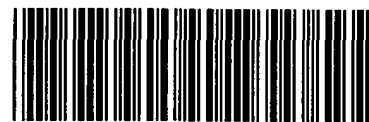


Company Registration Number OC364955

NOTION CAPITAL MANAGERS LLP

**Annual report and statutory financial statements
for the year ended 31 March 2023**

THURSDAY



ACHUVMOG

A17

07/12/2023

#131

COMPANIES HOUSE

NOTION CAPITAL MANAGERS LLP

ANNUAL REPORT AND STATUTORY FINANCIAL STATEMENTS 2023

CONTENTS

	Page
Members and professional advisers	2
Members' report	3
Members' responsibilities statement	5
Independent auditor's report	6
Income statement	9
Balance sheet	10
Statement of changes in members' interests	11
Cash flow statement	12
Notes to the financial statements	13

NOTION CAPITAL MANAGERS LLP

MEMBERS AND PROFESSIONAL ADVISERS

DESIGNATED MEMBERS

I L Milbourn
W P G Norris
Notion Capital Limited

OTHER MEMBERS

J C White
S C Chandler
C E Tottman

PRINCIPAL PLACE OF BUSINESS

91 Wimpole Street
London
England
W1G 0EF

AUDITOR

BDO LLP
55 Baker Street
London
W1U 7EU

BANKERS

Silicon Valley Bank
41 Lothbury
London
EC2R 7HF

SOLICITORS

Ashfords LLP
Tower Wharf
Cheese Lane
Bristol
BS2 0JJ

NOTION CAPITAL MANAGERS LLP

MEMBERS' REPORT

The members present their annual report on the affairs of the Partnership, together with the statutory financial statements and auditor's report, for the year ended 31 March 2023.

Firm structure

Notion Capital Managers LLP ("the Partnership") is a Limited Liability Partnership under the Limited Liability Partnerships Act 2000 registered in the United Kingdom.

Principal activity

The Partnership is a partner in each of Notion GP LLP, the general partner of Notion Capital 2 LP, Notion Capital III GP LLP, the general partner of Notion Capital III LP, Notion Capital Opportunities I GP LLP, the general partner of Notion Capital Opportunities LP, Notion IV GP LLP, the general partner of Notion Capital IV LP, Notion Capital Opportunities II GP LLP, the general partner of Notion Capital Opportunities II LP and Notion Capital V GP S.a.r.l, the general partner of Notion Capital V SCSp. All are funds focused on investments in the internet services sector. Each general partner is entitled to a profit share of the underlying fund and in turn Notion Capital Managers LLP receives a share of the profits of the relevant general partner via the terms of the Partnership Agreement in question, with the exception of Notion Capital IV LP, Notion Capital Opportunities II LP and Notion Capital V SCSp, who pay a management fee to Notion Capital Managers LLP in accordance with the Partnership Agreement.

Review of the business and future developments

Notion Capital 2 LP completed its third and final close in July 2013 with total commitments under management of £76m. Notion Capital III LP final close occurred in March 2017 with total commitments under management of £107m. Notion Capital Opportunities I LP completed its final close occurred in January 2018 with total commitments under management of £60m. Notion Capital IV LP completed its fifth and final close occurred in March 2022 with total commitments under management of £150m. Notion Capital Opportunities II LP completed its third close in March 2022 with total commitments under management of £65m.

Notion Capital continues to raise funds for further investment.

Notion Capital V SCSp completed its third close in January 2023 bringing total commitments to €197m. It completed its final close in June 2023 bringing total commitments to €300m.

Environment policy and greenhouse gas emissions

Notion Capital Managers is a low carbon user, using less than 40,000 kWh of energy in the reporting year, and so is out of scope of the detailed requirements under the Streamlined Energy and Carbon Reporting (SECR) regulations.

Going Concern

The members have considered the Partnership's ability to meet its commitments as they fall due and has concluded that there is no significant uncertainty over this ability. In forming this conclusion, the members have taken into account all available information about the foreseeable future and consequently the going concern basis is appropriate in preparing the financial statements.

The correction in markets has had an impact on the portfolio companies managed by Notion Capital Managers LLP which is continually monitored, however we believe that they are strongly positioned to continue to create value and deliver strong returns for our investors. The Manager has also continued to monitor the impact of economic and geopolitical instability on the partnership's ability to continue as a going concern. The specific impact of this macro uncertainty is deemed to be limited.

The Funds managed by Notion Capital Managers LLP have strong investor bases, no drawdowns are outstanding and no Limited Partner has contacted us indicating financial difficulties. No issues are anticipated that would prevent the funds paying its management fees to Notion Capital Managers. Accordingly, the financial statements are presented on a going concern basis.

NOTION CAPITAL MANAGERS LLP

MEMBERS' REPORT (CONTINUED)

Designated members

The designated members (as defined in the Limited Liability Partnerships Act 2000) throughout the year and subsequently were:

I L Milbourn
W P G Norris
Notion Capital Limited

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

All members participate fully in the firm's profit share and share the risks, pro rata to their profit share points. An individual designated member's capital requirement comprises an initial fixed amount based on the regulatory capital requirements. Such amount may vary over time as the regulatory capital requirement moves. Capital can only be repaid to members under the terms of the Members' Agreement.

The profits of the Partnership are allocated in accordance with section 16.1 of the Members' Agreement, unless otherwise determined by unanimous resolution.

Drawings comprise salaries and other amounts paid monthly. Further distributions are made subject to the cash requirements of the business.

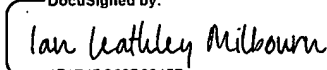
Disclosure of information to auditor

Each of the persons who is a designated member of the Partnership at the date of approval of this report confirms that:

- so far as the designated member is aware, there is no relevant audit information of which the Partnership's auditor is unaware; and
- the designated member has taken all the steps that he ought to have taken as a designated member to make himself aware of any relevant audit information and to establish that the Partnership's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006, as applicable to limited liability partnerships.

Approved by the members and signed on their behalf by:

DocuSigned by:

1F1E4BC62D0845D...

I L Milbourn
Designated member

27 July 2023

NOTION CAPITAL MANAGERS LLP

MEMBERS' RESPONSIBILITIES STATEMENT

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

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare statutory financial statements for each financial year. Under that law the members have elected to prepare the statutory financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The statutory financial statements are required by law to give a true and fair view of the state of affairs of the Partnership and of the profit or loss of the Partnership for that period. In preparing these statutory 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 they have been prepared in accordance with UK Generally Accepted Accounting Practice; and
- prepare the statutory financial statements on the going concern basis unless it is inappropriate to presume that the firm 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 statutory financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. 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 are responsible for the maintenance and integrity of the corporate and financial information included on the firm's website.

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF NOTION CAPITAL MANAGERS LLP

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 31 March 2023 and of its 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 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

We have audited the financial statements of Notion Capital Managers LLP ("the Limited Liability Partnership") for the year ended 31 March 2023 which comprise the Income Statement, Balance Sheet, Statement of changes in Members' interests, 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of 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.

Conclusions relating to going concern

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.

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

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF NOTION CAPITAL MANAGERS LLP (CONTINUED)

Other information (continued)

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 course of 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 this gives rise to 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.

Other Companies Act 2006 reporting as applied to limited liability partnerships

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, 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

Responsibilities of Members

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 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 Limited Liability Partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF NOTION CAPITAL MANAGERS LLP (CONTINUED)

Extent to which the audit was capable of detecting irregularities, including fraud (continued)

We gained an understanding of the legal and regulatory framework applicable to the Partnership and considered the risk of acts by the Partnership which were contrary to applicable laws and regulations, including fraud. These laws and regulations included but were not limited to compliance with the Companies Act 2006 as applicable to Partnership's, those resulting from being authorised by the Financial Conduct Authority to undertake regulated activities and UK accounting standards.

We considered compliance with laws and regulations that could give rise to a material misstatement in the Partnership's financial statements. Our tests included, but were not limited to:

- Inquiries with management and the compliance team, including consideration of known or suspected instances of non-compliance with laws and regulation, and fraud;
- Reviewing regulatory correspondence from the Financial Conduct Authority;
- Agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of designated members and management;
- Testing of journal postings made during the year to identify potential management override of controls, in particular any journal entries posted with unusual account combinations against revenue accounts and entries posted to scoped-out expense accounts to address unpredictability in our procedures; and
- Reviewing relevant meetings minutes, including those of Member's meetings;

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and discussed how and where these might occur and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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 by Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. 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 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.

DocuSigned by:

Vanessa Bradley

6052FC68EBD6446...

Vanessa Bradley (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, United Kingdom
Date: 27 July 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

NOTION CAPITAL MANAGERS LLP**INCOME STATEMENT**

	Note	2023 £	2022 £
Turnover	3	9,290,882	7,853,978
Operating expenses		<u>(5,524,158)</u>	<u>(4,268,476)</u>
Profit on ordinary activities before members' remuneration and profit shares	4	3,766,724	3,585,502
Members' remuneration charged as an expense		<u>(3,766,724)</u>	<u>(3,585,502)</u>
Profit for the financial year available for discretionary division among members	4	<u><u>-</u></u>	<u><u>-</u></u>

All of the above relates to continuing activities.

The Partnership has no other comprehensive income in either the current or the prior year other than the result for that year. Consequently, no separate statement of comprehensive income is presented.

NOTION CAPITAL MANAGERS LLP**BALANCE SHEET**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	7	98,821	92,299
Investments	8	10,031	10,031
Current assets			
Debtors	9	2,038,701	1,752,226
Cash at bank and in hand		4,834,118	4,085,381
		<u>6,872,819</u>	<u>5,837,607</u>
Creditors: amounts falling due within one year	10	(580,527)	(696,149)
Net current assets		<u>6,292,292</u>	<u>5,141,458</u>
Total assets less current liabilities		<u>6,401,144</u>	<u>5,243,788</u>
Net assets attributable to members		<u>6,401,144</u>	<u>5,243,788</u>
Represented by:			
Loans and other debts due to members within one year			
Members' capital classified as equity		3,315,000	3,315,000
Other amounts		3,109,289	1,951,933
		<u>6,424,289</u>	<u>5,266,933</u>
Members' other interests			
Other reserves – retained losses		(23,145)	(23,145)
		<u>6,401,144</u>	<u>5,243,788</u>
Total members' interests			
Loans and other debts due to members		6,424,289	5,266,933
Members' other interests		(23,145)	(23,145)
		<u>6,401,144</u>	<u>5,243,788</u>

The notes 1 – 15 form an integral part of the financial statements.

The statutory financial statements of Notion Capital Managers LLP (registered number OC364955) were approved by the members and authorised for issue on 27 July 2023. They were signed on behalf of the members by:

DocuSigned by:

 1F1E48C62D0845D...
I L Milbourn
Designated member

NOTION CAPITAL MANAGERS LLP

STATEMENT OF CHANGES IN MEMBERS' INTERESTS

	<u>Members' other interests</u>	<u>Loans and other debts due to/(from) members</u>				
	<u>Other reserves</u> £	<u>Total equity</u> £	<u>Members' capital classified as equity</u> £	<u>Members' other amounts</u> £	<u>Total debt</u> £	<u>Total members' interests</u> £
At 31 March 2021	(23,145)	(23,145)	315,000	3,666,431	3,981,431	3,958,286
Members' remuneration charged as an expense	-	-	-	3,585,502	3,585,502	3,585,502
Drawings	-	-	-	(2,300,000)	(2,300,000)	(2,300,000)
Amounts reclassified to members capital	-	-	3,000,000	(3,000,000)	-	-
At 31 March 2022	(23,145)	(23,145)	3,315,000	1,951,933	5,266,933	5,243,788
Members' remuneration charged as an expense	-	-	-	3,766,724	3,766,724	3,766,724
Drawings	-	-	-	(2,609,368)	(2,609,368)	(2,609,368)
At 31 March 2023	(23,145)	(23,145)	3,315,000	3,109,289	6,424,289	6,401,144

NOTION CAPITAL MANAGERS LLP**CASH FLOW STATEMENT**

	Note	2023 £	2022 £
Net cash flows from operating activities	12	<u>3,399,652</u>	<u>4,789,709</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(41,547)	(33,945)
Investment in subsidiaries	8	<u>-</u>	<u>(10,031)</u>
Net cash flows from investing activities		<u>(41,547)</u>	<u>(43,976)</u>
Cash flows from financing activities			
Payments to or on behalf of the members – drawings		(2,609,368)	(2,300,000)
Net cash flows from financing activities		<u>(2,609,368)</u>	<u>(2,300,000)</u>
Net increase in cash and cash equivalents		<u>748,737</u>	<u>2,445,733</u>
Cash and cash equivalents at beginning of year		<u>4,085,381</u>	<u>1,639,648</u>
Cash and cash equivalents at end of year		<u><u>4,834,118</u></u>	<u><u>4,085,381</u></u>
Reconciliation to cash at bank and in hand:			
Cash at bank and in hand		<u>4,834,118</u>	<u>4,085,381</u>
Cash and cash equivalents		<u><u>4,834,118</u></u>	<u><u>4,085,381</u></u>

NOTION CAPITAL MANAGERS LLP

NOTES TO THE STATUTORY FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and the preceding year.

a. General information and basis of accounting

The Partnership is incorporated in the United Kingdom under the Limited Liability Partnership Act 2000. The address of the registered office is given on page 2. The nature of the Partnership's operations and its principal activities are set out in the Members' report.

The statutory financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102") issued by the Financial Reporting Council and the requirements of the Statement of Recommended Practice ("SORP") 'Accounting by Limited Liability Partnerships' (issued December 2021).

In accordance with the exemption allowed under FRS 102 9.9A, the Members' have not prepared consolidated financial statements as the inclusion of the subsidiary continues to be immaterial for the purpose of giving a true and fair view of the financial statements.

The functional currency of Notion Capital Managers LLP is considered to be pounds sterling because that is the currency of the primary economic environment in which the Partnership operates. The financial statements are also presented in pounds sterling.

b. Going concern

The members have considered the Partnership's ability to meet its commitments as they fall due and has concluded that there is no significant uncertainty over this ability. In forming this conclusion, the members have taken into account all available information about the foreseeable future and consequently the going concern basis is appropriate in preparing the financial statements.

The correction in markets has had an impact on the portfolio companies managed by Notion Capital Managers LLP which is continually monitored, however we believe that they are strongly positioned to continue to create value and deliver strong returns for our investors. The Manager has also continued to monitor the impact of economic and geopolitical instability on the partnership's ability to continue as a going concern. The specific impact of this macro uncertainty is deemed to be limited.

The Funds managed by Notion Capital Managers LLP have strong investor bases, no drawdowns are outstanding and no Limited Partner has contacted us indicating financial difficulties. No issues are anticipated that would prevent the funds paying its management fees to Notion Capital Managers. Accordingly, the financial statements are presented on a going concern basis.

c. Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Computer Equipment 3 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

NOTION CAPITAL MANAGERS LLP

NOTES TO THE STATUTORY FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

d. Financial instruments

Financial assets and financial liabilities are recognised when the Partnership becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Partnership after deducting all of its liabilities.

(i) *Financial assets and financial liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Partnership intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions of section 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transactions) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Partnership transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Partnership, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

e. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

(i) *Non-financial assets*

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

(ii) *Financial assets*

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

NOTION CAPITAL MANAGERS LLP

NOTES TO THE STATUTORY FINANCIAL STATEMENTS (continued)

1. ACCOUNTING POLICIES (continued)

e. Impairment of assets (continued)

(ii) Financial assets (continued)

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

f. Taxation

The taxation payable on the Partnership's profits is the personal liability of the members, although payment of such liabilities is administered by the Partnership on behalf of the members. Consequently, neither Partnership taxation nor related deferred taxation are accounted for in the financial statements.

g. Members' interests

An individual designated member's capital requirement comprises an initial fixed amount based on the regulatory capital requirements. Such amount may vary over time as the regulatory capital requirement moves.

The ability of the members to withdraw their members' capital is subject to the provisions of section 15 of the Members' Agreement. Members' capital is repayable on retirement of the member and is therefore classified as a liability. Because members may retire with less than one year's notice and typically have their capital repaid within one year of serving notice, members' capital is shown as being due within one year.

The other amounts due to members fall due in accordance with the provisions of section 16 of the Members' Agreement relating to drawings.

In the event of winding up, amounts in 'Loans and other debts due to members' (other than members' capital classified as debt) would rank equally with debts due to other unsecured creditors.

h. Divisible profits and members' remuneration

The SORP recognises that the basis of calculating profits for allocation may differ from the profits reflected through the financial statements prepared in compliance with recommended practice, given the established need to seek to focus profit allocation on ensuring equity between different generations and populations of members.

All profits of the Partnership for each accounting period are allocated in accordance with section 16.1 of the Members' Agreement (unless otherwise determined by unanimous resolution). The Corporate Member, Notion Capital Limited, is entitled to a Corporate Member's Priority Share, being a variable share of profits that is set by the Board from time to time.

Losses of the Partnership are treated in accordance with section 16.5 of the Members' Agreement, and are therefore treated as not having been allocated to members as at the balance sheet date.

NOTION CAPITAL MANAGERS LLP**NOTES TO THE STATUTORY FINANCIAL STATEMENTS (continued)****1. ACCOUNTING POLICIES (continued)****i. Turnover**

The Partnership is a partner in each of Notion GP LLP, the general partner of Notion Capital 2 LP, Notion Capital III GP LLP, the general partner of Notion Capital III LP and Notion Capital Opportunities GP LLP, the general partner of Notion Capital Opportunities LP, Notion IV GP LLP, the general partner of Notion Capital IV LP, Notion Capital Opportunities II GP LLP, the general partner of Notion Capital Opportunities II LP and Notion Capital V GP S.a.r.l., the general partner of Notion Capital V SCSp.

All are funds focused on investments in the internet services sector. Each general partner is entitled to a profit share of the underlying fund and in turn Notion Capital Managers LLP receives a share of the profits of the relevant general partner via the terms of the Partnership Agreement in question, with the exception of Notion Capital IV LP, Notion Capital Opportunities II LP and Notion Capital V SCSp, who pay a management fee to Notion Capital Managers LLP in accordance with the Partnership Agreement.

All costs, other than members' remuneration charged as an expense, have been classified as operating expenses on the grounds that they are all incurred in the process of providing these services.

j. Employee benefits

Contributions to the Partnership's defined contribution pension scheme are charged to profit or loss in the year in which they become payable.

k. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Other exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**Critical judgements in applying the Partnership's accounting policies**

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the members have made in the process of applying the Partnership's accounting policies and that have the most significant effect on the amounts recognised in the statutory financial statements.

Revenue recognition

The Partnership is a partner in each of Notion GP LLP, the general partner of Notion Capital 2 LP, Notion Capital III GP LLP, the general partner of Notion Capital III LP and Notion Capital Opportunities GP LLP, the general partner of Notion Capital Opportunities LP, Notion IV GP LLP, the general partner of Notion Capital IV LP, Notion Capital Opportunities II GP LLP, the general partner of Notion Capital Opportunities II LP and Notion Capital V GP S.a.r.l., the general partner of Notion Capital V SCSp.

NOTION CAPITAL MANAGERS LLP**NOTES TO THE STATUTORY FINANCIAL STATEMENTS (continued)****2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (continued)****Revenue recognition (continued)**

All are funds focused on investments in the internet services sector. Each general partner is entitled to a profit share of the underlying fund and in turn Notion Capital Managers LLP receives a share of the profits of the relevant general partner via the terms of the Partnership Agreement in question, with the exception of Notion Capital IV LP, Notion Capital Opportunities II LP and Notion Capital V SCSp, who pay a management fee to Notion Capital Managers LLP in accordance with the Partnership Agreement.

All costs, other than members' remuneration charged as an expense, have been classified as costs of sale on the grounds that they are all incurred in the process of providing these services.

Intercompany Loans

The loan that Notion Platform Limited holds with Notion Capital Managers LLP has been impaired as Notion Platform Limited was loss making in the financial year and is forecast to make a loss in the coming financial year. It is anticipated to be recoverable in coming years when Notion Platform Limited generates cash from investment realisations.

Key source of estimation uncertainty

There are no key sources of estimation uncertainty relevant to the application of the accounting policies when preparing the accounts.

3. TURNOVER

An analysis of the Partnership's turnover by class of business is set out below.

	2023 £	2022 £
Turnover:		
Management fees	6,316,813	4,374,601
Profit share	<u>2,974,069</u>	<u>3,479,377</u>
	<u>9,290,882</u>	<u>7,853,978</u>

An analysis of the Partnership's turnover by geographical market is set out below.

	2023 £	2022 £
Turnover:		
United Kingdom	6,077,545	7,853,978
Luxembourg	<u>3,213,337</u>	<u>-</u>
	<u>9,290,882</u>	<u>7,853,978</u>

NOTION CAPITAL MANAGERS LLP**NOTES TO THE STATUTORY FINANCIAL STATEMENTS (continued)****4. PROFIT ON ORDINARY ACTIVITIES BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES**

Profit on ordinary activities before members' remuneration and profit shares is stated after charging:

	2023	2022
	£	£
Depreciation of tangible fixed assets (note 7)	35,025	23,771
Rent paid	180,232	197,254
Foreign exchange rate differences	(9,277)	3,426
Impairment on related party balances	949,217	882,405
Pension contributions	74,118	45,460
	<u> </u>	<u> </u>

The analysis of the auditor's remuneration is as follows:

	2023	2022
	£	£
Fees payable to Notion Capital Managers LLP's auditor and its associates for the audit of the Partnership's annual accounts	14,423	14,580
	<u> </u>	<u> </u>
Fees payable to Notion Capital Managers LLP's auditor and its associates for other services		
Audit-related assurance services	-	25,150
Other taxation advisory services	192,136	60,320
	<u> </u>	<u> </u>
Total non-audit fees	192,136	85,470
	<u> </u>	<u> </u>
Total fees	206,559	100,050
	<u> </u>	<u> </u>

5. STAFF NUMBERS AND COSTS

The average monthly number of employees (including members) was:

	2023	2022
	Number	Number
Investment staff	10	6
Support staff	7	7
	<u> </u>	<u> </u>
	17	13
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	2,061,072	1,262,779
Social security costs	285,642	158,345
	<u> </u>	<u> </u>
	2,346,714	1,421,124
	<u> </u>	<u> </u>

NOTION CAPITAL MANAGERS LLP**NOTES TO THE STATUTORY FINANCIAL STATEMENTS (continued)****6. MEMBERS' REMUNERATION AND TRANSACTIONS**

The highest drawing amount paid to an individual member was £660,700 (2022: £534,000).

The average number of members during the year was 6 (2022: 6).

7. TANGIBLE FIXED ASSETS

	Computer Equipment £
Cost	
At 1 April 2022	147,648
Additions	41,547
	<u>189,195</u>
At 31 March 2023	<u>189,195</u>
Depreciation	
At 1 April 2022	55,349
Charge for the year	35,025
	<u>90,374</u>
At 31 March 2023	<u>90,374</u>
Net book value	
At 31 March 2023	<u>98,821</u>
At 31 March 2022	<u>92,299</u>

8. INVESTMENTS

	Subsidiary undertakings £
Cost	
At 1 April 2022	10,031
Additions	-
	<u>10,031</u>
At 31 March 2022	<u>10,031</u>
Net book value	
At 31 March 2023	<u>10,031</u>
At 31 March 2022	<u>10,031</u>

NOTION CAPITAL MANAGERS LLP**NOTES TO THE STATUTORY FINANCIAL STATEMENTS (continued)****9. DEBTORS**

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	17,281	1,373,580
Other debtors	1,748,237	200,245
VAT	70,664	69,446
Amounts due from related undertakings	18,054	2,740
Prepayments and accrued income	184,465	106,215
	<u>2,038,701</u>	<u>1,752,226</u>

The amounts due from related undertakings bear no interest and are repayable on demand.

10. CREDITORS

	2023	2022
	£	£
Amounts falling due within one year:		
Trade creditors	277,838	240,019
Other taxation and social security	72,370	56,081
Other creditors	230,319	400,049
	<u>580,527</u>	<u>696,149</u>

Other creditors consist of accruals made for audit fees, tax fees, rent and profit share payments.

11. FINANCIAL INSTRUMENTS

The carrying values of the Partnership's financial assets and liabilities are summarised by category below:

	2023	2022
	£	£
Financial assets		
Measured at undiscounted amount receivable		
Cash and cash equivalents	4,834,118	4,085,381
Amounts due from related undertakings (see note 8)	18,054	2,740
	<u>4,852,172</u>	<u>4,088,121</u>
	2023	2022
	£	£
Financial liabilities		
Measured at undiscounted amount payable		
Other taxation and social security (see note 9)	72,370	56,081
	<u>72,370</u>	<u>56,081</u>

The Partnership has recognised an impairment loss of £949,217 (2021: £882,405).

NOTION CAPITAL MANAGERS LLP**NOTES TO THE STATUTORY FINANCIAL STATEMENTS (continued)****12. CASH FLOW STATEMENT**

Reconciliation of operating profit to cash generated by operations:

	2023	2022
	£	£
Profit on ordinary activities before members' remuneration and profit shares	3,766,724	3,585,502
Adjustment for:		
Depreciation (note 7)	35,025	23,771
Operating cash flow before movement in working capital	3,801,749	3,609,273
(Increase)/decrease in debtors	(286,474)	701,903
(Decrease)/increase in creditors	(115,623)	478,533
Net cash generated by operating activities	3,399,652	4,789,709

13. OPERATING LEASE COMMITMENTS

The Partnership has committed to an operating lease for certain office space in central London. The annual rental commitment under the lease is £304,415 (2022: £271,113).

The total future minimum lease payments due under operating leases are as follows:

	2023	2022
	£	£
Less than 1 year	304,415	271,113
More than 1 year	25,430	24,689
	329,845	295,802

14. RELATED PARTY TRANSACTIONS

The total drawings for key management personnel in the period was £2,609,368 (2022: £2,300,000).

The Partnership's turnover is generated from the profit share arrangements with the relevant general partners of Notion funds and management fees from the relevant Notion funds. At the year-end, £nil was receivable from Notion GP LLP (2022: £nil).

The Partnership holds 100% of the issued ordinary share capital of Notion Nominees UK Limited, a company incorporated in the UK and registered at the address shown on page 2. The entity has net assets of £5. The Partnership is taking the exemption available under the Companies Act not to prepare consolidated accounts as the subsidiary is not material to the accounts and all other conditions are met.

NOTION CAPITAL MANAGERS LLP

NOTES TO THE STATUTORY FINANCIAL STATEMENTS (continued)

14. RELATED PARTY TRANSACTIONS (continued)

During the year £nil (2022: £375,000) of fees were charged from Notion Platform Limited to Notion Capital Managers LLP. Notion Capital Managers LLP advanced £949,216 to Notion Platform Limited during the year. The loan is still receivable, however, has been impaired at year end as Notion Platform Limited was loss making in the financial year and is forecast to make a loss in the coming financial year. It is anticipated to be recoverable in coming years when Notion Platform Limited generates cash from investment realisations. The loan bears no interest and is repayable on demand. At the year end, £nil (2022: £nil) of this loan remained receivable by the Partnership.

At the year end, Notion Capital Managers LLP was owed £18,054 (2022: £2,740) by Included VC Limited. The loan bears no interest and is repayable on demand.

During the year Notion Capital Managers LLP advanced a £250,000 loan to Stephen Chandler and a £75,000 loan to Ian Milbourn. These amounts were receivable at year end.

During the year Notion Capital Managers advanced £7,586 on behalf of its members to Notion Capital IV Co-investment LLP. These amounts were receivable at year end.

During the year Notion Capital Managers advanced £7,586 on behalf of its members to Notion Capital IV Co-investment LLP. These amounts were receivable at year end.

During the year Notion Capital Managers advanced £528,698 on behalf of its members to Notion Capital V Co-investment SCSp. These amounts were receivable at year end.

During the financial year there was a run on Silicon Valley Bank, the firm's primary banking partner. During this period an amount of £3,000,000 was paid to Stephen Chandler in order to protect it in the event of Silicon Valley Bank becoming insolvent. The amount was advanced on 10th March 2023, and repaid to Notion Capital Managers LLP on 15th March 2023 following the acquisition of Silicon Valley Bank by HSBC plc.

15. CONTROLLING PARTY

The Partnership is controlled by its members and as such there is no single controlling party.