

Registration number: OC316601

Inflexion Private Equity Partners LLP
Annual Report and Consolidated Financial Statements
for the year to 30 April 2020



Inflexion Private Equity Partners LLP

General information

Partnership number

OC316601

Registered Office

47 Queen Anne Street
London
W1G 9 JG

Bankers

Barclays Bank PLC
One Churchill Place
London
E14 5HP

Auditor

Grant Thornton UK LLP
30 Finsbury Square
London
EC2A 1AG

Inflexion Private Equity Partners LLP

Financial Statements
for the year to 30 April 2020
Contents

Members' report for the year ended 30 April 2020 4

Independent auditor's report to the members of Inflexion Private Equity Partners LLP 8

Consolidated statement of comprehensive income for the year ended 30 April 2020 11

Consolidated statement of financial position as at 30 April 2020 12

Limited Liability Partnership statement of financial position as at 30 April 2020 13

Consolidated statement of changes in equity..... 14

Limited Liability Partnership statement of changes in equity..... 15

Consolidated cash flow statement as at 30 April 2020..... 16

Notes to the financial statements for the year ended 30 April 2020..... 17

Inflexion Private Equity Partners LLP

Members' report for the year ended 30 April 2020

The members present their report and the audited financial statements of Inflexion Private Equity Partners LLP ('the Partnership') and the Group it heads (as detailed in note 12 to the financial statements) ('the Group') for the year to 30 April 2020.

Principal activities and review of business

The Partnership's principal activity is to act as an investment advisor to private equity funds. The Partnership has been authorised and regulated by the Financial Conduct Authority since 6 November 2006.

The results for the year are set out in the consolidated statement of comprehensive income on page 11. Both the level of business and the year-end financial position were satisfactory and the members expect that profitability will be sustained for the foreseeable future.

The profit for the financial year available for discretionary division among members for the year to 30 April 2020 amounted to £27,620k (2019: £16,780k).

Non financial risks

Key personnel

The Group recognises the need to develop, reward and retain key employees.

Regulation

The Group is committed to regulatory compliance and has developed policies and procedures in order to stay abreast of regulatory developments.

Financial risks

The Group uses various financial instruments which include cash, trade creditors and trade debtors that arise directly from its operations. The existence of these financial instruments exposes the Partnership to a number of financial risks that could result in either a reduction in the Group's net assets or a reduction of profits.

These risks include credit risk, interest risk, and liquidity risk. The members' approach to the management of these risks is set out below. The objectives, policies and processes for managing the risks are summarised below. The policies have remained unchanged from prior years.

Credit risk

The Group's exposure to credit risk arises principally from its cash deposits. The risk is managed by holding cash only at reputable major banks with high quality credit ratings or government support.

The credit risk arising from advisory fees receivable is not considered a significant risk. This is due to these amounts being held in cash by a third party prior to being due. Advisory fees are also derived from the contracted management fees of the underlying private equity funds with an investor base with high credit ratings.

Inflexion Private Equity Partners LLP

Members' report for the year ended 30 April 2020 (continued)

Interest rate risk

The Group's exposure to interest rate risk arises principally from its short-term cash deposits, which are maintained on a floating rate basis. This risk is not deemed significant to the Partnership, due to the small amounts of interest receivable involved.

Liquidity risk

This is the risk that the Group will encounter difficulties in meeting financial liabilities or regulatory capital requirements. The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash surpluses safely and profitably. The Group's policy throughout the year has been to achieve this objective through management's day-to-day involvement in business decisions.

Going concern

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting by Limited Liability Partnerships effective on or after 1 January 2016, and applicable accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102').

After reviewing the Group's forecasts and projections, the members have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. Operations of the Partnership have not been disrupted by COVID-19 and considerations have been made of the wider impact of Brexit and Covid-19 on the Group. It has been concluded that there is no material adverse effect on the Group, and it continues to adopt the going concern basis of preparation.

Key performance indicators

The members consider turnover to be the key performance indicator that is relevant to the ongoing performance and monitoring of the Partnership. There has been strong growth in turnover for the year and this is expected to be maintained or increase in the future.

Energy and emissions report

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") implements the government's policy on Streamlined Energy & Carbon Reporting ("SECR"). In the year we took energy efficiency actions such as procuring REGO backed electricity for all sites which permits dual reporting under the Market Based Methodology. The following energy and carbon information is disclosed in compliance with the reporting requirements and covers the activities of the Group:

	2020
UK Energy Use (kWh)	431,097
Associated Greenhouse Gas Emissions (tCO ₂ e)	110.02
Intensity ratio (per Floor Area - total 22,320ft ²)	
Energy Use (kWh/ft ²)	19.31
Emissions (tCO ₂ e/ft ²)	0.00493

The methodology from the UK Government GHG Conversion Factors for Company Reporting (Full Set 2019 v1.0) has been applied.

Designated Members

Simon Turner and John Hartz were the designated members throughout the period.

Inflexion Private Equity Partners LLP

Members' report for the year ended 30 April 2020 (continued)

Statement of Members' responsibilities

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

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) require the members to prepare financial statements for each financial year. Under the law the members have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". The financial statements are required by law to give a true and fair view of the state of affairs of the Group and Partnership and of the profit or loss of the Group 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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the 2008 Regulations. They are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members confirm that:

- so far as each member is aware, there is no relevant audit information of which the LLP's auditor is unaware; and
- the members have taken all the steps that they ought to have taken as members in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members' drawings, subscriptions and repayment of amounts contributed

The Partnership's policy regarding members' drawings, subscriptions and repayment of amounts contributed is governed by the Limited Liability Partnership Deed and the Members' Letters. Members may take drawings only after authorisation by the Designated Members. This authority can only be given by the Designated Members if they so determine that the Partnership has sufficient working capital available and surplus to the ongoing requirements of the Partnership. Members do not have the right to withdraw or receive back any part of their initial capital contributions unless authorised by the Designated Members and another Member contributes a similar amount or unless it is at the winding up of the Partnership.

Inflexion Private Equity Partners LLP

Members' report for the year ended 30 April 2020 (continued)

Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008 unless the partnership receives notice under section 488(1) of the Companies Act 2006 as modified by the Limited Liability Partnerships Regulations 2008.

Signed by order of the members

A handwritten signature in black ink, appearing to read 'J Hartz', with a stylized flourish at the end.

John Hartz
Designated member

11 August 2020

Inflexion Private Equity Partners LLP

Independent auditor's report to the members of Inflexion Private Equity Partners LLP

Opinion

We have audited the financial statements of Inflexion Private Equity Partners LLP (the 'limited liability partnership') and its subsidiaries (the 'group') for the year ended 30 April 2020, which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the limited liability partnership statement of financial position, the consolidated statement of changes in equity, the limited liability partnership statement of changes in equity, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the limited liability partnership's affairs as at 30 April 2020 and of the group's profit 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.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.*

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a group associated with these particular events.

Conclusions relating to going concern

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

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

Inflexion Private Equity Partners LLP

Independent auditor's report to the members of Inflexion Private Equity Partners LLP (continued)

Other information

The members are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 by the limited liability partnership, or returns adequate for our audit have not been received from branches not visited by us; or
- the limited liability partnership's 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 for the financial statements

As explained more fully in the statement of members' responsibilities set out on page 6, 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 group's and the limited liability partnership'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 limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's 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.

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.

Inflexion Private Equity Partners LLP

Independent auditor's report to the members of Inflexion Private Equity Partners LLP (continued)

Use of our report

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.

Grant Thornton UK LLP

William Pointon
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
11 August 2020

Inflexion Private Equity Partners LLP

Consolidated statement of comprehensive income for the year ended 30 April 2020

	Note	2020 £'000	2019 £'000
Turnover		54,423	46,087
Administrative expenses		(18,686)	(19,425)
Operating profit	6	35,737	26,662
Gains on disposal	10	1,263	-
Interest receivable	8 (a)	60	41
Interest payable and similar charges	8 (b)	(5)	(7)
Profit before taxation		37,055	26,696
Tax on profit in corporate subsidiaries	9	-	-
Profit for the financial year before members' remuneration and profit shares		37,055	26,696
Members' remuneration charged as an expense		(9,435)	(9,916)
Profit for the financial year available for discretionary division among members		27,620	16,780
Other comprehensive income		28	-
Total comprehensive income for the financial year		27,648	16,780

All income and expenses have been generated from continuing activities.

The notes on pages 17 to 28 form an integral part of these financial statements.

Inflexion Private Equity Partners LLP

Consolidated statement of financial position as at 30 April 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Intangible assets	10	-	(1,291)
Tangible assets	11	6,104	6,449
Investments	12	-	2,000
		6,104	7,158
Current assets			
Debtors	13	5,266	3,935
Cash		25,905	31,986
		31,171	35,921
Creditors	14	(29,633)	(28,005)
Net current assets		1,538	7,916
Total assets less current liabilities		7,642	15,074
Provision for liabilities	18	(1,250)	(1,357)
Net assets attributable to members		6,392	13,717
Members' other interests			
Members' capital – equity		134	128
Other reserves		6,258	13,589
		6,392	13,717
Total members' interests			
Members' other interests		6,392	13,717
Amounts due from members		(169)	(9)
		6,223	13,708

As permitted by section 408 of the Companies Act 2006, no separate statement of comprehensive income is presented for the Limited Liability Partnership. The Partnership's profit for the year was £28,359k (2019: £16,761k).

The notes on pages 17 to 28 form an integral part of these financial statements. The financial statements on pages 10 to 27 were approved by the members on 11 August 2020 and were signed on their behalf by:



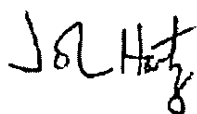
John Hartz, Designated Member
Partnership number: OC316601

Inflexion Private Equity Partners LLP

Limited Liability Partnership statement of financial position as at 30 April 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Tangible assets	11	6,104	6,449
Investments	12	-	-
		6,104	6,449
Current assets			
Debtors	13	5,270	3,935
Cash		25,878	31,900
		31,148	35,835
Creditors	14	(29,619)	(27,929)
Net current assets		1,529	7,906
Total assets less current liabilities		7,633	14,355
Provision for liabilities	18	(1,250)	(1,357)
Net assets attributable to members		6,383	12,998
Members' other interests			
Members' capital - equity		134	128
Other reserves		6,249	12,870
		6,383	12,998
Total members' interests			
Members' other interests		6,383	12,998
Amounts due from members		(169)	(9)
		6,214	12,989

The notes on pages 17 to 28 form an integral part of these financial statements. The financial statements on pages 11 to 28 were approved by the members on 11 August 2020 and were signed on their behalf by:



John Hartz, Designated Member
Partnership number: OC316601

Inflexion Private Equity Partners LLP

Consolidated statement of changes in equity

	Members' other interests			Loans and other debts due to members less any amounts due from members	Total
	Members' Capital classified as equity	Other reserves	Total		
	£'000s	£'000s	£'000s	£'000s	£'000s
Amounts due to members				513	
Amounts due from members				(103)	
Balance at 1 May 2018	123	4,912	5,035	410	5,445
Members' remuneration charged as an expense	-	-	-	9,916	9,916
Profit for the financial year available for discretionary division	-	16,780	16,780	-	16,780
Members' interests after profit for the year	123	21,692	21,815	10,326	32,141
Other division of profit	-	(8,103)	(8,103)	-	(8,103)
Introduced by members	8	-	8	-	8
Returned to members	(3)	-	(3)	-	(3)
Drawings	-	-	-	(9,916)	(9,916)
Other movements	-	-	-	(419)	(419)
Amounts due to members				-	
Amounts due from members				(9)	
Balance at 30 April 2019	128	13,589	13,717	(9)	13,708
Members' remuneration charged as an expense	-	-	-	9,435	9,435
Profit for the financial year available for discretionary division	-	27,620	27,620	-	27,620
Members' interests after profit for the year	128	41,209	41,337	9,426	50,763
Other division of profit	-	(34,979)	(34,979)	-	(34,979)
Revaluation of fixed assets	-	28	28	-	28
Introduced by members	8	-	8	-	8
Returned to members	(2)	-	(2)	-	(2)
Drawings	-	-	-	(9,435)	(9,435)
Other movements	-	-	-	(160)	(160)
Amounts due to members				-	
Amounts due from members				(169)	(169)
Balance at 30 April 2020	134	6,258	6,392	(169)	6,223

Members' Capital classified as equity represents the members' capital contributions under the Limited Liability Partnership Agreement.

Other reserves represent both realised and unrealised profits available for distribution to the members. Income is allocated to members after being determined by the Designated Members. The notes on pages 17 to 28 form an integral part of these financial statements.

Inflexion Private Equity Partners LLP

Limited Liability Partnership statement of changes in equity

	Members' other interests			Loans and other debts due to members less any amounts due from members	Total
	Members' Capital classified as equity	Other reserves	Total		
	£'000s	£'000s	£'000s	£'000s	£'000s
Amounts due to members				513	
Amounts due from members				(103)	
Balance at 1 May 2018	123	4,212	4,335	410	4,745
Members' remuneration charged as an expense	-	-	-	9,916	9,916
Profit for the financial year available for discretionary division	-	16,761	16,761	-	16,761
Members' interests after profit for the year	123	20,973	21,096	10,326	31,422
Other division of profit	-	(8,103)	(8,103)	-	(8,103)
Introduced by members	8	-	8	-	8
Returned to members	(3)	-	(3)	-	(3)
Drawings	-	-	-	(9,916)	(9,916)
Other movements	-	-	-	(419)	(419)
Amounts due to members				-	
Amounts due from members				(9)	
Balance at 30 April 2019	128	12,870	12,998	(9)	12,989
Members' remuneration charged as an expense	-	-	-	9,435	9,435
Profit for the financial year available for discretionary division	-	28,330	28,330	-	28,330
Members' interests after profit for the year	128	41,200	41,328	9,426	50,754
Other division of profit	-	(34,979)	(34,979)	-	(34,979)
Revaluation of fixed assets	-	28	28	-	28
Introduced by members	8	-	8	-	8
Returned to members	(2)	-	(2)	-	(2)
Drawings	-	-	-	(9,435)	(9,435)
Other movements	-	-	-	(160)	(160)
Amounts due to members				-	
Amounts due from members				(169)	
Balance at 30 April 2020	134	6,249	6,383	(169)	6,214

Members' Capital classified as equity represents the members' capital contributions under the Limited Liability Partnership Agreement.

Other reserves represent both realised and unrealised profits available for distribution to the members. Income is allocated to members after being determined by the Designated Members. The notes on pages 17 to 28 form an integral part of these financial statements.

Inflexion Private Equity Partners LLP

Consolidated cash flow statement as at 30 April 2020

	Note	2020 £'000	2019 £'000
Operating activities			
Net cash inflow from operating activities before transactions with members	15 (a)	36,621	50,828
Members' remuneration charged as an expense		(9,435)	(9,916)
Net cash inflow from operating activities		<u>27,186</u>	<u>40,912</u>
Investing activities			
Returns on Investments and servicing of finance	15 (b)	55	34
Capital expenditure and financial investment	15 (b)	(179)	(5,683)
Net cash outflow from investing activities		<u>(124)</u>	<u>(5,649)</u>
Financing activities			
Financing activities	15 (b)	6	5
Transactions with members and former members		(33,139)	(8,522)
Net cash outflow from financing activities		<u>(33,133)</u>	<u>(8,517)</u>
(Decrease) / increase in cash		(6,072)	26,746
Foreign exchange (losses) / gains		(10)	-
Cash and cash equivalents at the beginning of the year		31,986	5,240
Cash and cash equivalents at the end of the year		25,905	31,986

The notes on pages 17 to 28 form an integral part of these financial statements.

Inflexion Private Equity Partners LLP

Notes to the financial statements for the year ended 30 April 2020

1 Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with the Statement of Recommended Practice: Accounting by Limited Liability Partnerships effective on or after 1 January 2016, and applicable accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102').

Going concern

After reviewing the group's forecasts and projections, the members have a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future. The operations of the Partnership have not been disrupted by COVID-19 and considerations have been made of the wider impact of Brexit and Covid-19 on the Group. It has been concluded that there has been no material adverse effect on the Group and therefore continues to adopt the going concern basis of preparation.

The Partnership therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

The financial statements consolidate the results of Inflexion Private Equity Partners LLP and its subsidiary undertakings.

2 Partnership information

The Partnership is a Limited Liability Partnership (LLP) registered in England & Wales. The registered address of the Partnership is 47 Queen Anne Street, London, W1G 9JG.

3 Basis of consolidation

These 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 United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006.

The group financial statements consolidate the financial statements of Inflexion Private Equity Partners LLP and all its subsidiary undertakings drawn up to 30 April each year.

The LLP has taken advantage of section 408 of the Companies Act 2006 as applied to LLPs and has not included its own Statement of Comprehensive Income in these financial statements. The profit for the year of the LLP is disclosed within the LLP Statement of changes in Equity.

4 Accounting policies

Turnover

Turnover comprises advisory fees and director's fees. These are recognised on an earned basis, to the extent that the Partnership has earned the right to that consideration in exchange for services rendered, excluding value added tax.

Turnover is derived in the United Kingdom and Guernsey.

Inflexion Private Equity Partners LLP

Accounting policies continued...

Foreign currencies

The functional currency of all group entities is Sterling (£). These statements are presented in Sterling (£).

Assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling on the date of the transaction. Exchange differences are dealt with in the profit and loss account.

Tangible fixed assets

Tangible fixed assets except for Artwork are stated at cost less accumulated depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets on a straight-line basis over their estimated useful lives at the following rates:

Fixtures and fittings – over five years

Office equipment – over three years

Leasehold improvements and reinstatement asset (dilapidations) – over the shorter of its useful economic life and the remaining term of the lease or to the next break point

The policy for Artwork was revised during the year from cost less accumulated depreciation to a revaluation basis. This class of assets is carried at revalued amount, being its fair value at the date of revaluation less subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.

Assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable in accordance with FRS 102.

Taxation

Taxation on the Partnership's profits is solely the personal liability of individual members and is not dealt with in these financial statements. The corporation tax and deferred tax in these financial statements arises from the consolidation of the subsidiary undertakings.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the directors of the limited companies consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Leases

Operating lease rentals are charged against profit on a straight line basis over the period of the lease. The aggregate benefit of lease incentives is recognised as a reduction to the expense recognised over the lease term on a straight line basis.

Inflexion Private Equity Partners LLP

Accounting policies continued...

Goodwill

Purchased goodwill is the difference between the cost of an acquired entity and the aggregate fair value of the identifiable assets and liabilities. Negative goodwill up to the fair value of the assets acquired is recognised in the profit and loss account in the period in which the assets are recovered through depreciation or sale.

Fixed asset investments

Investments are stated at fair value. Impairment losses and unrealised gains are recognised in the statement of comprehensive income. The investments are valued at 'fair value'. As such, the Partnership has used investment valuation techniques appropriate for unquoted investments.

Financial Instruments

The Group uses various financial instruments which include cash, trade creditors and trade debtors that arise directly from its operations. The existence of these financial instruments exposes the Partnership to a number of financial risks that could result in either a reduction in the Group's net assets or a reduction of profits.

These risks include credit risk, interest risk and liquidity risk. The members' approach to the management of these risks and objectives, policies and processes for managing the risks are summarised in the Members' report. The policies have remained unchanged from prior years.

Provisions for liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Members' remuneration and members' interests

Members' Capital classified as equity represents the members' capital contributions under the Limited Liability Partnership Agreement.

Other reserves represent both realised and unrealised profits available for distribution to the members. Income is allocated to members after being determined by the Designated Members.

Employee benefits

Short-term employee benefits are recognised as an expense in the period in which they are incurred.

Cash and cash equivalents

Cash and cash equivalents comprise deposit balances repayable within 24 hours less overdrafts.

Inflexion Private Equity Partners LLP

5 Significant judgements and estimates

In preparing the financial statements, an estimate has been made for a dilapidations provision relating to the office premises of Inflexion Private Equity Partners LLP. The amount recorded is the best estimate of the expenditure required to settle the obligation as required by the lease agreement and has been based on an expert third party assessment.

An estimate has also been made for the fair value of the Artwork class of tangible fixed assets. The fair value recorded has been based on an expert third party assessment.

Management have not made any other significant judgements and estimates that affect the reported amounts of assets and liabilities, income and expenses.

6 Operating profit

Operating profit is stated after charging	2020	2019
	£'000	£'000
Depreciation	595	577
Operating lease – property	1,620	2,470
Operating lease – equipment	108	88
Foreign exchange gain/(loss)	10	1
Auditors remuneration:		
Fees payable to the partnerships' auditor for the audit of its financial statements	34	34
Fees payable to the partnerships' auditor for the audit of its subsidiaries	5	5
Other services:		
Tax services	24	24
Other assurance services	8	5

Inflexion Private Equity Partners LLP

7 Staff costs and profit attributable to members

The average number of persons employed by the Group and Partnership was:

	2020	2019
Investment	40	36
Administration	19	19
Total	59	55

Staff costs

The staff costs of the Group and Partnership were:

	2020	2019
	£'000	£'000
Wages and salaries	8,433	9,140
Social security costs	1,038	523
Other pension costs	73	55
Staff costs	9,543	9,718

The Group operates a stakeholder defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by an independent pension provider. Pension payments recognised as an expense during the year amount to £73k (2019: £55k).

Information in relation to members

The average number of Members during the year was 33 (2019: 27).

The profit (including remuneration) that is attributable to the member with the largest entitlement to profit (including remuneration) is £9,300k (2019: £2,545k).

In accordance with the Members' Letters and the Limited Liability Partnership Deed, members receive a fixed profit share per accounting year plus an allocation of a merit-based profit pool as the Management Committee may determine. The fixed profit share is recorded in the profit and loss account as a charge against profits on an accruals basis. The allocation of a merit-based profit pool is recorded within reserves in the year in which it is allocated.

8 Interest receivable and payable

(a) Interest receivable	2020	2019
	£'000	£'000
Interest income	60	41
	60	41
 (b) Interest payable and similar charges	 2020	 2019
	£'000	£'000
Interest expense	5	7
	5	7

Inflexion Private Equity Partners LLP

9 Tax on profit

The tax in these financial statements arises from the consolidation of the subsidiary undertakings of Inflexion Private Equity Partners LLP.

(a) Analysis of tax charge for the year

	2020 £'000	2019 £'000
Current tax:		
UK corporation tax on profits of the year	-	-
Deferred tax:		
Deferred taxation: origination and reversal of timing differences	-	-
Tax on profit	-	-

(b) Factors affecting current tax charge

The tax charge for the year is the same as the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £'000	2019 £'000
Profit before tax	37,055	26,696
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019: 19%)	7,040	5,072
Expenses not allowable for tax purposes	-	-
Difference in tax rates	-	-
Tax losses utilised in the year	-	-
Tax losses carried forward	-	-
Profit arising in the Partnership on which tax is payable by the members personally	(7,040)	(5,072)
Current tax charge for the year (note 9a)	-	-

Inflexion Private Equity Partners LLP

10 Intangible assets

The negative intangible asset of the Group was negative goodwill which arose from the acquisition of the entire share capital of SJ Capital Partners Limited in the year to 30 April 2011. During the year the investment in SJ Capital Partners Limited was fully disposed of following the liquidation of the company. This has resulted in the derecognition of the negative goodwill.

11 Tangible assets

The table below shows the tangible fixed assets of both the Group and the Partnership.

	Leasehold Improvement £'000	Fixtures and Fittings £'000	Office Equipment & Artwork £'000	Total £'000
Cost or valuation				
At 1 May 2019	5,688	757	451	6,896
Additions	69	40	70	179
Revaluations	-	-	28	28
Disposals	-	-	(4)	(4)
At 30 April 2020	5,757	797	545	7,099
Accumulated depreciation				
At 1 May 2019	261	101	85	447
Charge for the year	400	154	41	595
Revaluations	-	-	(43)	(43)
Disposals	-	-	(4)	(4)
At 30 April 2020	661	255	79	995
Net book amount				
At 30 April 2020	5,096	542	466	6,104
At 1 May 2019	5,427	656	366	6,449

Inflexion Private Equity Partners LLP

12 Fixed asset investments

	Group		LLP	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Unlisted investments	-	2,000	-	-
	-	2,000	-	-

The Partnership owns 100% of the issued ordinary share capital in each of these subsidiaries listed in the table below. In the opinion of the Designated Members, the value of the subsidiary undertakings is not less than the amount at which they are stated in these accounts. The Designated Members consider that the companies listed below are the principal subsidiaries of the Partnership.

Name	Country of incorporation	Nature of business	Year end
Inflexion General Partner Limited	Scotland	General Partner	30 April
Inflexion 2006 General Partner Limited	England & Wales	General Partner	30 April
Inflexion 2006 CI GP Limited	Scotland	General Partner	30 April
Inflexion Co-Investment Limited	England & Wales	General Partner	30 April
Inflexion G.P. Limited	England & Wales	General Partner	30 April
Inflexion Partners Limited	England & Wales	General Partner	31 March
Inflexion Private Equity Limited	England & Wales	Non trading	30 April

The following subsidiaries were fully disposed of during the year as a result of their liquidation:

Name	Country of incorporation	Nature of business	Year end
SJ Capital Partners Limited	England & Wales	Holding Company	31 March

The subsidiaries of the Partnership are general partners of various limited partnerships. The principal limited partnerships are those listed below.

Name	General Partner	Place of business
Mozart Limited Partnership	Inflexion General Partner Limited	London

Inflexion Private Equity Partners LLP

13 Debtors

	Group		LLP	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade debtors	2,516	1,388	2,516	1,388
Amounts owed by subsidiary undertakings	-	-	4	-
Other debtors	737	494	737	494
Prepayments and accrued income	1,844	2,044	1,844	2,044
Amounts owed by members	169	9	169	9
	5,266	3,935	5,270	3,935

Amounts owed by subsidiary undertakings and associates are unsecured and have no fixed date of repayment.

14 Creditors

	Group		LLP	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade creditors	667	1,020	667	1,020
Amounts due to subsidiary undertakings	27	28	12	-
Tax and social security	326	333	326	333
Other creditors	26	122	26	122
Accruals and deferred income	28,587	26,502	28,588	26,454
	29,633	28,005	29,619	27,929

Amounts due to subsidiary undertakings and associates are unsecured and have no fixed date of repayment.

Inflexion Private Equity Partners LLP

15 Notes to the consolidated cash flow statement

(a) Reconciliation of profit for the financial year available for discretionary division among members to net cash inflow from operating activities before transactions with members

	2020	2019
	£'000	£'000
Profit for the financial year available for discretionary division among members	27,620	16,780
Members' remuneration charged as an expense	9,435	9,916
Interest received	(60)	(41)
Interest paid	5	7
Provision for liabilities	(107)	1,357
Revaluation of fixed assets	(71)	-
Depreciation of fixed assets (see note 11)	595	577
Foreign exchange gains/(losses)	10	-
(Gain) / loss on disposal of fixed assets	(1,263)	638
(Increase) / decrease in debtors	(1,171)	11,715
Increase in creditors	1,628	9,879
Net cash inflow from operating activities before transactions with members	36,621	50,828

(b) Analysis of cash flows

	2020	2019
	£'000	£'000
Returns on investment and servicing of finance		
Interest received	60	41
Interest paid	(5)	(7)
Net cash inflow for returns on investments and servicing of finance	55	34

	2020	2019
	£'000	£'000
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(179)	(5,686)
Proceeds from sale of tangible fixed asset	-	3
Net cash outflow for capital expenditure and financial investment	(179)	(5,683)

	2020	2019
	£'000	£'000
Financing		
Issue of Members' capital	8	8
Return of Members' capital	(2)	(3)
Net cash inflow from financing	6	5

Inflexion Private Equity Partners LLP

16 Related party transactions

As permitted by FRS 102, no disclosure is made of transactions between the Partnership and its subsidiary undertakings as those transactions are eliminated in these consolidated accounts. The Partnership has, in the normal course of business, entered into transactions with entities it manages and advises. The balances due to and from it are disclosed in parts (a) and (b) to this note.

At 30 April 2020 these balances totalled a Group asset of £nil (2019: £nil) and a Group liability of £27k (2019: £28k).

The Partnership's subsidiary general partner companies hold credit balances on behalf of certain Inflexion-managed co-investment and carried interest limited partnerships which do not have their own bank accounts. These balances have been withheld from distribution to the limited partners of those partnerships as provision for future operating expenses and other liabilities. Upon dissolution of these partnerships net proceeds will be returned to the limited partners.

The Designated Members are partners of Inflexion Strategic Partners Limited Partnership ("Strategic Partners") to which the Partnership is a service provider. During the year ended 30 April 2020, the Partnership charged service fees of £76k to Strategic Partners with an outstanding balance at 30 April 2020 of £76k, of which £70k has been settled after the year end.

The profit (including remuneration) that is attributable to those members as key management personnel is £18,600k (2019: £5,090k)

The Partnership does not have a parent undertaking. The ultimate controlling party of the Group is considered to be the members in aggregate.

(a) Debtors	Group		LLP	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Amounts due from subsidiary undertakings	-	-	4	-
	-	-	4	-

(b) Creditors	Group		LLP	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Amounts due to other subsidiary Limited Partnerships	27	28	-	-
	27	28	-	-

17 Leasing commitments

The Group's and Partnership's future minimum operating lease payments are as follows:

	2020 £'000	2019 £'000
Less than 1 year	1,834	1,221
Within 2 to 5 years	6,656	6,739

Inflexion Private Equity Partners LLP

18 Provisions for liabilities

	Group		LLP	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Provision for dilapidations	1,250	1,250	1,250	1,250
Provision for onerous lease	-	107	-	107
	1,250	1,357	1,250	1,357

The dilapidations provision relates to the reinstatement asset of the office premises of Inflexion Private Equity Partners LLP, being the amount to settle the dilapidations obligation as required by the lease agreement and has been based on an expert third party assessment.

19 Financial assets and liabilities

Group	2020 £'000	2019 £'000
Financial assets measured at fair value through profit or loss	-	2,000
Financial assets measured at amortised cost	29,327	34,221
Financial liabilities measured at amortised cost	(29,036)	(27,605)
LLP	2020 £'000	2019 £'000
Financial assets measured at amortised cost	29,304	34,135
Financial liabilities measured at amortised cost	(29,021)	(27,575)