

**CAPVEST PARTNERS LLP**

**Registration No. OC342888**

**Members' Report and Audited Financial Statements**

**Year Ended 31 March 2023**

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CAPVEST PARTNERS LLP

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**CAPVEST PARTNERS LLP**

**OFFICERS AND PROFESSIONAL ADVISERS**

**MEMBERS**

Penelope Kate Briant  
Christopher Campbell  
F1 Capital Limited  
Seamus FitzPatrick  
Neil Radia (resigned on 7 October 2022)  
Jason Rodrigues

**REGISTERED OFFICE**

100 Pall Mall  
London  
SW1Y 5NQ

**AUDITOR**

KPMG Channel Islands Limited  
Statutory Auditor  
37 Esplanade  
St Helier  
Jersey  
JE4 8WQ

## CAPVEST PARTNERS LLP

### MEMBERS' REPORT

The Members present their report and Audited Financial Statements of CapVest Partners LLP for the year ended 31 March 2023.

#### Business Review and Principal Activities

The principal activity of CapVest Partners LLP (the "Partnership") is the provision of investment advisory and management services. On the 1 July 2009 the Partnership received authorisation from the Financial Conduct Authority to commence activities as an Investment Advisor.

On 7 November 2018, the Partnership was registered as a BIPRU firm and granted permission by the Financial Conduct Authority to act as the delegated investment manager to CapVest Irish Partners Limited, an EEA Authorised Alternative Investment Fund Manager based in Ireland.

The Members take appropriate steps to minimize the impact of the operating risks faced by the Partnership through their day to day management of the Partnership.

#### Results for the year

The Members consider the results for the year satisfactory. The profit for the year amounted to EUR 54,928,130 (2022: EUR 15,890,069).

#### Designated Member

Seamus FitzPatrick acted as the Designated Member during the full year as defined in the Limited Liability Partnerships Act 2000. Neil Radia resigned as Designated Member on 7 October 2022.

#### Going concern

The Members have a reasonable expectation that the Partnership will continue in operational existence for at least the next 12 months from the date of signing the financial statements and have therefore used the going concern basis in preparing the Financial Statements. The Partnership had cash of EUR 30,474,998 (2022: EUR 4,012,045) and EUR 5,912,899 (2022: EUR 20,648,150) of management and monitoring fee receivable at year end.

The funds for which the Partnership provides investment advice and delegated management services, have continued to perform in line with expectations as at the signing date of these Financial Statements. There have been no LP defaults, nor do we anticipate there to be any in the future given the diverse range of LPs and nature of implications of a defaulting LP under the terms of the Limited Partnership Agreements.

We note that even in a reasonably plausible downside scenario, the Partnership expects to receive fees sufficient to enable it to pay its forecast expenses as and when they fall due.

#### Disclosure of information to auditor

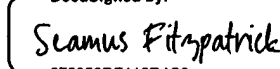
The Members who held office as at the date of approval of this Members' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Partnership's auditor is unaware; and each Member has taken all the steps that ought to have been taken as a Member to make themselves aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

#### Auditor

Pursuant to Section 485 of the Companies Act 2006, KPMG Channel Islands Limited have been appointed as auditors this year.

Approved by the Members and signed on the behalf of the Partnership.

DocuSigned by:

  
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Seamus FitzPatrick

Designated Member

27 July 2023

## CAPVEST PARTNERS LLP

### STATEMENT OF MEMBERS' RESPONSIBILITIES IN RESPECT OF THE MEMBERS' REPORT AND THE FINANCIAL STATEMENTS

The Members are responsible for preparing the Members' Report 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 require the Members to prepare financial statements for each financial year. Under that law the Members have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland).

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the Members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Partnership and of its profit or loss for that period. In preparing these financial statements, the Members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Partnership or to cease operations, or have no realistic alternative but to do so.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the Members are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that its financial statements comply with those regulations. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Partnership and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAPVEST PARTNERS LLP**

### **Our opinion**

We have audited the financial statements of CapVest Partners LLP (the "Partnership"), which comprise the Statement of Financial Position as at 31 March 2023, the Statement of Comprehensive Income, the Statement of Cash Flows and the Reconciliation of Members' Interests for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Partnership's affairs as at 31 March 2023 and of the Partnership's profit for the year then ended;
- are properly prepared in accordance with United Kingdom accounting standards, including FRS 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Partnership in accordance with, UK ethical requirements including FRC Ethical Standards. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The members have prepared the financial statements on the going concern basis as they do not intend to liquidate the Partnership or to cease its operations, and as they have concluded that the Partnership's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the members' conclusions, we considered the inherent risks to the Partnership's business model and analysed how those risks might affect the Partnership's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the members' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Partnership's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Partnership will continue in operation.

### **Fraud and breaches of laws and regulations – ability to detect**

#### *Identifying and responding to risks of material misstatement due to fraud*

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Partnership's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Partnership's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including

- Identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation; and
- incorporating an element of unpredictability in our audit procedures.

*Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

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 management (as required by auditing standards), and from inspection of the Partnership's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Partnership is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The Partnership is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Partnership is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or impacts on the Partnership's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Partnership's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

*Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**Other information**

The members are responsible for the other information. The other information comprises the information included in the Members' report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or 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, 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**

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

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

We have nothing to report in these respects.

## **Respective responsibilities**

### *Members' responsibilities*

As explained more fully in their statement set out on page 3, the members are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 they either intend to liquidate the Partnership or to cease operations, or have no realistic alternative but to do so.

### *Auditor's responsibilities*

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the Partnership's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006, as required by regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 Partnership and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Benjamin Honeywood (Senior Statutory Auditor)**

**For and on behalf of KPMG Channel Islands Limited (Statutory Auditor)**

Chartered Accountants

Jersey

27 July 2023



**CAPVEST PARTNERS LLP****STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023**

	<b>Note</b>	<b>2023</b> <b>€</b>	<b>2022</b> <b>€</b>
<b>TURNOVER</b>	<b>1</b>	<b>79,595,290</b>	<b>37,303,657</b>
Administrative expenses		(20,610,890)	(17,929,778)
<b>OPERATING PROFIT</b>	<b>3</b>	<b>58,984,400</b>	<b>19,373,879</b>
Interest receivable	<b>1</b>	193,313	120,827
Gain / (Loss) on forward foreign exchange contracts	<b>6</b>	14,928	(238,361)
<b>PROFIT FOR THE YEAR BEFORE MEMBERS' REMUNERATION</b>		<b>59,192,641</b>	<b>19,256,345</b>
Members' remuneration charged as an expense		(4,264,511)	(3,366,276)
<b>PROFIT FOR THE YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>		<b>54,928,130</b>	<b>15,890,069</b>

There were no other items of comprehensive income for the year and therefore the profit for the year is also the total comprehensive income for the year.

All of the above results for the period derive from continuing activities.

The accompanying notes on pages 11 to 17 form an integral part of these Financial Statements

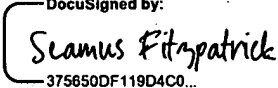
## CAPVEST PARTNERS LLP

## STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2023 €	2022 €
<b>NON CURRENT ASSETS</b>			
Tangible assets	5	382,679	211,193
Placement Agent Fee asset	8	5,996,398	9,677,678
		<u>6,379,077</u>	<u>9,888,871</u>
<b>CURRENT ASSETS</b>			
Trade debtors	9	10,438,220	22,497,946
Other debtors (includes EUR 3,950,956 due after more than one year)	9	5,070,370	23,007,479
Placement Agent Fee asset	8	3,179,772	3,710,402
Cash at bank and in hand	2	30,474,998	4,012,045
Forward foreign exchange contracts	6	35,591	20,661
		<u>49,198,951</u>	<u>53,248,533</u>
<b>CREDITORS: amounts falling due within one year</b>	10	(35,167,401)	(25,215,988)
<b>NET CURRENT ASSETS</b>		<b>14,031,550</b>	<b>28,032,545</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>20,410,627</b>	<b>37,921,416</b>
<b>CREDITORS: amounts falling due after one year</b>	10	(9,173,228)	(27,015,252)
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>		<u><b>11,237,399</b></u>	<u><b>10,906,164</b></u>
<b>REPRESENTED BY:</b>			
Members' capital classified as equity		3,688,415	3,688,415
Other reserves		7,548,984	7,217,749
<b>MEMBERS' INTERESTS</b>		<u><b>11,237,399</b></u>	<u><b>10,906,164</b></u>
Amounts due to / (from) Members		7,464,897	(16,072,455)
Members' interests		11,237,399	10,906,164
<b>TOTAL MEMBERS' INTERESTS</b>		<u><b>18,702,296</b></u>	<u><b>(5,166,291)</b></u>

The accompanying notes on pages 11 to 17 form an integral part of these Financial Statements.

The Financial Statements were approved and authorised for issue by the Members on 27 July 2023 and signed on its behalf by:

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Seamus FitzPatrick

Designated Member

27 July 2023

Registration No. OC342888

## CAPVEST PARTNERS LLP

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023	2022 €
<b>Cash flow from operating activities</b>			
Operating profit		58,984,400	19,373,879
Adjustments for:			
Depreciation	3	119,713	78,041
Amortisation		1,558,760	2,095,949
Decrease / (Increase) in Debtors		18,309,490	(28,402,331)
Increase in Creditors		3,026,054	19,425,763
Interest received		193,313	120,827
Gain / (Loss) on forward foreign exchange contracts	6	14,928	(238,361)
Interest accrued on long-term debt issued		(188,665)	(120,827)
Interest accrued on long-term debt borrowed		(31,562)	28,490
<b>Net cash from operating activities</b>		<b>81,986,431</b>	<b>12,361,430</b>
<b>Cash flow from investing activities</b>			
Capital expenditure	5	(291,200)	(149,806)
<b>Net cash used in investing activities</b>		<b>(291,200)</b>	<b>(149,806)</b>
<b>Cash flow from financing activities</b>			
Increase in long-term debt borrowed		10,115,097	5,800,000
(Decrease) in long-term debt borrowed		(25,000,000)	–
(Increase) in long-term debt due		(10,274,175)	(5,617,441)
Decrease in long-term debt due		24,788,406	–
Profit distributed to Members		(54,861,606)	(14,343,618)
<b>Net cash used in financing activities</b>		<b>(55,232,278)</b>	<b>(14,161,059)</b>
 Increase / (Decrease) in net cash in the year		 26,462,953	 (1,949,435)
Cash and cash equivalents at 1 April 2022		4,012,045	5,961,480
<b>Cash and cash equivalents at 31 March 2023</b>		<b>30,474,998</b>	<b>4,012,045</b>

Increase in Creditor does not include amounts due to Members relating to unpaid profit distribution.

The accompanying notes on pages 11 to 17 form an integral part of these Financial Statements.

## CAPVEST PARTNERS LLP

## RECONCILIATION OF MEMBERS' INTERESTS FOR THE YEAR ENDED 31 MARCH 2023

	EQUITY Members' Other Interests			DEBT Loans and other debts due to Members less any amounts due from Members in debtors			TOTAL MEMBERS' INTERESTS
	Member's Capital (Classified as equity)	Other reserves	Total	Member's Capital (Classified as debt)	Other amounts	Total	Total 2023
Amounts due from Members					(16,072,455)	(16,072,455)	
Balance as at 1 April 2022	3,688,415	7,217,749	10,906,164	—	(16,072,455)	(16,072,455)	(5,166,291)
Additional capital contributions	—	—	—	—	—	—	—
Remuneration charged as an expense	—	—	—	—	4,264,511	4,264,511	4,264,511
Profit for the financial year available for discretionary division among Members	—	54,928,130	54,928,130	—	—	—	54,928,130
Members' interests after profit for the year	3,688,415	62,145,879	65,834,294	—	(11,807,944)	(11,807,944)	54,026,350
Other divisions of profits	—	(54,596,895)	(54,596,895)	—	54,596,895	54,596,895	—
Drawings	—	—	—	—	—	—	—
Decrease in loan to Members	—	—	—	—	(54,861,606)	(54,861,606)	(54,861,606)
Increase in loan from Members	—	—	—	—	16,072,455	16,072,455	16,072,455
Balance as at 31 March 2023	3,688,415	7,548,984	11,237,399	—	7,464,897	7,464,897	18,702,296

## Reconciliation of Members' Interests for the year ended 31 March 2022

	EQUITY Members' Other Interests			DEBT Loans and other debts due to Members less any amounts due from Members in debtors			TOTAL MEMBERS' INTERESTS
	Member's Capital (Classified as equity)	Other reserves	Total	Member's Capital (Classified as debt)	Other amounts	Total	Total 2022
Amounts due from Members							
Balance as at 1 April 2021	316,525	2,305,024	2,621,549	—	(13,841,895)	(13,841,895)	(11,220,346)
Additional capital contributions	3,371,890	—	3,371,890	—	—	—	3,371,890
Remuneration charged as an expense	—	—	—	—	3,366,276	3,366,276	3,366,276
Profit for the financial year available for discretionary division among Members	—	15,890,069	15,890,069	—	—	—	15,890,069
Members' interests after profit for the year	3,688,415	18,195,093	21,883,508	—	(10,475,619)	(10,475,619)	11,407,889
Other divisions of profits	—	(10,977,344)	(10,977,344)	—	10,977,344	10,977,344	—
Drawings	—	—	—	—	(11,560,899)	(11,560,899)	(11,560,899)
Increase in loan to Members	—	—	—	—	(5,013,281)	(5,013,281)	(5,013,281)
Balance as at 31 March 2022	3,688,415	7,217,749	10,906,164	—	(16,072,455)	(16,072,455)	(5,166,291)

The average number of Members during the year was five (2022: six). In the event of a winding up of the Partnership, monies due to creditors will be paid before any distributions of loans and other debts due to Members.

The highest paid Member was distributed profits totalling EUR 23,714,811 (2022: EUR 4,961,719).

Drawings for the year include EUR nil (2022: EUR nil) paid to members in advance which do not relate to profit distributions for the year. Drawings due to Members relating to profit distributions for the year amount to EUR 3,999,800 (2022: nil).

The accompanying notes on pages 11 to 17 form an integral part of these Financial Statements.

**CAPVEST PARTNERS LLP****NOTES TO THE FINANCIAL STATEMENTS****For the year ended 31 March 2023****1. ACCOUNTING POLICIES****Basis of accounting**

CapVest Partners LLP ("the Partnership") is a Limited Liability Partnership domiciled in the United Kingdom. The principal place of business is 100 Pall Mall, London, SW1Y 5NQ.

These Financial Statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in January 2022. The presentation currency of these financial statements is Euro.

The Financial Statements have also been prepared on a going concern basis under the historical cost convention in accordance with the Statement of Recommended Practice for Limited Liability Partnerships issued in December 2021 and effective for periods commencing on or after 1 January 2022.

The Members acknowledge their responsibility for complying with the requirements of Companies Act 2006 with respect to the preparation of accounts.

The following principle accounting policies have been applied:

**Turnover**

All turnover for the year represents amounts receivable for advisory services and delegated management services provided in the normal course of business, net of Value Added Tax, plus any transaction fees, recognised as earned.

**Interest Income**

Loan interest is accounted for on an accrual's basis. During the year, interest income of EUR 193,313 (2022: EUR 120,827) was earned in relation to loans to members and employees which is explained in Note 11.

**Administrative Expenses**

Expenses are incurred by the Partnership as detailed in the Statement of Comprehensive Income and are recognised on an accruals basis.

**Operating leases**

Rentals under operating leases are charged to the profit and loss account net of VAT where appropriate on a straight-line basis over the lease term, even if payments are not made on such basis. Non-cancellable operating lease rentals are payable as follows:

<b>Rental Lease</b>	<b>2023</b>	<b>2022</b>
	<b>€</b>	<b>€</b>
Due in one year	197,704	816,044
Due in 2 - 5 years	—	205,688
More than 5 years	—	—
	<u>197,704</u>	<u>1,021,732</u>

During the year, EUR 663,798 (2022: EUR 655,865) was recognised as an expense in the profit and loss account in respect of operating leases.

**Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is based on the original acquisition value. Depreciation takes places over the useful life of the asset down to the estimated residual value. The following depreciation period is applied for tangible fixed assets:

Leasehold Improvements	10 years
Computer Equipment (IT Servers)	7 years
Computer Equipment	3 years
Furniture & Fittings	3 years
Office Equipment	3 years
Bicycle	3 years

**CAPVEST PARTNERS LLP****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****Placement Agent Fees and amortisation**

Placement agent fees are capitalised costs associated with the fund raising for Fund IV and Fund V. The period of benefit of this expenditure is considered to be equivalent to the commitment period of the respective Fund and as such the costs are capitalised and amortised over the commitment period, which is expected to be five years from the effective date. The amortisation charge is reviewed annually to ensure that the amortisation rate is matching the expected effective length of the commitment period. Further details can be found in Note 8.

**Foreign currency**

Transactions in currencies other than Euro, are recorded at the rate of exchange at the date of the transaction or, if appropriate, at the average rate. Monetary assets and liabilities denominated in foreign currencies at the year-end date are reported at the rates of exchange prevailing at that date. All foreign exchange gains/(losses) are included in the income statement.

**Taxation**

Income tax payable on the profits of the Partnership is solely the personal liability of the individual members and consequently is not dealt with in these financial statements.

**Members' allocation of Profit**

In line with the Limited Liability Partnership Agreement ("LLP Agreement"), the Members determine the profits to be retained by the Partnership to maintain sufficient funds to finance the working capital and other needs of the business. Profits over and above this are allocated in accordance with the Partnership Deed and are classed as equity.

**Going concern**

The Members have a reasonable expectation that the Partnership will continue in operational existence for at least the next 12 months from the date of signing the Financial Statements and have therefore used the going concern basis in preparing the financial statements. The Partnership had cash of EUR 30,474,998 (2022: EUR 4,012,045) and EUR 5,912,899 (2022: EUR 20,648,150) of management and monitoring fee receivable at year end.

The funds for which the Partnership provides investment advice and delegated management services, have continued to perform in line with expectations as at the signing date of these financial statements. There have been no LP defaults, nor do we anticipate there to be any in the future given the diverse range of LPs and nature of implications of a defaulting LP under the terms of the Limited Partnership Agreements.

We note that even in a reasonably plausible downside scenario, the Partnership expects to receive fees sufficient to enable it to pay its forecast expenses as and when they fall due.

**Employee Pension Scheme**

The Partnership operates a defined contribution pension scheme. Contributions to the scheme are recognised as an expense in the profit and loss account as they become payable in accordance with the rules of the scheme. As at 31 March 2023, there were no unpaid pension contributions shown in the accounts (2022: EUR nil).

**2. ANALYSIS AND RECONCILIATION OF NET CASH**

	As at 31 March 2022 €	Cash flow €	As at 31 March 2023 €
Cash at bank and in hand	4,012,045	26,462,953	30,474,998
	<u>4,012,045</u>	<u>26,462,953</u>	<u>30,474,998</u>

**3. OPERATING PROFIT**

The operating profit is stated after charging:	2023 €	2022 €
Depreciation	119,713	78,041
Amortisation	1,558,760	2,095,950
Financial Statement audit fee	72,566	63,308
CASS audit fee	17,061	18,933

## CAPVEST PARTNERS LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 4. STAFF NUMBERS

	2023 Number	2022 Number
Average number of office staff and management	33	32
<b>Staff costs</b>	€	€
Wages and salaries	11,077,454	13,180,140
Social security costs	1,221,509	1,580,975
Pension	72,907	56,710
	<u>12,371,870</u>	<u>14,817,825</u>

Wages and salaries include EUR 3,414,511 (2022: EUR 2,516,276) of members' remuneration charged as an expense.

## 5. TANGIBLE FIXED ASSETS

	Computer equipment €	Furniture and fittings €	Office equipment €	Bicycle €	Leasehold Improvement €	Total €
<u>Cost</u>						
At 1 April 2022	313,777	395,732	26,087	2,810	10,828	749,234
Additions	159,907	23,581	1,937	–	105,775	291,200
At 31 March 2023	<u>473,684</u>	<u>419,313</u>	<u>28,024</u>	<u>2,810</u>	<u>116,603</u>	<u>1,040,434</u>
<u>Depreciation</u>						
At 1 April 2022	(190,961)	(320,241)	(22,225)	(2,810)	(1,805)	(538,042)
Charge for the period	(75,215)	(36,799)	(2,606)	–	(5,093)	(119,713)
At 31 March 2023	<u>(266,176)</u>	<u>(357,040)</u>	<u>(24,831)</u>	<u>(2,810)</u>	<u>(6,898)</u>	<u>(657,755)</u>
<u>Net book value</u>						
At 31 March 2023	<u>207,508</u>	<u>62,273</u>	<u>3,193</u>	<u>–</u>	<u>109,705</u>	<u>382,679</u>
At 1 April 2022	<u>122,816</u>	<u>75,492</u>	<u>3,862</u>	<u>–</u>	<u>9,023</u>	<u>211,193</u>

## 6. FORWARD FOREIGN EXCHANGE CONTRACTS

During the year, the Partnership entered into forward foreign exchange contracts with a final settlement date in December 2023. The fair value of the contracts is derived from the agreed forward rate with the counterparty bank. The Partnership uses S&P Global to obtain the forward rate.

	2023 €	2022 €
Gross forward foreign exchange contracts in profit / (loss)	14,928	(238,361)

In the Statement of Financial Position, these contracts are recognised as follows:

	2023 €	2022 €
Forward foreign exchange contracts asset	35,591	20,661

## 7. FINANCIAL INSTRUMENTS

## Basic financial instruments

## Cash at bank and in hand

Cash at bank and in hand includes deposits held at cost with banks and other short term highly liquid investments with original maturities of three months or less.

**CAPVEST PARTNERS LLP****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****Trade and other receivables**

Trade and other receivables are recognised initially at transaction price. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impaired losses.

**Trade and other payables**

Trade and other payables are recognised initially at transaction price. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method.

**Loan Payables**

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses. Refer to Note 11 for the details of the Revolving Credit Facility.

**Financial risk management disclosure****Credit Risk**

Credit risk is the risk that a counter party will be unable to meet a commitment that it has entered with the Partnership. The exposure to credit risk in the Partnership arises from trade and other debtors, forward foreign exchange contract and cash at bank and in hand.

Credit risk on the forward foreign exchange contracts (FFECs) is mitigated with institutions with high credit ratings. If possible, cash is deposited with financial institutions that have a long-term credit rating ascribed by Moody's of A2 or above. The FFEC counter party for the Partnership is NatWest Markets plc.

	<b>2023</b>	<b>2022</b>
	€	€
Forward foreign exchange contracts profit / (loss)	14,928	(238,361)
Cash and cash equivalents	30,474,998	4,012,045
	<u>30,489,926</u>	<u>3,773,684</u>

**Currency Exposure**

In order to protect the Partnership's sterling statement of financial position and reduce flow risk, the Partnership uses FFECs to mitigate the risk of foreign exposures arising on forecast receipts, cash balances and payments in foreign currencies.

	<b>2023</b>	<b>2022</b>
	€	€
Euro	29,209,818	3,039,744
Sterling	255,492	331,235
Other	1,009,688	641,066
	<u>30,474,998</u>	<u>4,012,045</u>

**Liquidity risk**

Liquidity risk is the risk that the Partnership will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Partnership's overall liquidity risk is monitored on a quarterly basis.

As disclosed in Note 1, the Partnership has sufficient cash, and the Members have no history of default therefore the Partnership has minimal liquidity risk in the foreseeable future.



## CAPVEST PARTNERS LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 8. PLACEMENT AGENT FEE

	2023 €	2022 €
<b>Cost</b>		
At 1 April 2022	18,552,008	8,765,650
Cost capitalised in the year	–	9,786,358
Reduction in capitalised fees	(2,653,150)	–
At 31 March 2023	<u>15,898,858</u>	<u>18,552,008</u>
<b>Amortisation</b>		
At 1 April 2022	(5,163,928)	(3,067,978)
Charge for the year	(1,558,760)	(2,095,950)
At 31 March 2023	<u>(6,722,688)</u>	<u>(5,163,928)</u>
<b>Net Book Value</b>		
At 1 April 2022	13,388,080	5,697,672
At 31 March 2023	<u>9,176,170</u>	<u>13,388,080</u>

Placement agent fees ("PAF") are recognised as an intangible asset and are measured at cost less any accumulated amortisation and any accumulated impairment losses. The Partnership has deemed the useful life of the Fund IV PAF to be a period of five years from 1 July 2019 to 30 June 2024, this being the Commitment Period of Fund IV.

An estimate for the Fund V PAF was recognised in January 2022 which was calculated based on commitments closed as at 31 March 2022. Following the final close of Fund V in February 2023, cumulative PAF costs capitalised in relation to the Fund totalled EUR 7,133,210, reducing the previous estimate by EUR 2,653,150.

During the year, EUR 1,558,760 (2022: EUR 2,095,950) amortisation of placement agent fees has been charged to the Statement of Comprehensive Income. As at 31 March 2023 the placement agent fee asset was EUR 2,191,407 (2022: EUR 3,944,539) for Fund IV and EUR 6,984,763 (2022: EUR 9,443,541) for Fund V.

The portion of the Placement Agent Fee asset presented as due within one year in the Statement of Financial Position represents the amount due to be amortised, in line with the accounting policy.

## 9. DEBTORS

<b>Debtors: Amounts falling due within one year</b>	<b>2023 €</b>	<b>2022 €</b>
Trade debtors	10,438,220	22,497,946
Prepayments	826,098	800,722
Other debtors	293,316	3,930,234
	<u>11,557,634</u>	<u>27,228,902</u>
<b>Debtors: Amounts falling due after more than one year</b>		
Other debtors	3,950,956	18,276,523

Other debtors falling due within one year includes EUR nil (2022: EUR 3,371,890) due from the Members.

Other debtors falling due after more than one year includes EUR nil (2022: EUR 16,072,455) due from the Members.

## CAPVEST PARTNERS LLP

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 10. CREDITORS

Creditors: Amounts falling due within one year	2023 €	2022 €
Trade creditors	923,167	1,319,536
Placement Agent Fee liability	2,261,244	3,718,101
Accruals and deferred income	27,470,697	19,767,757
Taxation and social security	407,243	273,782
Other creditors	4,105,050	136,812
	<u>35,167,401</u>	<u>25,215,988</u>

Creditors falling due within one year includes EUR 836,164 (2022: 1,760,830) Placement Agent Fee liability in relation to Fund IV, and EUR 1,425,080 (2022: 1,957,271) of the Fund V liability. Other Creditors falling due within one year includes EUR 3,999,800 of drawings due to Members paid post year end.

Creditors: Amounts falling due after more than one year	2023	2022
Credit Facility	3,465,097	18,350,000
Placement Agent Fee liability	5,708,131	8,665,252
	<u>9,173,228</u>	<u>27,015,252</u>

Creditors falling due after more than one year includes EUR nil (2022: EUR 836,166) of Fund IV Placement Agent Fee creditor and EUR 5,708,131 (2022: 7,829,086) of Fund V. The final payment of the Fund IV creditor is due in the next twelve months.

The Credit Facility was repaid in September 2022 and a new loan arrangement was made available to certain employees, explained further in note 11.

## 11. CREDIT FACILITY

On 4 December 2018, the Partnership entered into a Credit Facility Agreement ("the Original Facility") with Investec Bank plc ("Investec") in the amount of EUR 15,000,000. The first utilisation of the loan took place on 5 December 2018 in the amount of EUR 8,789,612.

The Facility was guaranteed by its Members and the Partnership has entered into back-to-back loan agreements with certain employees within the Partnership.

The margin on drawn amounts is 4% per annum and any unutilised amounts incur a charge of 1.15% per annum. Any interest has been recorded in the results of the Partnership. Interest is due to Investec semi-annually and the Facility must be repaid within the agreed five-year term from point of inception.

On 21 January 2020, the Original Facility was increased to EUR 25,000,000. A second utilisation took place on the same date in the amount of EUR 10,185,000. The facility was repaid in full on 9 December 2020.

A third utilisation took place on 12 March 2021 in the amount of EUR 12,550,000. Two further utilisations of EUR 2,700,000 and EUR 3,100,000 took place in May 2021 and November 2021 respectively. A final two utilisations took place in May 2022 and August 2022, totalling a loan payable of EUR 25,000,000. The loan was repaid and discharged in its entirety on 23 September 2022.

On the same date of this repayment, the Partnership agreed to continue the provision of the back-to-back loan agreements to certain employees on the same terms as the Original Facility until such time as a new facility was put in place. This new arrangement was funded by certain Members of the Partnership in the amount EUR 3,465,097.

As at 31 March 2023, the amount due from the employees to the Partnership, inclusive of any interest accrued, amounted to EUR 3,950,956 (2021: EUR 18,276,523).

## 12. RELATED PARTIES

During the year, there were various transactions relating to loans between certain Members and the Partnership. For a breakdown of those balances during the year, please refer to Note 11.

Certain Members of the Partnership are also Members of CapVest Associates LLP. As at 31 March 2023, EUR 387 (2022: EUR nil) was owed to the Partnership.

**CAPVEST PARTNERS LLP****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

Certain Members of the Partnership are also shareholders of CapVest Limited. As at 31 March 2023, EUR 1,845 (2022: EUR 451,242) was owed to the Partnership.

Certain Members of the Partnership hold interests in CapVest Equity Management III, Limited and CapVest Private Equity III, L.P., two Companies to which the Partnership offers advisory services. During the year, the Partnership invoiced EUR 21,120 (2022: EUR 870,670) to these Companies. As at 31 March 2023, EUR 8,952 (2022: EUR nil) was owed to the Partnership.

Certain Members of the Partnership have an interest in CapVest Equity Management II-B, Limited, a Company to which the Partnership offers advisory services. During the year, the Partnership invoiced EUR nil (2022: EUR 416,248) to CapVest Equity Management II-B, Limited. As at 31 March 2023, EUR nil (2022: EUR nil) was owed to the Partnership.

Certain Members of the Partnership have an interest in CapVest Irish Partners Limited ("the AIFM"), a related CapVest entity domiciled in Ireland. During the year, the Partnership invoiced EUR 77,438,998 (2022: EUR 46,365,410) to the AIFM in relation to certain investment management services which the AIFM delegates to the Partnership. As at 31 March 2023, EUR nil (2022: 20,648,150) in delegated management fee and EUR 467,376 (2022: EUR 91,325) in expenses was owed to the Partnership.

Certain Members of the Partnership have an interest in CapVest Private Equity IV S.a.r.l, to which the Partnership, via its delegation from the AIFM, provides investment management services. During the year, the Partnership invoiced EUR nil (2022: EUR nil) to CapVest Private Equity IV S.a.r.l.

Certain Members of the Partnership have an interest in CapVest General Partners IV S.a.r.l, to which the Partnership, via its delegation from the AIFM, provides investment management services. During the year, the Partnership invoiced EUR nil to CapVest General Partners IV S.a.r.l.

Certain Members of the Partnership have an interest in CapVest Private Equity V S.a.r.l. to which the Partnership, via its delegation from the AIFM, provides investment management services. During the year, the Partnership invoiced EUR nil (2022: EUR nil) to CapVest Private Equity V S.a.r.l.

Certain Members of the Partnership have an interest in Rubicon Partners GP S.a.r.l, a Company to which the Partnership offers investment management services. During the year, the Partnership invoiced EUR 21,240 (2022: nil) to the Company.

On 10 August 2021, CapVest Partners, Inc, an entity of which certain Members of the Partnership are also shareholders, was established. The purpose of this entity is to provide sub-advisory services to the Partnership for which the Partnership has accrued EUR 1,400,675 during the year for these services. In addition to this sub-advisory fee, costs to establish the entity of EUR 1,634,266 have also been borne by the Partnership. As at 31 March 2023, EUR 456,201 (2022: 350,966) was owed to the Partnership relating to an overpayment made by the Partnership towards the entity's current year operational costs.

**13. SUBSEQUENT EVENTS**

On 11 July 2023, the Partnership entered into a new facility of up to EUR 70,000,000 with Pemberton Asset Management.

The first utilisation of this facility took place on 20 July 2023 in the amount of EUR 30,000,000. Funds from this utilisation have been used to repay certain Members' loans, as discussed in Note 11, and to provide loans to certain Members.