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private equity

Darwin Private Equity LLP

Annual Report and Consolidated Financial Statements
for the year ended 31 March 2022
Registered number: OC322970

Contents

Administrative Information

Members	Derek James Elliott Kevin Patrick Street
Registered Office	17 Beverley Gardens London SW13 0LZ
Legal Advisors	Macfarlanes 20 Cursitor Street London EC4A 1LT
Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT
Banker	The Royal Bank of Scotland plc 2½ Devonshire Square London EC2M 4XJ

Members' Report

The Members present their Annual Report, comprising the Members' Report and audited Consolidated Financial Statements, for the year ended 31 March 2022.

Principal Activities
The principal activity of Darwin Private Equity LLP ("Darwin", "Partnership" or "LLP") and its subsidiaries (together the "Group") is to provide advisory and portfolio management services to Darwin Private Equity I LP (the "Fund"), Darwin Private Equity Friends and Family Fund LP (the "Friends and Family Fund") and Darwin Co-Invest A LP (the "Co-Invest") (together "the Funds"), as well as services to other related entities. The provision of advisory services relates to private equity investments. Following the sale of its remaining investment, the Co-Invest was dissolved during the year.

Darwin is authorised by the Financial Conduct Authority ("FCA") to manage unauthorised Alternative Investment Funds.

Business review and future developments
The Members are satisfied that the financial performance of the LLP was in line with expectations during the year from 1 April 2021 to 31 March 2022.

The Funds terminated on 7 August 2020 and the General Partner was appointed as Liquidating Trustee and the LLP will continue in its position as Manager. No management fee is payable. During the liquidation, the Funds are obliged to pay all reasonable costs and expenses incidental to the termination of the Funds in order to allow the Manager to operate a smooth and orderly termination and liquidation of the Funds' affairs at reasonable value.

Following the completion of the sale of Datum in September 2021, the LLP, on behalf of the Liquidating Trustee, remains committed to realising the remaining investment in Euroffice as and when appropriate. The LLP considers that the liquidation period is likely to continue beyond one year of the date of this report since it will depend predominantly upon the recovery of the final investment, the European office stationery market and likely purchasers within the industry following COVID-19 and the Ukrainian conflict. Ukraine is one of the major suppliers of paper, a key product line to the European office stationery market and inflationary pressures, along with general supply chain disruption are challenging the office supplies industry. On that basis, these financial statements have been prepared on the going concern basis.

An error was noted in the prior year relating to the recharge of expenses. £8,235 of turnover was included in error within administrative expenses. This has been corrected through the restatement of the prior year turnover and administrative expenses.

Donations
During the year, the LLP made charitable donations of £nil (2021: £nil).

Designated Members and Managing Partners
The Designated Members and the Managing Partners of the LLP who served in office during the year and up to the date of signing the financial statements were:

Derek James Elliott
Kevin Patrick Street

Members' Report (continued)

Policy regarding Members' drawings and the subscription and repayment of Members' capital
Each Designated Member has made an initial contribution of capital to the LLP.

No Member shall be required to advance any further contributions of capital to the LLP unless otherwise agreed or determined in accordance with the provisions of the Limited Liability Partnership Agreement relating to the LLP (the "LLP Agreement"). The LLP Agreement sets out the conditions applying to the withdrawal of capital by the Members and the distribution of any profits of the LLP. Distributions of capital are not permitted without the unanimous consent of the Members. If capital is repaid to any Member, an equal amount shall be contributed by other Members to ensure the total capital is not reduced by such payment.

It is intended that the LLP will make distributions of profits as Preferred Drawings (as defined in the LLP Agreement) subject to the LLP having sufficient cash and regulatory capital calculated in accordance with the requirements of the FCA. Distributions of Preferred Drawings to Managing Partners are subject to the unanimous consent of the Managing Partners.

Independent Auditors
PricewaterhouseCoopers LLP were retained as the Auditors of the LLP and have indicated their willingness to continue in office.

Statement of Members' Responsibilities in respect of the financial statements
The Members are responsible for preparing the Annual Report and Consolidated Financial Statements in accordance with applicable law and regulation.

Company law, as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the "Regulations"), requires the Members to prepare financial statements for each financial year. Under that law the Members have prepared the group and LLP financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, as applied to limited liability partnerships, 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 group and LLP and of the profit or loss of the group and Limited Liability Partnership for that period. In preparing the financial statements, the Members are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and LLP will continue in business.

The Members are also responsible for safeguarding the assets of the group and LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members' Report (continued)

Statement of Members' Responsibilities in respect of the financial statements (continued)

The Members are responsible for keeping adequate accounting records that are sufficient to show and explain the group and LLP's transactions and disclose with reasonable accuracy at any time the financial position of the group and LLP and enable them to ensure that the financial statements comply with the Companies Act 2006.

Approved by the Members and signed on their behalf on 20 July 2022.

K. Street

Kevin Patrick Street
Designated Member, Darwin Private Equity LLP
17 Beverley Gardens, London. SW13 0LZ

Registered number: OC322970

Independent auditors' report to the members of Darwin Private Equity LLP

Report on the audit of the financial statements

Opinion

In our opinion, Darwin Private Equity LLP's group financial statements and LLP financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the LLP's affairs as at 31 March 2022 and of the group's result and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); 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.

We have audited the financial statements, included within the Annual Report and Consolidated Financial Statements (the "Annual Report"), which comprise: the Consolidated and Partnership Statement of Financial Position as at 31 March 2022; the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated and Partnership Statement of Changes in Members' Accounts for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we draw attention to note 2 of the financial statements, which explains that the financial statements are prepared on a going concern basis and that following the termination of Darwin Private Equity I LP, Darwin Private Equity Friends and Family Fund LP and Darwin Co-Invest A LP (the "Funds") on 7 August 2020, the Funds have now entered a liquidation phase whereby its General Partner has become the Liquidating Trustee and the LLP will continue in its position as Manager. The Members consider it is probable that the liquidation process will take at least 12 months from the date of signing these financial statements. On this basis the LLP is deemed by the Members to be a going concern and the financial statements are therefore prepared on a going concern basis.

Conclusions relating to going concern

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 group's and 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the LLP's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The members are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the members for the financial statements

As explained more fully in the Statement of Members' Responsibilities in respect of the financial statements , the members are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The members are also responsible for such internal control as they 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 group's and 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 group or 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.

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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the terms of the LLP Agreement and UK regulatory

principles such as those governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as 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.. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to intentional manipulation of the management fee calculation and the posting of inappropriate journal entries to turnover or administrative expenses. Audit procedures performed by the engagement team included:

- Understanding of management's internal controls designed to prevent and detect irregularities;
- Enquiring with those charged with governance including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing correspondence with the Financial Conduct Authority in relation to compliance with laws and regulations;
- Review members' meeting minutes;
- Testing inputs into and recalculating the management fee calculation;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the members of the partnership as a body in accordance 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 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 as applicable to limited liability partnerships we are required to report to you if, in our opinion, the members were not entitled to: prepare financial statements in accordance with the small limited liability partnerships regime. We have no exceptions to report arising from this responsibility.

Caroline Palau

Caroline Palau (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

20 July 2022

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2022

	Note	Year to 31 March 2022 £	Year to 31 March 2021 (Restated) £
Turnover	4	160,914	436,278
Administrative expenses		(159,932)	31,359
Operating profit	6	**982**	**467,637**
Interest receivable and similar income	7	18	116
Profit for the financial year before tax and Members' remuneration		**1,000**	**467,753**
Tax on profit on ordinary activities		-	-
Profit for the financial year before Members' remuneration		**1,000**	**467,753**
Members' remuneration charged as an expense		**(1,000)**	**(467,753)**
Result for the financial year available for discretionary division among Members		**-**	**-**

All results shown are from continuing operations. The Group has no recognised gains or losses for the year other than the results above.

The LLP has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Partnership Statement of Comprehensive Income. The result for the partnership for the year was £Nil (2021: £Nil)

The notes on pages 16 to 22 form part of these financial statements.

Consolidated Statement of Financial Position
As at 31 March 2022

	Note(s)	As at 31 March 2022 £	As at 31 March 2021 £
Current assets			
Debtors	11	109,224	132,622
Cash at bank and in hand		197,690	126,472
		306,914	259,094
Creditors: amounts falling due within one year	12	(120,489)	(73,669)
Net current assets		**186,425**	**185,425**
Net assets attributable to Members		**186,425**	**185,425**
Represented by:			
Loans and other debts due to Members		11,000	10,000
Members' other interests			
Members' capital		300,000	300,000
Other reserves		(124,575)	(124,575)
		186,425	**185,425**
Total Members' interests			
Loans and other debts due to Members		11,000	10,000
Members' other interests		175,425	175,425
		186,425	**185,425**

The financial statements on pages 10 to 22 were approved by the Members on 20 July 2022 and were signed on their behalf by:

K. Strt

Kevin Patrick Street
Designated Member
Darwin Private Equity LLP

Registered number: OC322970

The notes on pages 16 to 22 form part of these financial statements.

Partnership Statement of Financial Position
As at 31 March 2022

	Note(s)	As at 31 March 2022 £	As at 31 March 2021 £
Fixed assets			
Investments in subsidiaries	10	1	1
Current assets			
Debtors	11	98,223	122,621
Cash at bank and in hand		197,690	126,472
		295,913	249,093
Creditors: amounts falling due within one year	12	(120,489)	(73,669)
Net current assets		**175,424**	**175,424**
Total assets less current liabilities		**175,425**	**175,425**
Net assets attributable to Members		**175,425**	**175,425**
Represented by:			
Members' interests			
Members' capital		300,000	300,000
Other reserves		(124,575)	(124,575)
		175,425	**175,425**

The notes on pages 16 to 22 form part of these financial statements.

The financial statements on pages 10 to 22 were approved by the Members on 20 July 2022 and were signed on their behalf by:

K. Strt

Kevin Patrick Street
Designated Member
Darwin Private Equity LLP

Registered number: OC322970

Consolidated Statement of Cash Flows

For the year ended 31 March 2022

	Note	Year to 31 March 2022	Year to 31 March 2021
		£	£
Net cash inflow from operating activities	13(a)	71,200	225,747
Investing activities			
Proceeds received on sale of tangible fixed assets		-	3,589
Bank interest received		18	116
Net cash generated from investing activities		18	3,705
Financing activities			
Transactions with members		-	(466,753)
Increase / (decrease) in cash during the year		71,218	(237,301)
Cash at 1 April		126,472	363,773
Cash at 31 March		197,690	126,472

Consolidated Statement of Changes in Members' Accounts

For the year ended 31 March 2022

	Equity			Debt	
	Members' capital	Other reserves	Total Members' other interests	Amounts due to / (from) Members	Total Members' Interests
	£	£	£	£	£
At 1 April 2020	300,000	(124,575)	175,425	9,000	184,425
Profit for the financial year before Members' remuneration	-	467,753	467,753	-	467,753
Members' remuneration charged as an expense	-	(467,753)	(467,753)	467,753	0
Members' interest after profits for the year	300,000	(124,575)	175,425	476,753	652,178
Drawings	-	-	-	(466,753)	(466,753)
At 31 March 2021	**300,000**	**(124,575)**	**175,425**	**10,000**	**185,425**
Profit for the financial year before Members' remuneration	-	1,000	1,000	-	1,000
Members' remuneration charged as an expense	-	(1,000)	(1,000)	1,000	-
Members' interest after profits for the year	300,000	(124,575)	175,425	11,000	186,425
Drawings	-	-	-	-	-
At 31 March 2022	**300,000**	**(124,575)**	**175,425**	**11,000**	**186,425**

Members' other interests and capital introduced by Members rank after unsecured creditors, and loans and other debts due to Members rank pari passu with unsecured creditors in the event of a winding up. All remuneration to Members is due to the allocation of profit.

Partnership Statement of Changes in Members' Accounts

For the year ended 31 March 2022

	Equity			Debt	
	Members' capital	Other reserves	Total Members' other interests	Amounts due to / (from) Members	Total Members' Interests
	£	£	£	£	£
At 1 April 2020	300,000	(124,575)	175,425	-	175,425
Profit for the financial year before Members' remuneration	-	466,753	466,753	-	466,753
Members' remuneration charged as an expense	-	(466,753)	(466,753)	466,753	-
Members' interest after profits for the year	300,000	(124,575)	175,425	466,753	642,178
Drawings	-	-	-	(466,753)	(466,753)
At 31 March 2021	**300,000**	**(124,575)**	**175,425**	**-**	**175,425**
Profit for the financial year before Members' remuneration	-	-	-	-	-
Members' remuneration charged as an expense	-	-	-	-	-
Members' interest after profits for the year	300,000	(124,575)	175,425	-	175,425
Drawings	-	-	-	-	-
At 31 March 2022	**300,000**	**(124,575)**	**175,425**	**-**	**175,425**

Members' other interests and capital introduced by Members rank after unsecured creditors, and loans and other debts due to Members rank pari passu with unsecured creditors in the event of a winding up. All remuneration to Members is due to reallocation of profit.

Notes to the financial statements

For the year ended 31 March 2022

1 General Information

Darwin Private Equity LLP ("the LLP") was established in England on 6 October 2006 (date of incorporation). The principal activity of the LLP and its subsidiaries is to provide advisory and portfolio management services to the Funds, as well as services to other related entities. The provision of advisory services relates to private equity investments.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements:

2 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 as applied to Limited Liability Partnerships, the Limited Liability Partnership Act 2000, the Limited Liability Partnerships Regulations 2008 and the Statement of Recommended Practice 'Accounting for Limited Liability Partnerships' issued on 26 January 2017, and in accordance with applicable UK Accounting Standards.

The LLP considers the Pound Sterling to be its functional currency. These financial statements have been prepared using the Pound Sterling as the reporting currency.

The Funds terminated on 7 August 2020 and the General Partner was appointed as Liquidating Trustee and the LLP will continue in its position as Manager. No management fee is payable. During the liquidation, the Funds are obliged to pay all reasonable costs and expenses incidental to the termination of the Funds in order to allow the Manager to operate a smooth and orderly termination and liquidation of the Funds' affairs at reasonable value.

An error was noted in the prior year relating to the recharge of expenses. £8,235 of Turnover was included in error within administrative expenses, with the result that both turnover and administrative expenses were understated by £8,235. This has been corrected through the restatement of the prior year turnover and administrative expenses. The correction has no impact on the result for the financial year.

The impact of this restatement on the Consolidated Statement of Comprehensive Income is as follows:

	2021 (restated)	Restatement	2021
	£	£	£
Turnover	436,278	8,235	428,043
Administrative expenses	31,359	(8,235)	39,594

Following the completion of the sale of Datum in September 2021, the LLP, on behalf of the Liquidating Trustee, remains committed to realising the remaining investment in Euroffice as and when appropriate. The LLP considers that the liquidation period is likely to continue beyond one year of the date of this report since it will depend predominantly upon the recovery of the final investment, the European office stationery market and likely purchasers within the industry following COVID-19 and the Ukrainian conflict. Ukraine is one of the major suppliers of paper, a key product line to the European office stationery market and inflationary pressures, along with general supply chain disruption are challenging the office supplies industry. On that basis, these financial statements have been prepared on the going concern basis.

Notes to the financial statements (continued)
For the year ended 31 March 2022

2 Accounting policies (continued)

Basis of preparation (continued)
The Members consider that the accounting policies set out below are suitable, have been consistently applied and are supported by reasonable and prudent judgements and estimates.

Basis of consolidation
The Consolidated Financial Statements comprise the financial statements of the LLP and its subsidiary undertakings (together "the Group"). Subsidiary undertakings are those entities controlled, either directly or indirectly, by the LLP.

Darwin Private Equity Holdings Limited ("Holdings") is a direct subsidiary of the LLP. The LLP and Holdings are the sole members of a Partnership, Darwin General Partner LLP ("GP LLP"). Darwin General Partner 1 Limited ("GP1"), and Darwin General Partner 2 Limited ("GP2"), subsidiaries of Holdings and therefore indirect subsidiaries of the LLP, together with Darwin General Partner LLP ("GP LLP"), act as General Partners of Darwin General Partnership LP and Darwin Founder Partnership LP ("the LPs") respectively. The General Partner status gives the two Limited companies and the GP LLP control of the LPs as defined by FRS 102 9.5(b) and the Companies Act, however the investors in the LPs may remove the General Partner by an investors special consent. This is considered a severe long term restriction as detailed in FRS 102 9.9 and therefore the LPs have not been consolidated.

Turnover
Turnover comprises recharges of costs and expenses incidental to the liquidation and termination of the Funds, which are accounted for on an accruals basis. Turnover is recognised to the extent that it is probable that the economic benefits will flow to the LLP and the revenue can be measured reliably.

Impairment of non-financial assets
At each reporting date, non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication, the recoverable amount of the asset is compared to the carrying amount of the asset. The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax, obtainable as a result of the assets' continued use. If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the Consolidated and Partnership Statements of Comprehensive Income. If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the Consolidated and Partnership Statements of Comprehensive Income.

Investments
An investment in a subsidiary company is held at cost less accumulated impairment losses.

Financial assets and liabilities
The Group has basic financial assets and liabilities, including cash and cash equivalents, debtors and creditors, which are initially recognised at transaction price. No assets or liabilities are measured at fair value. Such assets are subsequently carried at amortised cost. Cash and cash equivalents and Debtors are classified as financial assets measured at amortised cost. Creditors are classified as financial liabilities measured at amortised cost. At the end of each reporting period financial assets measured at amortised cost are assessed for impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate.

Notes to the financial statements (continued)
For the year ended 31 March 2022

2 Accounting policies (continued)
Financial assets and liabilities (continued)
The impairment loss is recognised in the Consolidated and Partnership Statements of Comprehensive Income. If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Consolidated and Partnership Statements of Comprehensive Income.

Cash and cash equivalents
The cash balance represents cash in hand and deposits held on call with banks.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating profit or loss.

Members' capital and Members' other interests
Members' other interests consists of Members' capital and other reserves. Members' capital is the amount of initial capital paid into the partnership, and other reserves represent the losses incurred in the first year. Members' other interests are accounted for as equity.

Amounts due to/from Members
All profits and losses of the LLP are allocated at the end of each financial year. Profit allocations do not necessarily need to be distributed as drawings. To the extent that distributions of profit cannot be avoided by the LLP, they are accounted for as liabilities. Amounts due to/from Members are interest free and repayable on demand.

Related party transactions
In accordance with the exemption afforded by FRS 102, the LLP discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned.

Taxation
Income tax payable on the LLP's profits is solely the personal liability of the individual Members and consequently is not dealt with in these financial statements. Profits arising in subsidiary undertakings of the LLP are chargeable to tax at the rate in force during the year.

3 Critical accounting estimates and judgements

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.

The Members make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed within the financial statements.

Notes to the financial statements (continued)
For the year ended 31 March 2022

4 Turnover

The majority of the Group's turnover, which consists of recharge of expenses incidental to the liquidation and termination of the Funds, is derived from its principal activity of providing advisory and portfolio management services to Darwin Private Equity I LP (the "Fund"), Darwin Private Equity Friends and Family Fund LP (the "Friends and Family Fund") and Darwin Co-Invest A LP (the "Co-Invest").

5 Parent Profit and Loss account exemption

The LLP is exempted from presenting the parent Partnership Profit and Loss Account under Companies Act 2006 reference Section 408. The LLP's result for the financial year is £Nil (2021: £Nil).

6 Operating profit

	Year to 31 March 2022 £	Year to 31 March 2021 £
Operating profit is stated after charging:		
Fees payable to the Partnership's auditors for the audit of the Partnership's annual financial statements	20,219	19,150
Fees payable to the Partnership's auditors and their associates for other services:		
Audit related assurance services	3,281	3,125
Tax compliance services	26,500	26,500

7 Interest receivable and similar income

Interest receivable comprises interest earned on bank deposit accounts of £18 (2021: £116).

8 Staff numbers and costs

	Year to 31 March 2022 £	Year to 31 March 2021 £
Staff costs include the following:		
Wages and salaries	65,000	65,000
Social security costs	1,316	1,316
Other pension costs	3,931	4,096
	70,248	70,413

The monthly average number of staff employed during the year was 1 (2021: 1). All key management personnel were members of the LLP. Total remuneration to Members in the year was £1,000 (2021: £467,753).

9 Members

The average number of Members for the year was 2 (2021: 2). No salaries were paid to Members during the year. Profit of £500 (2021: £233,876) is attributable to the Members with the largest entitlement. Preferred drawings and profit share of £1,000 (2021: £467,753) are treated as Members' remuneration and charged as an expense in the Consolidated Statement of Comprehensive Income.

Notes to the financial statements (continued)
For the year ended 31 March 2022

Darwin Private Equity LLP

10 Investments in subsidiaries

	As at 31 March 2022 £	As at 31 March 2021 £
LLP		
At cost:		
Darwin Private Equity Holdings Limited	1	1
Total	1	1

At 31 March 2022 the LLP owned the subsidiaries set out in the table below. There were no additions or disposals in the year, and the proportions of voting rights and capital held did not vary from those shown below.

Subsidiary undertaking	Country of incorporation	Holding	Proportion of voting rights and capital held	Nature of business
Darwin Private Equity Holdings Limited	England and Wales	Ordinary shares	100%	Holding Company
Darwin General Partner 1 Limited	Scotland	Ordinary shares	100% (indirectly)	General Partner
Darwin General Partner 2 Limited	Scotland	Ordinary shares	100% (indirectly)	General Partner
Darwin Private Equity Corporate Member Limited	England and Wales	Ordinary shares	100% (indirectly)	Holding Company
Darwin General Partner LLP	Scotland	Member	100% (indirectly)	General Partner

The Members believe that the carrying value of the investments is supported by their underlying net assets.

All the listed subsidiaries (held both directly and indirectly) are exempt from the requirements of the Companies Act 2006 relating to the audit of individual financial statements by virtue of s479A. The LLP has guaranteed all outstanding liabilities of these subsidiaries. The registered office of Darwin Private Equity Holdings Limited and Darwin Private Equity Corporate Member Limited is the same as the LLP. The registered of the other subsidiaries is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.

Notes to the financial statements (continued)

For the year ended 31 March 2022

11 Debtors

Group	As at 31 March 2022 £	As at 31 March 2021 £
Amounts owed by related parties *	109,224	126,465
Other debtors	-	6,157
	109,224	132,622

LLP		
Amounts owed by related parties *	98,223	116,464
Other debtors	-	6,157
	98,223	122,621

* Amounts are interest free and repayable on demand.

12 Creditors: amounts falling due within one year

Group	As at 31 March 2022 £	As at 31 March 2021 £
Trade creditors	39,270	1,214
Other creditors	9,986	4,131
Accruals	71,232	68,324
	120,489	73,669

LLP		
Trade creditors	39,270	1,214
Other creditors	9,986	4,131
Accruals	71,232	68,324
	120,489	73,669

13 Notes to the Consolidated Statement of Cash Flows
(a) Reconciliation of Profit to net cash inflow from operating activities

	Year to 31 March 2022 £	Year to 31 March 2021 £
Profit for the financial year before Members' remuneration	1,000	467,753
Bank interest received	(18)	(116)
Receipts from sale of tangible fixed assets	-	(3,589)
Decrease / (increase) in debtors	23,398	(33,972)
Increase / (decrease) in creditors	46,820	(204,329)
Net cash inflow from operating activities	71,200	225,747

Notes to the financial statements (continued)

For the year ended 31 March 2022

14 Notes to the Consolidated Statement of Cash Flows (continued)
(b) Cash and cash equivalents

Group and LLP	As at 31 March 2022 £	As at 31 March 2021 £
Cash at bank and in hand	197,690	126,472

15 Related parties

Darwin Private Equity LLP is the Manager of Darwin Private Equity Fund I LP (the "Fund"), Darwin Co-Invest A LP (the "Co-Invest"), Darwin Private Equity Friends and Family Fund (the "Friends and Family Fund"), Darwin General Partnership LP (the "GPLP") and Darwin Founder Partnership LP (the "FPLP"). The GPLP is the General Partner of the Fund, the Co-Invest and the Friends and Family Fund.

During the year, the Group recognised distributions amounting to £nil (2021: £317,802) from the GPLP and management fees of £1,000 (2021: £1,000) from the FPLP.

The Group is owed £1,049 by the GPLP (2021: £1,049) in respect of priority profit share in relation to previous years.

The Group paid £245,879 (2021: £185,192) on behalf of the Fund in relation to professional fees and other expenses, £7,796 (2021: £13,848) on behalf of the Friends and Family Fund in relation to professional fees and other expenses, and £27,783 (2021: £28,631) on behalf of the Co-Invest in relation to professional fees and other expenses. The LLP continues to bear all the costs of the FPLP and GPLP.

During the year, the Group charged advisory fees to the Fund's investment companies totalling £nil (2021: £nil) of which £nil (2021: £nil) were outstanding at the balance sheet date. The Group also paid expenses on behalf of investment companies totalling £nil (2021: £nil).

Balances with related parties at the balance sheet date include £11,000 (2021: £10,000) due from the FPLP, £86,486 due from the Fund (2021: £77,036), £7,616 due from the Co-Invest (2021: £36,610) and £2,687 (2021: £2,538) due from the Friends and Family Fund.

16 Ultimate Parent Undertaking

No Member of the LLP has control over the Partnership or the Group.