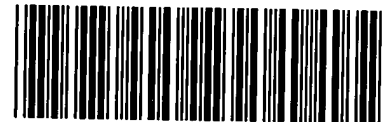


Registration number: OC316601

**Inflexion Private Equity Partners LLP**  
**Annual Report and Consolidated Financial Statements**  
**for the year ended 31 March 2023**

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# **Inflexion Private Equity Partners LLP**

## **General information**

### **Registered Number**

OC316601

### **Registered Office**

47 Queen Anne Street  
London  
W1G 9JG

### **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 ended 31 March 2023**

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# **Inflexion Private Equity Partners LLP**

## **Members' report for the year ended 31 March 2023**

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 11 to the financial statements) ('the group') for the year ended 31 March 2023.

### **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 period are set out in the consolidated statement of comprehensive income on page 12. 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 ended 31 March 2023 amounted to £73.0m (2022: £26.3m).

### **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 periods.

#### **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 31 March 2023 (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 amounts of interest receivable involved, but continues to be monitored.

### 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 period 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 2022, 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.

### 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 period 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"). During the year, the Partnership continued to use 100% REGO backed renewable electricity. The following energy and carbon information is disclosed in compliance with the reporting requirements and covers the activities of the group:

	2023	2022
UK Energy Use (kWh)	375,978	424,257
Associated Greenhouse Gas Emissions (tCO <sub>2</sub> e)	73.5	90.8
Intensity ratio (per Floor Area - total 27,705ft <sup>2</sup> )		
Energy Use (kWh/ft <sup>2</sup> )	13.57	15.31
Emissions (tCO <sub>2</sub> e/ft <sup>2</sup> )	0.00265	0.00328

The methodology from the UK Government GHG Conversion Factors for Company Reporting (Full Set 2022) 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 31 March 2023 (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.

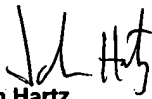
# **Inflexion Private Equity Partners LLP**

## **Members' report for the year ended 31 March 2023 (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**



**John Hartz**  
**Designated member**

**DATE: 25 July 2023**

# **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 31 March 2023, 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 31 March 2023 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 and the limited liability partnership 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.

### **Conclusions relating to going concern**

We are responsible for concluding on the appropriateness of the members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the limited liability partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the limited liability partnership to cease to continue as a going concern.

In our evaluation of the members' conclusions, we considered the inherent risks associated with the group's and the limited liability partnership's business model including effects arising from macro-economic uncertainties such as rising inflation and interest rates, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the limited liability partnership's financial resources or ability to continue operations over the going concern period. 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.



# **Inflexion Private Equity Partners LLP**

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

### **Conclusions relating to going concern (continued)**

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 limited liability partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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 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, 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.

## **Inflexion Private Equity Partners LLP**

### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Limited Liability Partnership and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Members and management. We determined that the most significant laws and regulations were United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland, 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, the CCAB Statement of Recommended Practice (SORP) 'Accounting by Limited Liability Partnerships', the Financial Services and Markets Act 2000 (FSMA 2000) and also UK tax legislation;
- We enquired of the Members to obtain an understanding of how the Limited Liability Partnership is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the minutes of the Limited Liability Partnership's Members meetings, inspection of the complaints register and breaches register, inspection of legal and regulatory correspondence and reports to the regulator, the Financial Conduct Authority (the 'FCA');
- We assessed the susceptibility of the Limited Liability Partnership's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
  - evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
  - testing journal entries, including manual journal entries processed at the year-end for financial statements preparation; and
  - challenging the assumptions and judgements made by management in its significant accounting estimates.

## **Inflexion Private Equity Partners LLP**

### **Auditor's responsibilities for the audit of the financial statements (continued)**

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
  - knowledge of the industry in which the Company operates; and
  - understanding of the legal and regulatory frameworks applicable to the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **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  
25 July 2023

# Inflexion Private Equity Partners LLP

## Consolidated statement of comprehensive income for the year ended 31 March 2023

	Note	Year ended 31 March 2023	11 month period ending 31 March 2022
		£'000	£'000
<b>Turnover</b>	6	117,274	58,420
Administrative expenses		(31,846)	(21,827)
<b>Operating profit</b>	7	<b>85,428</b>	<b>36,593</b>
Interest receivable	9(a)	165	5
Interest payable and similar charges	9(b)	(4)	(5)
<b>Profit before taxation</b>		<b>85,589</b>	<b>36,593</b>
Tax on profit in corporate subsidiaries	10	(57)	(22)
<b>Profit for the financial period before members' remuneration and profit shares</b>		<b>85,532</b>	<b>36,571</b>
Members' remuneration charged as an expense		(12,555)	(10,286)
<b>Profit for the financial period available for discretionary division among members</b>		<b>72,977</b>	<b>26,285</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the financial period</b>		<b>72,977</b>	<b>26,285</b>

All income and expenses have been generated from continuing activities.

The notes on pages 18 to 31 form an integral part of these financial statements.


# Inflexion Private Equity Partners LLP

## Consolidated statement of financial position as at 31 March 2023

	Note	31 March 2023 £'000	31 March 2022 £'000
<b>Fixed assets</b>			
Tangible assets	11	4,696	5,005
Investments	12	-	-
		<b>4,696</b>	<b>5,005</b>
<b>Current assets</b>			
Debtors	13	10,745	9,589
Cash		21,050	12,055
		<b>31,795</b>	<b>21,644</b>
Creditors	14	(16,378)	(12,965)
<b>Net current assets</b>		<b>15,417</b>	<b>8,679</b>
<b>Total assets less current liabilities</b>		<b>20,113</b>	<b>13,684</b>
Provision for liabilities	18	(1,250)	(1,250)
<b>Net assets attributable to members</b>		<b>18,863</b>	<b>12,434</b>
<b>Members' other interests</b>			
Members' capital – equity		145	141
Other reserves		18,718	12,293
		<b>18,863</b>	<b>12,434</b>
<b>Total members' interests</b>			
Members' other interests		18,863	12,434
Amounts due from members		(15)	(216)
		<b>18,848</b>	<b>12,218</b>

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 period was £72.8m (2022: £26.2m).

The notes on pages 18 to 31 form an integral part of these financial statements. The financial statements on pages 12 to 31 were approved by the members on 25 July 2023 and were signed on their behalf by:

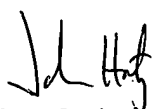
  
**John Hartz, Designated Member**  
**Partnership number: OC316601**

# Inflexion Private Equity Partners LLP

## Limited Liability Partnership statement of financial position as at 31 March 2023

	Note	31 March 2023 £'000	31 March 2022 £'000
<b>Fixed assets</b>			
Tangible assets	11	4,696	5,005
Investments	12	-	-
		<b>4,696</b>	<b>5,005</b>
<b>Current assets</b>			
Debtors	13	10,660	9,525
Cash		20,754	12,012
		<b>31,414</b>	<b>21,537</b>
Creditors	14	(16,274)	(12,990)
<b>Net current assets</b>		<b>15,140</b>	<b>8,547</b>
<b>Total assets less current liabilities</b>		<b>19,836</b>	<b>13,552</b>
Provision for liabilities	18	(1,250)	(1,250)
<b>Net assets attributable to members</b>		<b>18,586</b>	<b>12,302</b>
<b>Members' other interests</b>			
Members' capital - equity		145	141
Other reserves		18,441	12,161
		<b>18,586</b>	<b>12,302</b>
<b>Total members' interests</b>			
Members' other interests		18,586	12,302
Amounts due from members		(15)	(216)
		<b>18,571</b>	<b>12,086</b>

The notes on pages 18 to 31 form an integral part of these financial statements. The financial statements on pages 12 to 31 were approved by the members on 25 July 2023 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				
	Members' Capital classified as equity	Other reserves	Total	Loans and other debts due to members less any amounts due from members	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Balance at 1 May 2021</b>	<b>134</b>	<b>11,047</b>	<b>11,181</b>	<b>(118)</b>	<b>11,063</b>
Members' remuneration charged as an expense	-	-	-	10,286	10,286
Profit for the financial year available for discretionary division	-	26,285	26,285	-	26,285
Members' interests after profit for the year	134	37,332	37,466	10,168	47,634
Other division of profit	-	(25,039)	(25,039)	-	(25,039)
Introduced by members	9	-	9	-	9
Returned to members	(2)	-	(2)	-	(2)
Drawings	-	-	-	(10,286)	(10,286)
Other movements	-	-	-	(98)	(98)
Amounts due to members				-	-
Amounts due from members				(216)	(216)
<b>Balance at 31 March 2022</b>	<b>141</b>	<b>12,293</b>	<b>12,434</b>	<b>(216)</b>	<b>12,218</b>
Members' remuneration charged as an expense	-	-	-	12,555	12,555
Profit for the financial period available for discretionary division	-	72,977	72,977	-	72,977
Members' interests after profit for the period	141	85,270	85,411	12,339	97,750
Other division of profit	-	(66,600)	(66,600)	-	(66,600)
Introduced by members	6	-	6	-	6
Returned to members	(2)	-	(2)	-	(2)
Drawings	-	-	-	(12,555)	(12,555)
Other movements	-	48	48	201	249
Amounts due to members				-	-
Amounts due from members				(15)	(15)
<b>Balance at 31 March 2023</b>	<b>145</b>	<b>18,718</b>	<b>18,863</b>	<b>(15)</b>	<b>18,848</b>

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 18 to 31 form an integral part of these financial statements.

# Inflexion Private Equity Partners LLP

## Limited Liability Partnership statement of changes in equity

	Members' other interests		Total	Loans and other debts due to members less any amounts due from members	Total
	Members' Capital classified as equity	Other reserves			
	£'000s	£'000s	£'000s	£'000s	£'000s
<b>Balance at 1 May 2021</b>	<b>134</b>	<b>10,991</b>	<b>11,125</b>	<b>(118)</b>	<b>11,007</b>
Members' remuneration charged as an expense	-	-	-	10,286	10,286
Profit for the financial year available for discretionary division	-	26,209	26,209	-	26,209
Members' interests after profit for the year	134	37,200	37,334	10,168	47,502
Other division of profit	-	(25,039)	(25,039)	-	(25,039)
Introduced by members	9	-	9	-	9
Returned to members	(2)	-	(2)	-	(2)
Drawings	-	-	-	(10,286)	(10,286)
Other movements	-	-	-	(98)	(98)
Amounts due to members				-	-
Amounts due from members				(216)	(216)
<b>Balance at 31 March 2022</b>	<b>141</b>	<b>12,161</b>	<b>12,302</b>	<b>(216)</b>	<b>12,086</b>
Members' remuneration charged as an expense	-	-	-	12,555	12,555
Profit for the financial period available for discretionary division	-	72,832	72,832	-	72,832
Members' interests after profit for the period	141	84,993	85,134	12,339	97,473
Other division of profit	-	(66,600)	(66,600)	-	(66,600)
Introduced by members	6	-	6	-	6
Returned to members	(2)	-	(2)	-	(2)
Drawings	-	-	-	(12,555)	(12,555)
Other movements	-	48	48	201	249
Amounts due to members				-	-
Amounts due from members				(15)	(15)
<b>Balance at 31 March 2023</b>	<b>145</b>	<b>18,441</b>	<b>18,586</b>	<b>(15)</b>	<b>18,571</b>

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 18 to 31 form an integral part of these financial statements.



# Inflexion Private Equity Partners LLP

## Consolidated cash flow statement as at 31 March 2023

	Note	Year ended 31 March 2023 £'000	11 month period ending 31 March 2022 £'000
<b>Operating activities</b>			
Net cash inflow from operating activities before transactions with members	15 (a)	87,993	32,802
Members' remuneration charged as an expense		(12,555)	(10,286)
Net cash inflow from operating activities		<b>75,438</b>	<b>22,516</b>
<b>Investing activities</b>			
Returns on Investments and servicing of finance	15 (b)	161	-
Capital expenditure and financial investment	15 (b)	(226)	(6)
Net cash outflow from investing activities		<b>(65)</b>	<b>(6)</b>
<b>Financing activities</b>			
Financing activities	15 (b)	4	7
Transactions with members and former members		(66,399)	(25,138)
Net cash outflow from financing activities		<b>(66,395)</b>	<b>(25,131)</b>
<b>Increase / (Decrease) in cash</b>		<b>8,978</b>	<b>(2,621)</b>
Foreign exchange gains / (losses)		17	(4)
Cash and cash equivalents at the beginning of the year		12,055	14,680
<b>Cash and cash equivalents at the end of the period</b>		<b>21,050</b>	<b>12,055</b>

The notes on pages 18 to 31 form an integral part of these financial statements.

# **Inflexion Private Equity Partners LLP**

## **Notes to the financial statements for the period ended 31 March 2023**

### **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 2019, 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. Risk analysis has been conducted on the group, including stressing forecasts with scenarios involving external risks to the economy, such as interest rate risk, inflation and increases in costs, as well as internal risks to the business, such as a lack of further fundraising. 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 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 31 March 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.

# **Inflexion Private Equity Partners LLP**

## **Notes to the financial statements for the period ended 31 March 2023 (continued)**

### **4 Accounting policies**

#### **Turnover**

Turnover comprises advisory fees in respect of private equity funds advised by the group 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.

#### **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

Artwork is stated on a revaluation basis. This class of assets is carried at revalued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and 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.

# **Inflexion Private Equity Partners LLP**

## **Notes to the financial statements for the period ended 31 March 2023 (continued)**

### **Accounting policies (continued)**

#### **Taxation (continued)**

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.

#### **Fixed asset investments**

Investments are stated as valued at fair value. Impairment losses and unrealised gains are recognised in the statement of comprehensive income. 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.

# **Inflexion Private Equity Partners LLP**

Notes to the financial statements for the period ended 31 March 2023 (continued)

## **Accounting policies (continued)**

### **Members' remuneration and members' interests (continued)**

Members' remuneration is deemed to be in relation to the contractual services provided to the LLP and charged as an expense in the consolidated statement of comprehensive income in arriving at the profit for the financial period available for discretionary division among members.

The remainder of profit shares are treated as unallocated at the balance sheet date and included within other reserves.

### **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 cash held at bank and in hand, and fixed term deposits.

## **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.

## Inflexion Private Equity Partners LLP

### 6 Turnover

Turnover is comprised of advisory fees and director fees as follows:

	2023 £'000	2022 £'000
Advisory Fees	106,269	48,618
Director Fees	11,005	9,802
<b>Turnover</b>	<b>117,274</b>	<b>58,420</b>

Turnover is derived in the United Kingdom, as well as across Europe and the United States as follows:

	2023 %	2022 %
United Kingdom	7.6	14.2
Rest of Europe	92.2	85.6
United States of America	0.2	0.2
<b>Turnover</b>	<b>100.0</b>	<b>100.0</b>

### 7 Operating profit

Operating profit is stated after charging

	2023 £'000	2022 £'000
Depreciation	583	540
Operating lease – property	1,704	1,543
Operating lease – equipment	93	93
Foreign exchange gain/(loss)	17	(4)
Auditors remuneration:		
Fees payable to the partnerships' auditor for the audit of its financial statements	41	38
Fees payable to the partnerships' auditor for the audit of its subsidiaries	11	10
Other services:		
Tax services	-	-
Other assurance services	9	8

# Inflexion Private Equity Partners LLP

## Notes to the financial statements for the period ended 31 March 2023 (continued)

### 8 Staff costs and profit attributable to members

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

	2023	2022
Investment	37	35
Administration	45	38
<b>Total</b>	<b>82</b>	<b>73</b>

#### Staff costs

The staff costs of the group and Partnership were:

	2023 £'000	2022 £'000
Wages and salaries	16,125	10,566
Social security costs	2,401	1,692
Other pension costs	237	173
<b>Staff costs</b>	<b>18,762</b>	<b>12,431</b>

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 £0.237m (2022: £0.173m).

#### Information in relation to members

The average number of Members during the period was 48 (2022: 41).

The profit (including remuneration) that is attributable to the member with the largest entitlement to profit (including remuneration) is £18.8m (2022: £5.7m).

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 period in which it is allocated.

# Inflexion Private Equity Partners LLP

## Notes to the financial statements for the period ended 31 March 2023 (continued)

### 9 Interest receivable and payable

(a) Interest receivable	2023	2022
	£'000	£'000
Interest income	165	5
<b>(b) Interest payable and similar charges</b>		
	2023	2022
	£'000	£'000
Interest expense	4	5

### 10 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 period

	2023	2022
	£'000	£'000
<b>Current tax:</b>		
UK corporation tax on profits of the period	57	22
<b>Deferred tax:</b>		
Deferred taxation: origination and reversal of timing differences	-	-
<b>Tax on profit</b>	<b>57</b>	<b>22</b>

#### (b) Factors affecting current tax charge

The tax charge for the period is the same as the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained below:

	2023	2022
	£'000	£'000
<b>Profit before tax</b>	<b>85,589</b>	<b>36,593</b>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2022: 19%)	16,262	6,953
Profit arising in the Partnership on which tax is payable by the members	(16,205)	(6,931)
<b>Current tax charge for the year (note 10a)</b>	<b>57</b>	<b>22</b>

The only factor that may affect future tax charges would be the increase in corporation tax rate to 25% from 1 April 2023.



# Inflexion Private Equity Partners LLP

## Notes to the financial statements for the period ended 31 March 2023 (continued)

### 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
<b>Cost or valuation</b>				
At 1 April 2022	5,757	810	577	<b>7,144</b>
Additions	135	86	5	<b>226</b>
Revaluations	-	-	48	<b>48</b>
At 31 March 2023	5,892	896	630	<b>7,418</b>
<b>Accumulated depreciation</b>				
At 1 April 2022	1,436	563	140	<b>2,139</b>
Charge for the year	409	168	6	<b>583</b>
At 31 March 2023	1,845	731	146	<b>2,722</b>
<b>Net book amount</b>				
At 31 March 2023	4,047	165	484	<b>4,696</b>
At 1 April 2022	4,321	247	437	<b>5,005</b>

# Inflexion Private Equity Partners LLP

## Notes to the financial statements for the period ended 31 March 2023 (continued)

### 12 Fixed asset investments

	Group		LLP	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Unlisted investments	-	-	-	-
	-	-	-	-

The Partnership owns 100% of the issued ordinary share capital in each of these subsidiaries listed in the table below with a combined total value of £9. 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 Partners Limited	England & Wales	General Partner	31 March
Inflexion Private Equity Limited	England & Wales	Non trading	30 April
Inflexion Private Equity Holdco Limited	England & Wales	Sub investment adviser	31 March
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

The subsidiaries of the Partnership are general partners of various limited partnerships (where their nature of business is that of general partner). The principal limited partnership is the following entity listed below.

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

# Inflexion Private Equity Partners LLP

## Notes to the financial statements for the period ended 31 March 2023 (continued)

### 13 Debtors

	Group		LLP	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade debtors	6,684	6,915	6,684	6,915
Amounts owed by subsidiary undertakings	-	-	-	-
Other debtors	1,379	296	1,350	263
Prepayments and accrued income	2,667	2,162	2,611	2,131
Amounts owed by members	15	216	15	216
	10,745	9,589	10,660	9,525

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

### 14 Creditors

	Group		LLP	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade creditors	1,521	1,191	1,500	1,178
Amounts due to subsidiary undertakings	-	-	199	294
Tax and social security	429	594	424	552
Other creditors	164	40	173	41
Accruals and deferred income	14,264	11,140	13,978	10,925
	16,378	12,965	16,274	12,990

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

# Inflexion Private Equity Partners LLP

## Notes to the financial statements for the period ended 31 March 2023 (continued)

### 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

	2023	2022
	£'000	£'000
Profit for the financial year available for discretionary division among members	72,977	26,285
Members' remuneration charged as an expense	12,555	10,286
Interest received	(165)	(5)
Interest paid	4	5
Depreciation of fixed assets (see note 10)	583	540
Foreign exchange losses / (gains)	(17)	4
(Increase) / decrease in debtors	(1,356)	11,585
Increase / (decrease) in creditors	3,412	(15,898)
<b>Net cash inflow from operating activities before transactions with members</b>	<b>87,993</b>	<b>32,802</b>

#### (b) Analysis of cash flows

	2023	2022
	£'000	£'000
<b>Returns on investment and servicing of finance</b>		
Interest received	165	5
Interest paid	(4)	(5)
<b>Net cash inflow for returns on investments and servicing of finance</b>	<b>161</b>	<b>-</b>

#### Capital expenditure and financial investment

Payments to acquire tangible fixed assets	(226)	(6)
<b>Net cash outflow for capital expenditure and financial investment</b>	<b>(226)</b>	<b>(6)</b>

#### Financing

Issue of Members' capital	6	9
Return of Members' capital	(2)	(2)
<b>Net cash inflow from financing</b>	<b>4</b>	<b>7</b>

# Inflexion Private Equity Partners LLP

## Notes to the financial statements for the period ended 31 March 2023 (continued)

### 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 31 March 2023 these balances totalled a group asset of £nil (2022: £nil) and a group liability of £nil (2022: £nil).

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 period ended 31 March 2023, the Partnership charged service fees of £70k to Strategic Partners with an outstanding balance at 31 March 2023 of £nil at the year end.

The Designated Members are partners of Inflexion Private Equity Partners Holdings LLP. During the period ended 31 March 2023, the Partnership distributed profits of £15.6m to Inflexion Private Equity Partners Holdings LLP with an outstanding balance at 31 March 2023 of £nil at the year end.

The profit (including remuneration) that is attributable to those members as key management personnel is £50.7m (2022: £11.4m).

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	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts due from subsidiary undertakings	-	-	-	-
	-	-	-	-

#### (b) Creditors

	Group		LLP	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts due to other subsidiary Limited Partnerships	-	-	199	294
	-	-	199	294

# Inflexion Private Equity Partners LLP

## Notes to the financial statements for the period ended 31 March 2023 (continued)

### 17 Leasing commitments

The future minimum operating lease payments of the group and of the partnership are as follows:

	2023 £'000	2022 £'000
Less than 1 year	1,856	1,856
Within 2 to 5 years	5,237	6,732

### 18 Provisions for liabilities

	Group		LLP	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Provision for dilapidations	1,250	1,250	1,250	1,250
	<b>1,250</b>	<b>1,250</b>	<b>1,250</b>	<b>1,250</b>

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	2023 £'000	2022 £'000
Financial assets measured at fair value through profit or loss	-	-
Financial assets measured at amortised cost	29,128	19,482
Financial liabilities measured at amortised cost	(14,953)	(12,263)
<b>LLP</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
Financial assets measured at amortised cost	28,803	19,406
Financial liabilities measured at amortised cost	(14,428)	(12,170)

# **Inflexion Private Equity Partners LLP**

## **20 Events after the reporting period**

Following the period end, profits of £9.0m from the period to 31 March 2023 were allocated and paid to members of the Partnership.

A new lease was entered into by the partnership, beginning 9 June 2023 for £0.5m per annum, with a break date of 5 years.