the year	(10,068)	(10,068)
Members' interests after (loss) for the year	(10,068)	(10,068)
Other divisions of profits	-	-
As at 31 December 2016	(10,068)	(10,068)

The notes on pages 10 to 14 form part of these financial statements

Key Capital Partners (Investments) VIII LLP

CASH FLOW STATEMENT

for the year ended 31 December 2016

	Notes	31 December 2016 £	31 December 2015 £
Cash flow from operating activities			
Loss for the financial year available for discretionary division among the Members		(10,068)	-
Decrease in value of investments		9,991	-
Decrease in debtors		103	-
(Decrease) in creditors		(23)	-
Net cash inflow from operating activities		<u>3</u>	<u>-</u>
Investing activities			
Purchase of investments	4	(211,493)	-
Cash flow from investing activities		<u>(211,493)</u>	<u>-</u>
Financing activities			
Contributions by members	5	214,773	-
Cash flow from financing activities		<u>214,773</u>	<u>-</u>
Increase/(decrease) in cash in the year		3,283	-
Cash and cash equivalents 1 January 2016		<u>-</u>	<u>-</u>
Cash and cash equivalents 31 December 2016		<u>3,283</u>	<u>-</u>

The notes on pages 10 to 14 form part of these financial statements.

Key Capital Partners (Investments) VIII LLP**NOTES ON FINANCIAL STATEMENTS****For the year ended 31 December 2016****1 Accounting policies**

A summary of the more important accounting policies is set out below.

General Information

Key Capital Partners (Investments) VIII LLP is a limited liability partnership incorporated in the United Kingdom. The address of its registered office is Princes Exchange, Princes Square, Leeds LS1 4HY. The principal activity during the year continued to be investment in the Key Capital Partners Fund VIII (the "Fund").

Basis of Preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – *'The Financial Reporting Standard applicable in the UK and Republic of Ireland'* ('FRS 102'), Companies Act 2006 as applied by LLPs and the Statement of Recommended Practice (SORP), Accounting by Limited Liability Partnerships, issued in January 2017. The financial statements have been prepared on the historical cost basis.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated. The LLP adopted FRS 102 in the current year and an explanation of how transition to FRS 102 has affected the reported financial position and performance is given in note 11.

Going Concern

The LLP has no third party borrowings and the members of the LLP continue to provide the LLP with the funds to invest. The LLP will continue until such time as all the investments in the Fund have been sold and the funds distributed. The members have a reasonable expectation that the business has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover represents the LLP's share of the allocated profits and losses arising from its participation in the Key Capital Partners Fund (the Fund), excluding any profit or loss arising on the disposal of investments and any change in the value of investments, which are shown separately.

Investments

Investments in the Fund are carried in the Balance Sheet at cost in the first year unless there is a clear indication of appreciation or impairment in value. In subsequent years, the investments are recorded at the LLP's share of the fair value of the Fund's investments as calculated by the Fund's investment manager (Key Capital Partners LLP) at the reporting date, less any costs which are attributable and allocated in the Fund's financial statements to the LLP, in accordance with International Private Equity and Venture Capital Valuation Guidelines. Any increase or decrease in the value of the investments is credited or charged in the Profit and Loss account as appropriate. Adjustments in the value of investments are reflected in the financial statements in the year in which the adjustment is made.

Taxation

No taxation is reflected in the LLP as tax is borne by the individual Members in a personal capacity on their attributable profit shares.

Key Capital Partners (Investments) VIII LLP**NOTES ON FINANCIAL STATEMENTS****For the year ended 31 December 2016****1 Accounting policies (continued)****Members' remuneration**

Profits are distributable in accordance with the terms and conditions of the Limited Liability Partnership Agreement dated 16 November 2015. Any automatic allocation of profits and losses to members is treated as an expense in the profit and loss account. None of the Members have employment contracts with the LLP.

Policy for Members drawings, subscriptions and repayment of Members capital

During the year members may receive monthly drawings representing payments on account of profits which may be allocated to them. In accordance with the Limited Liability Partnership Agreement dated 16 November 2015, any excess drawings are required to be repaid to the LLP immediately.

Profits are determined, allocated and divided between Members during the year and after the finalisation of the financial statements. All allocations of profit are treated as a movement in equity and not as members' remuneration charged as an expense in the profit and loss account. Any allocated profits which have not yet been paid to the Members are shown as a liability. Unallocated profits are included within 'Member's other interests - other reserves' and classified as equity.

Members' interests treated as a liability are shown as loans repayable within one year when the members can demand repayment thereof. Members' interests not treated as a liability are shown as equity.

Significant judgements and estimates**a) Critical judgements in applying the entity's accounting policies**

No judgements have been made in applying the entity's accounting policies that would have a significant effect on the amounts recognised in these financial statements.

b) Critical accounting estimates and assumptions

Estimates 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.

Fair value of investments

The fair value of the Fund's investments is calculated by the Fund's investment manager (Key Capital Partners LLP). When the fair value of investments cannot be derived from active markets, their fair value is determined using valuation techniques common in the private equity funds industry, primarily earnings multiples and recent comparable transactions. The inputs in the earnings multiples models include observable data, such as forecast earnings for the portfolio company. Changes in assumptions about these factors could affect the reported fair value of investments. The models used to determine fair values are validated and periodically reviewed by the Manager.

Changes in the underlying performance of the portfolio companies could cause a loss to the LLP as a result of those companies being unable to meet their loan stock obligations in part or in full.

Key Capital Partners (Investments) VIII LLP

NOTES ON FINANCIAL STATEMENTS

For the year ended 31 December 2016

2 Turnover

There was no turnover during the year.

3 Operating loss

An operating loss was generated in the year ended 31 December 2016 as a result of a decrease in the value of the investments.

Apart from bank charges all other administrative expenses, including auditor's remuneration of £4,500 (2015: £500), are borne by Key Capital Partners LLP in their capacity as investment manager of the Key Capital Partners Fund.

The LLP has no employees.

4 Investments**Cost**

At 1 January 2016	23
Additions	211,470
Disposals and repayments	-
At 31 December 2016	<u>211,493</u>

Change in fair value

At 1 January 2016	-
(Decrease) in year	(9,991)
Redemptions	-
At 31 December 2016	<u>(9,991)</u>

Valuation at 31 December 2016	<u>201,502</u>
Valuation at 31 December 2015	<u>23</u>

The LLP's investments are in respect of participations in the Key Capital Partners Fund VIII (the Fund).

The Fund uses the following hierarchy to estimate the fair value of its investments which are measured at fair value.

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets and liabilities
The Fund has no investments as at 31 December 2016 and 31 December 2015 under this category.
- Level 2: Valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable
The Fund has no investments as at 31 December 2016 and 31 December 2015 under this category.
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The LLP's share of the Fund's investments as at 31 December 2016 amounted to £201,502 (31 December 2015: £23).

Key Capital Partners (Investments) VIII LLP

NOTES ON FINANCIAL STATEMENTS

For the year ended 31 December 2016

5 Reconciliation of movements in members' interests

	Members' others interests		Loans and other debts due to Members less any amounts due from members in debtors	Total
	Other reserves	Total		
	£	£	£	£
Amounts due to members			103	103
Amounts due from members			(103)	(103)
Balance at 1 January 2016	-	-	-	-
Loss for the financial year available for discretionary division among members	(10,068)	(10,068)		(10,068)
Introduced by members	-	-	214,853	214,853
Amount due to members			214,853	214,853
Amount due from members			-	-
Balance at 31 December 2016	(10,068)	(10,068)	214,853	204,785

Creditors are paid in advance of Loans and debts due to and from Members. In the event of winding up, the creditors of the Partnership will be paid before Members' distributions or the repayment of capital.

There were no members' drawings in the year. The average number of members during the year was 8 (2015 – 7).

6. Debtors

	As at 31 December 2016	As at 31 December 2015
	£	£
Amounts due from members	-	103

Key Capital Partners (Investments) VIII LLP

NOTES ON FINANCIAL STATEMENTS

For the year ended 31 December 2016

7. Creditors: amounts falling due within one year

	As at 31 December 2016 £	As at 31 December 2015 £
Other Creditors	<u>-</u>	<u>23</u>

8 Related parties

Peter Armitage, Philip Duquenoy, Michael Fell, James Hall and Owen Trotter who are designated members of Key Capital Partners (Investments) VIII LLP are also members of Key Capital Partners LLP, the investment manager of the Key Capital Partners Fund. Key Capital Partners LLP bears the cost of the audit fee of £4,500 (2015 – £500) on behalf of the LLP.

9 Controlling Party

In the opinion of the members there is no overall controlling party.

10 Events after the reporting period

There were no events subsequent to the reporting period.

11 First time adoption of FRS 102

The LLP has adopted FRS 102 for the first time in the year ended 31 December 2016. The last financial statements under UK GAAP were for the period ended 31 December 2015. The date of transition to FRS102 was 1 January 2015.

The policies applied under the entity's previous accounting framework are not materially different to those adopted under FRS 102 and have not impacted on equity or the profit or loss.