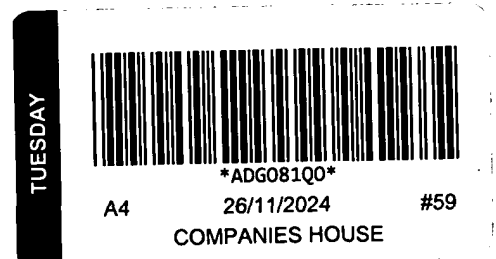


August Equity LLP

Report and Audited Consolidated Financial Statements

for the year ended

31 March 2024



CONTENTS

	Page
Members and advisers	2
Glossary	3
Members' report	4 - 5
Members' responsibilities statement	6
Independent auditor's report to the members of August Equity LLP	7 - 8
Consolidated statement of comprehensive income	9
Consolidated statement of financial position	10
Partnership statement of financial position	11
Consolidated statement of changes in members' interests	12 - 13
Partnership statement of changes in members' interests	14 - 15
Consolidated cash flow statement	16
Notes to the financial statements	17 - 24

Members and advisers

Members

Philip Rattle
David Lonsdale
Michael Biddulph
Mehul Patel
Daniel Venn
Kate Cook
Kishan Chotai

Registered office

10 Slingsby Place
St. Martins Courtyard
Covent Garden
London
WC2E 9AB

Statutory auditor

RSM UK Audit LLP
Statutory auditor
25 Farringdon Street
London
United Kingdom
EC4A 4AB

Bankers

Bank of Scotland
33 Old Broad Street
London
BX2 1LB

Registered Number

OC313101
(registered in England and Wales)

Glossary

Abbreviation	Current name
* AEML	August Equity Management Limited
* AEP II Execs GP Ltd	August Equity Partners II Executives GP Limited
* AEP II GP Ltd	August Equity Partners II GP Limited
AEP III A	August Equity Partners III A LP
AEP III EP LP	August Equity Partners III Executives Partnership LP
* AEP III Execs GP Ltd	August Equity Partners III Executives GP Limited
* AEP III GP Ltd	August Equity Partners III GP Limited
* AEP III GP LP	August Equity Partners III GP LP
AEP IV A	August Equity Partners IV A LP
AEP IV EP LP	August Equity Partners IV Executives Partnership LP
* AEP IV GP LP	August Equity Partners IV General Partner LLP
* AEP IV GP Ltd	August Equity Partners IV GP Limited
AEP V A	August Equity Partners V A LP
AEP V EP LP	August Equity Partners V Executives Partnership LP
* AEP V GP LLP	August Equity Partners V General Partner LLP
* AEP V GP Ltd	August Equity Partners V GP Limited
AEP VI A	August Equity Partners VI A LP
* AEP VI GP LLP	August Equity Partners VI General Partner LLP
* AEP VI GP Ltd	August Equity Partners VI GP Limited
AEP VI EP LP	August Equity Partners VI Executives Partnership LP
* AEP GP LLP	August Equity Partners GP LLP
AEP OCV LP	AEP OCV LP
AEP OCV EP LP	AEP OCV Executives Partnership LP
* AEP OCV GP LLP	AEP OCV General Partner LLP
AEP MVP LP	AEP MVP LP
AEP MVP EP LP	AEP MVP Executives Partnership LP
* AEP MVP GP LLP	AEP MVP General Partner LLP
AEP FFCV LP	AEP FFCV LP
AEP FFCV EP LP	AEP FFCV Executives Partnership LP
* AEP FFCV GP LLP	AEP FFCV General Partner LLP
AEP V C-I LP	AEP V Co-Invest I LP
* AEP V Co-Invest GP LLP	AEP V Co-Invest I General Partner LLP
AEP V Invest GP LLP	AEP V Investment LP
* AEP V Investment GP LLP	AEP V Investment General Partner LLP
FCA	Financial Conduct Authority
* LLP	August Equity LLP

* Entities whose results are included in the consolidated financial statements

Members' report

for the year ended 31 March 2024

The members present their annual report and audited consolidated financial statements for the year ended 31 March 2024.

Firm structure

August Equity LLP ("the LLP") is a Limited Liability Partnership under the Limited Liability Partnerships Act 2000 registered in the United Kingdom. The LLP is authorised and regulated by the FCA. The financial statements consolidate the accounts of August Equity LLP and all of its subsidiary undertakings ("the Group"), drawn up to 31 March 2024.

Principal activities and business review

The principal activity of the Group and LLP is the raising and management of limited partnerships formed to make investments in unquoted UK-headquartered businesses on behalf of institutional investors. In the financial year, the Group and LLP had seven limited partnerships under management. The LLP realised the final investments from the third partnership, AEP III A, in 2023 and the fund was dissolved and liquidated in December 2023. At the balance sheet date, the LLP had six limited partnerships under management with funds under management of £523.3 million (2023: £490.7 million).

For the year to 31 March 2024 the consolidated profit after tax but before members' profit share was £7,101,089 (2023: £6,859,925). For the LLP the profit before members' profit share was £7,103,406 (2023: £6,867,951). The LLP is transparent for tax purposes and individual members are liable to taxation on their respective share of the profits. Subsidiary companies within the Group are subject to taxation and this is disclosed in the consolidated accounts.

Principal risks and uncertainties

Credit risk - the LLP and Group assets largely comprise of cash at bank and related party debtors. Cash is held in banks with high credit-ratings assigned by international credit-rating agencies. Group debtors are recoverable on demand from credit worthy counterparties.

Liquidity risk - the principal risk is that the LLP will fail to raise additional funds under management as older limited partnerships become realised and cease to generate fee income. AuM is at a level that will ensure the LLP has sufficient income for the foreseeable future. The members are confident that the track record of investment performance from earlier funds will also support future fund-raising efforts.

Market risk - there is a risk that LLP fails to source attractive investment opportunities to deploy the funds under management. To address this the LLP continues to develop its origination strategy and it has a strong pipeline for the future.

Members

The members who held office throughout the year under review and up to the date of this report were as follows:

Philip Rattle (Designated Member)
David Lonsdale
Michael Biddulph (Designated Member)
August Equity Management Limited (resigned 14 June 2024)
Mehul Patel
Christian Dube (resigned 31 March 2024)
Daniel Venn (Designated Member)
Kate Cook
Kishan Chotai (Designated Member) (appointed 1 April 2023)

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

During the year, members received monthly drawings representing payments on account of profits which may be allocated to them for the year. The amount of such drawings is set at the beginning of the financial year taking into account the projected profits and cash needs of the LLP. These amounts may be reclaimed from members until such time as profits have been allocated to them.

Profits attributable to members are determined, allocated and divided between members according to allocation rules and percentages set out in the Limited Liability Partnership Agreement. Profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment. They are therefore treated as an expense and presented as members remuneration charged as an expense in the Statement of comprehensive income. To the extent that they remain unpaid at the period end, they are shown as liabilities. Members are not entitled to a return of capital where such return would result in a failure to maintain an adequate regulatory capital reserve.

Members indemnities

The LLP has made qualifying third party indemnity provisions for the benefit of its members which were made during the year and remain in force at the date of this report.

Going concern

The members have a reasonable expectation that the LLP and the group has adequate resources to continue in operational existence for at least 12 months from the date of the approval of the financial statements. Thus they continue to adopt the going concern basis in preparing the annual financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

Members' report (continued)
for the year ended 31 March 2024

Statement as to disclosure of information to the auditor

Each of the persons who are designated members at the date of approval of this report confirms that:

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

In accordance with Section 485 of the Companies Act 2006, a resolution to appoint RSM UK Audit LLP as auditors was passed by the Board on 8 January 2024.

Subsequent events

Subsequent events that have taken place between the year end, 31 March 2024, and the approval of the financial statements are disclosed in full in note 19.

Approved by the members and signed on their behalf by:

DocuSigned by:

Daniel Venn

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Mr Daniel Venn

Designated member

10 Slingsby Place

St. Martin's Courtyard

London, WC2E 9AB

23 July 2024

Members' responsibilities statement

for the year ended 31 March 2024

The members are responsible for preparing the annual report and the 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 financial statements for each financial year. Under that law the members have elected to prepare the 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 United Kingdom and Republic of Ireland". Under the 2008 Regulations, 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 the profit or loss of the partnership for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

Under the 2008 Regulations 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 to enable them to ensure that the financial statements comply with the requirements of those Regulations. They are also responsible for safeguarding the assets of the LLP 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 firms website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

These responsibilities are exercised by the Partnership Board on behalf of the members.

Independent auditor's report to the members of August Equity LLP

for the year ended 31 March 2024

Report on the audit of the financial statements

Opinion

We have audited the financial statements of August Equity LLP (the 'limited liability partnership') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of comprehensive income, the consolidated and partnership statement of financial position, the consolidated and partnership statement of changes in members interests, the consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the limited liability partnership's affairs as at 31 March 2024 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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 set out on page 6, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the group's and the limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the group or the limited liability partnership or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report to the members of August Equity LLP (continued)

for the year ended 31 March 2024

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the limited liability partnership operates in and how the group and the limited liability partnership are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and the LLP SORP. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to partnership's authorisation with the Financial Conduct Authority. We performed audit procedures to inquire of management whether the partnership is in compliance with these laws and regulations and inspected correspondence with the Financial Conduct Authority.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates.

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

Use of our report

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the partners for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

James Simpson

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James Simpson (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

25 Farringdon Street

London

EC4A 4AB

24-Jul-2024

Consolidated statement of comprehensive income
for the year ended 31 March 2024

	Notes	31 Mar 2024 (£)	31 Mar 2023 (£)
Turnover	2	12,639,896	11,801,405
Operating expenses		(5,598,525)	(5,003,233)
Operating profit		<u>7,041,371</u>	<u>6,798,172</u>
Interest receivable and other income	4	62,999	75,573
Interest paid		(3,287)	(13,540)
Profit before taxation and members' remuneration and profit share	5	<u>7,101,083</u>	<u>6,860,205</u>
Tax charge on profit	6	6	(280)
Profit for the financial year before members' remuneration and profit share		<u>7,101,089</u>	<u>6,859,925</u>
Members' remuneration charged as an expense		(7,103,406)	(6,867,951)
Loss for the financial year available for discretionary division among members		<u>(2,317)</u>	<u>(8,026)</u>

The notes on pages 17 to 24 form an integral part of these financial statements.

All activities in the current year relate to continuing operations.

There are no gains or losses other than those recognised in the statement of comprehensive income above. Accordingly, no separate statement of other comprehensive income is presented.

Consolidated statement of financial position

as at 31 March 2024

	Notes	31 Mar 2024		31 Mar 2023
		(£)	(£)	(£)
Fixed assets				
Investments	7	194,591		0
Tangible assets - owned	8	108,809		96,551
Tangible assets - leased	8	10,557		1,543
			313,957	98,094
Current assets				
Debtors: amounts falling due within one year	9	2,899,352		3,394,710
Cash at bank and in hand		4,188,357		4,782,100
		7,087,709		8,176,810
Creditors: amounts falling due within one year	10	(5,618,944)		(5,689,796)
Net current assets			1,468,765	2,487,014
Total assets less current liabilities			1,782,722	2,585,108
Creditors: amounts falling due after one year	11		(14,472)	0
Provisions for liabilities	12		(75,000)	(75,000)
Net assets attributable to members			1,693,250	2,510,108
 <u>Represented by:</u>				
Loans and other debts due to members				
Members' capital classified as a liability			453,410	1,335,050
Members' other interests				
Members' capital classified as equity			1,239,840	1,175,058
			1,693,250	2,510,108
 <u>Total members' interests</u>				
Loans and other debts due to members			453,410	1,335,050
Members' capital classified as equity			1,000,019	1,000,019
Members' other interests			239,821	175,039
			1,693,250	2,510,108

The notes on pages 17 to 24 form an integral part of these financial statements.

The consolidated financial statements of August Equity LLP, registered number OC313101, were approved by the members and authorised for issue on 23 July 2024.

Signed on behalf of the members by Mr Daniel Venn.

DocuSigned by:

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Partnership statement of financial position

as at 31 March 2024

	Notes	31 Mar 2024		31 Mar 2022
		(£)	(£)	(£)
Fixed assets				
Investment in subsidiary undertakings	7	5,201		5,201
Tangible assets - owned	8	108,809		96,551
Tangible assets - leased	8	10,557		1,543
			124,567	103,295
Current assets				
Debtors: amounts falling due within one year	9	3,091,289		3,389,091
Cash at bank and in hand		3,951,746		4,538,172
		7,043,035		7,927,263
Creditors: amounts falling due within one year	10	(5,624,701)		(5,687,588)
Net current assets			1,418,334	2,239,675
Total assets less current liabilities			1,542,901	2,342,970
Creditors: amounts falling due after one year	11		(14,472)	0
Provisions for liabilities	12		(75,000)	(75,000)
Net assets attributable to members			1,453,429	2,267,970
Represented by:				
Loans and other debts due to members				
Members' capital classified as a liability			453,410	1,267,951
Members' other interests				
Members' capital classified as equity			1,000,019	1,000,019
			1,453,429	2,267,970
Total members' interests				
Loans and other debts due to members			453,410	1,267,951
Members' other interests			1,000,019	1,000,019
			1,453,429	2,267,970

The notes on pages 17 to 24 form an integral part of these financial statements.

For the LLP the profit before members' profit share was £7,103,406 (2022: £6,867,951).

As permitted by Section 408 of the Companies Act 2006, no statement of comprehensive income presented as part of these accounts.

The financial statements of August Equity LLP, registered number OC313101, were approved by the members and authorised for issue on 23 July 2024.

Signed on behalf of the members by Mr Daniel Venn.

DocuSigned by:

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Consolidated statement of changes in members' interests

for the year ended 31 March 2024

	EQUITY		TOTAL EQUITY (£)	Members' capital classified as a liability (£)	Total members' interests (£)
	Members Capital (£)	Other reserves (£)			
Amounts due to members				1,335,050	
Amounts due from members				0	
Members' interest at 1 April 2023	1,000,019	175,039	1,175,058	1,335,050	2,510,108
Members' remuneration charged as an expense	0	0	0	7,103,406	7,103,406
Total profit and comprehensive income available for discretionary division among members	0	(2,317)	(2,317)	0	(2,317)
Members' interest after profit for the year	1,000,019	172,722	1,172,741	8,438,456	9,611,197
Drawings	0	0	0	(7,917,947)	(7,917,947)
Reclassification of members capital	0	67,099	67,099	(67,099)	0
Members' capital introduced	590,018	0	590,018	0	590,018
Members' capital withdrawn	(590,018)	0	(590,018)	0	(590,018)
At 31 March 2024	1,000,019	239,821	1,239,840	453,410	1,693,250
Amounts due to members				453,410	
Amounts due from members				0	

The notes on pages 17 to 24 form an integral part of these financial statements.

Consolidated statement of changes in members' interests (continued)

for the year ended 31 March 2023

	EQUITY		TOTAL EQUITY (£)	Members' capital classified as a liability (£)	Total members' interests (£)
	Members Capital (£)	Other reserves (£)			
Amounts due to members				702,663	
Amounts due from members				0	
Members' interest at 1 April 2022	1,000,019	176,874	1,176,893	702,663	1,879,556
Members' remuneration charged as an expense	0	0	0	6,867,951	6,867,951
Total profit and comprehensive income available for discretionary division among members	0	(8,026)	(8,026)	0	(8,026)
Members' interest after profit for the year	1,000,019	168,848	1,168,867	7,570,614	8,739,481
Allocation of losses	0	8,026	8,026	(8,026)	0
Drawings	0	0	0	(6,229,373)	(6,229,373)
Drawings paid to corporate member	0	(1,835)	(1,835)	1,835	0
At 31 March 2023	1,000,019	175,039	1,175,058	1,335,050	2,510,108
Amounts due to members				1,335,050	
Amounts due from members				0	

The notes on pages 17 to 24 form an integral part of these financial statements.

Partnership statement of changes in members' interests

for the year ended 31 March 2024

	Members' capital classified as equity (£)	Members' capital classified as a liability (£)	Total members' interests (£)
Amounts due to members		1,267,951	
Amounts due from members		0	
Members' interest at 1 April 2023	1,000,019	1,267,951	2,267,970
Members' remuneration charged as an expense	0	7,103,406	7,103,406
Total comprehensive income available for discretionary division among members	0	0	0
Members' interest after profit for the year	1,000,019	8,371,357	9,371,376
Drawings	0	(7,917,947)	(7,917,947)
Members' capital introduced	590,018	0	590,018
Members' capital withdrawn	(590,018)	0	(590,018)
At 31 March 2024	1,000,019	453,410	1,453,429
Amounts due to members		453,410	
Amounts due from members		0	

The notes on pages 17 to 24 form an integral part of these financial statements.

Partnership statement of changes in members' interests (continued)

for the year ended 31 March 2023

	Members' capital classified as equity (£)	Members' capital classified as a liability (£)	Total members' interests (£)
Amounts due to members		629,373	
Amounts due from members		0	
Members' interest at 1 April 2022	1,000,019	629,373	1,629,392
Members' remuneration charged as an expense	0	6,867,951	6,867,951
Total comprehensive income available for discretionary division among members	0	0	0
Members' interest after profit for the year	1,000,019	7,497,324	8,497,343
Drawings	0	(6,229,373)	(6,229,373)
Members' capital introduced	0	0	0
At 31 March 2023	1,000,019	1,267,951	2,267,970
Amounts due to members		1,267,951	
Amounts due from members		0	

The notes on pages 17 to 24 form an integral part of these financial statements.

Consolidated cash flow statement

for the year ended 31 March 2024

	Notes	31 Mar 2024 (£)	31 Mar 2023 (£)
Operating activities	13	7,343,539	7,545,961
Transactions with non-members:			
Interest received and other income		62,999	75,573
Taxation received		0	0
Net cash inflow from operating activities		62,999	75,573
Investing activities			
Transactions with non-members:			
Purchase of tangible fixed assets		(79,048)	(44,821)
Net cash inflow from investing activities		(79,048)	(44,821)
Financing activities			
Transactions with non-members:			
Repayments of obligations under finance lease and other interest		(3,282)	(13,540)
Transactions with members and former members:			
Drawings on account and distribution of profits		(7,917,951)	(6,229,373)
Capital introduced by members		590,018	0
Capital withdrawn by members		(590,018)	0
Net cash outflow from financing activities		(7,921,233)	(6,242,913)
Net (decrease)/increase in cash and cash equivalents		(593,743)	1,333,800
Cash and cash equivalents at beginning of year		4,782,100	3,448,300
Cash and cash equivalents at end of year		4,188,357	4,782,100
<u>Reconciliation to cash at bank and in hand:</u>			
Cash at bank and in hand		4,188,357	4,782,100
Cash and cash equivalents		4,188,357	4,782,100

The notes on pages 17 to 24 form an integral part of these financial statements.

Notes to the financial statements

for the year ended 31 March 2024

1. Principal accounting policies

Accounting policies

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

General information and basis of accounting

August Equity LLP is incorporated in England and Wales under the Limited Liability Partnership Act 2000. The address of the registered office is given on page 2. The nature of the LLP's operations and its principal activities are set out in the members' report on page 4.

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard 102 (FRS 102 - the Financial Reporting Standard applicable in United Kingdom and Republic of Ireland) issued by the Financial Reporting Council and the requirements of the Statement of Recommended Practice Accounting by Limited Liability Partnerships (issued December 2021).

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

Going concern

The LLP's business activities, together with factors likely to affect the future development and performance, are set out in the Members' report on page 4. The LLP meets its working capital requirements through receipt of income from funds under management and other investing activities. Part of this income is based on funds committed by partners in the limited partnerships it manages. This provides the LLP with a constant stream of income over a fixed period and is therefore not affected by the value of the funds under management. As a consequence, the LLP board believes that the Group is well placed to manage its business risks successfully.

The LLP board has reviewed the cash flow and projected income and expenses over the next twelve months from the date of approving these financial statements and deemed that the LLP and the Group have adequate financial resources to meet their obligations as they fall due.

Therefore, the board has a reasonable expectation that the LLP and the Group will continue in operational existence for at least twelve months from the date of approval of these financial statements. Accordingly, it continues to adopt the going concern basis in preparing the financial statements.

Basis of consolidation

The Group financial statements consolidate the financial statements of August Equity LLP and its subsidiaries, detailed in note 9. No statement of comprehensive income is presented for the LLP as is permitted by Section 408 of the Companies Act 2006. The results of subsidiaries acquired or sold are consolidated for the date from or to the date on which control passed. Intercompany balances and transactions are eliminated upon consolidation.

Investments

LLP investments relate to investments in group entities and are stated at cost less provision for any impairment. Group investments relate to commitments in certain funds, namely AEP OCV EP LP and AEP FFCV EP LP. These investments are stated at cost of commitments less provision for any impairment.

Turnover

Turnover, which excludes value added tax, comprises management fees, monitoring fees and other fees, recognised as earned. Where payments are received from third parties in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year. All turnover is generated in the United Kingdom.

Members' remuneration

Profits attributable to members are determined, allocated and divided between members according to allocation rules and percentages set out in the Limited Liability Partnership Agreement. Profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment. They are therefore treated as an expense and presented as members remuneration charged as an expense in the Statement of comprehensive income. To the extent that they remain unpaid at the period end, they are shown as liabilities. Members are not entitled to a return of capital where such return would result in a failure to maintain a regulatory capital reserve. This reserve is accordingly treated as equity and presented as such. At 31 March 2024, the LLP maintained a regulatory capital reserve of £1,000,019 (2023: £1,000,019).

Taxation in the LLP

The LLP is not subject to taxation and no provision for taxation has been made in the financial statements of the LLP. Each member is exclusively liable for tax liabilities arising out of their interests in the LLP.

Taxation payable within the Group

Certain subsidiary undertakings of the LLP are subject to taxation. In these cases United Kingdom corporation tax is provided at amounts expected to be paid (or recovered) using the tax rate and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Pension costs

Pension costs for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account when payable in accordance with the scheme particulars.

Interest expense

Interest expense is recognised on an accruals basis, by reference to the principal amount and at the effective interest rate applicable.

Interest income

Interest income is recognised on an accruals basis, by reference to the principal amount and at the effective interest rate applicable.

Notes to the financial statements (continued)

for the year ended 31 March 2024

1. Principal accounting policies (cont.)

Finance costs

Finance costs which are directly attributable to tangible fixed assets are capitalised as part of the cost of those assets.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and impairment. Depreciation is provided at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Leasehold improvements and office equipment - depreciated straight line over five years; and

IT equipment - depreciated straight line over three years from date of acquisition. Certain items are fully expensed in the year of acquisition.

Financial instruments - Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing 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.

Trade and other receivables are stated at their nominal value and reduced by provisions for estimated irrecoverable amounts, which approximates to their fair value and are receivable within 12 months.

The carrying amount of trade payables, which is their nominal value, approximates to their fair value.

Investments are stated at cost less provision for any impairment.

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.

Finance lease commitments

Assets obtained under finance leases are capitalised as tangible fixed assets at fair value and are depreciated over the shorter of the lease terms and their useful lives. Obligations under such agreements are included in creditors or under long term liabilities if for more than one year.

The finance element of the rental payment is charged to the profit and loss account so as to produce a constant annual rate of charge on the net obligation outstanding in each period.

Operating expenses

Operating expenses are recorded on an accruals basis in the period which the goods or services are used or received.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term. The total operating lease charge in the year was £358,814 (2023: £333,756). Further details of this charge are shown under note 6.

Cash flow statement

The LLP has not prepared a cash flow statement as it is a qualifying entity and as such has taken advantage of the exemption in FRS 102 Section 7 - Statement of Cash Flows. The Group prepares consolidated financial statements including a cash flow statement incorporating the results of the Group.

Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, the members are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Group's accounting policies - There were no critical accounting judgements that would have a significant effect on the amounts recognised in the financial statements.

Key source of estimation uncertainty - The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Office dilapidations - the year end provision of £75,000 is in relation to dilapidation costs for the removal of fixtures and fittings at the Slingsby Place office to restore the property to its original state at the time of the initial lease. The amount and timing of any resulting dilapidation charge is an accounting estimate.

Investments - the Group holds commitments in certain funds, namely AEP OCV EP LP and AEP FFCV EP LP. In the prior year these commitments were deemed to be short term holdings and therefore recognised in debtors. At the balance sheet date, the members believe that the commitments will be held for a period of at least 12 months following the approval of the financial statements and so they have been recognised as investments.

Notes to the financial statements (continued)

for the year ended 31 March 2024

2. Turnover

	<u>31 Mar 2024</u>	<u>31 Mar 2023</u>
	Group	Group
	(£)	(£)
Income from funds under management	12,188,845	11,454,589
Monitoring fee income	451,051	346,816
	<u>12,639,896</u>	<u>11,801,405</u>

All turnover is generated in the UK.

3. Members and staff costs

	<u>31 Mar 2024</u>	<u>31 Mar 2023</u>
	Group & Partnership	Group & Partnership
	Number	Number
Average monthly number of members	7	7
Average monthly number of employees	14	14
	<u>(£)</u>	<u>(£)</u>
Aggregate members' remuneration	7,103,406	6,867,951
Profit share of the highest paid member	1,475,209	2,383,976
The aggregate remuneration of employees comprised:		
Wages and salaries	2,302,222	2,303,501
Social security costs	338,683	369,753
Pension costs	95,196	94,231

Members' remuneration

- During the year the LLP paid members remuneration of £6,650,000 (2023: £5,600,000). At the year end further remuneration of £451,353 (2023: £1,267,951) remained outstanding for division among members.

- Loans and other debts due to members represent allocated profits not yet paid to members and are due within one year and would rank after unsecured creditors in the event of winding-up.

4. Interest receivable and other income

	<u>31 Mar 2024</u>	<u>31 Mar 2023</u>
	Group	Group
	(£)	(£)
Bank and other interest	0	17,090
Other income	62,999	58,483
	<u>62,999</u>	<u>75,573</u>

Notes to the financial statements (continued)

for the year ended 31 March 2024

5. Profit before taxation and members' remuneration and profit share

Profit before taxation and members' remuneration and profit share is stated after charging:

	<u>31 Mar 2024</u>	<u>31 Mar 2023</u>
	Group	Group
	(£)	(£)
Depreciation of tangible fixed assets		
- owned	(54,609)	(54,784)
- held under finance leases	(3,167)	(3,704)
Operating lease payments		
- office premises	(358,814)	(333,756)
Fees payable to the Group's auditor for		
<i>Total audit fees</i>		
- the audit of the LLP's annual consolidated accounts	(42,000)	(42,000)
- the audit of the LLP's subsidiaries accounts	(52,800)	(49,500)
<i>Total non-audit fees</i>		
- Audit related assurance services	(8,000)	(8,000)
- Taxation compliance services for the Group	(46,700)	(49,350)

6. Tax on profit of subsidiary companies

Taxation payable on profits of the LLP is the personal liability of the individual members and is not dealt with in these financial statements. Accordingly, the disclosures provided below relate only to current tax in respect of the corporate subsidiaries.

The tax charge comprises:

	<u>31 Mar 2024</u>	<u>31 Mar 2023</u>
	Group	Group
	(£)	(£)
Current tax charge on profit		
United Kingdom corporation tax at 19% (2023: 19%)	40	34
Prior year adjustment	(34)	(314)
Adjustment in respect of earlier years	0	0
Total tax (charge) on profit	<u>6</u>	<u>(280)</u>

Factors affecting tax charge for the year

The tax charge for the current year is higher (2023: higher) than that resulting from applying the UK standard rate of tax of 19% (2023: 19%). The differences are explained below.

Profit before members remuneration	7,101,089	6,859,925
Profit of subsidiary undertakings before tax	<u>(2,317)</u>	<u>(8,026)</u>
Tax thereon at 19% (2023: 19%)	439	(239,439)
Losses carried forward	0	0
Difference between accounting allocation and taxable allocation	5	19
Non taxable income	(404)	239,454
Prior year adjustment	(34)	(314)
Total current tax charge for the year	<u>6</u>	<u>(280)</u>
Deferred tax	0	0
Total tax charge for the year	<u>6</u>	<u>(280)</u>

Notes to the financial statements (continued)

for the year ended 31 March 2024

7. Investments in subsidiary undertakings

	31 Mar 2024	31 Mar 2023
	Group	Group
	(£)	(£)
AEP OCV EP LP	184,612	0
AEP FFCV EP LP	9,979	0
	<u>194,591</u>	<u>0</u>

The Group holds commitments in certain funds, namely AEP OCV EP LP and AEP FFCV EP LP. At the end of the prior year, these holdings were deemed to be short term holdings and as such were recognised in debtors. As at 31 March 2024, these holding are considered long term positions and as such are recognised as investments. The commitments in these funds require the Group to meet drawdown requests from the funds as they fall due. The Group earned gains on disposal of holdings in underlying funds of £4,766. The LLP incurred interest of £2,404 on loans to meet drawdown requests.

	31 Mar 2024	31 Mar 2023
	Partnership	Partnership
	(£)	(£)
Subsidiary undertakings of the LLP		
AEML	5,000	5,000
AEP II Execs GP Ltd	100	100
AEP II GP Ltd	100	100
AEP GP LLP	1	1
	<u>5,201</u>	<u>5,201</u>

Entity included in Group	Principal activity	Holding	%
AEML ¹	Intermediate holding company	Ordinary Shares	100
AEP II Execs GP Ltd ²	General partner of AEP II EP LP	Ordinary Shares	100
AEP II GP LP ²	Limited Partnership and general partner of AEP II A	Capital Account	94
* AEP III Execs GP Ltd ²	General partner of AEP III EP LP	Ordinary Shares	100
* AEP III GP Ltd ²	General partner of AEP III GP LP	Ordinary Shares	100
* AEP III GP LP ²	Limited Partnership and general partner of AEP III A	Capital Account	94
* AEP IV GP LLP ¹	Limited Liability Partnership and general partner of AEP IV A	Capital Account	100
* AEP IV GP Ltd ¹	General Partner of AEP IV GP LLP	Ordinary Shares	100
* AEP V GP LLP ¹	Limited Liability Partnership and general partner of AEP V A	Capital Account	100
* AEP V GP Ltd ¹	General Partner of AEP V GP LLP	Ordinary Shares	100
* AEP VI GP LLP ¹	Limited Liability Partnership and general partner of AEP VI A	Capital Account	100
* AEP VI GP Ltd ¹	General Partner of AEP VI GP LLP	Ordinary Shares	100
* AEP GP LLP ²	General partner of Scottish Limited Partnerships	Ordinary Shares	100
* AEP OCV GP LLP ¹	Limited Liability Partnership and general partner of AEP OCV LP	Capital Account	100
* AEP MVP GP LLP ¹	Limited Liability Partnership and general partner of AEP MVP LP	Capital Account	100
* AEP FFCV GP LLP ¹	Limited Liability Partnership and general partner of AEP FFCV LP	Capital Account	100
* AEP V Co-Invest GP LLP	General Partner of AEP V Co-Invest I LP	Capital Account	100
* AEP V Investment GP LLP	General Partner of AEP V Investment LP	Capital Account	100

* Subsidiary undertakings of AEML, an intermediate holding company within the AE LLP group.

Entity incorporated and registered in England and Wales. The registered office is 10 Slingsby Place, St Martins Courtyard, London, WC2E 9AB.¹

Entity incorporated and registered in Scotland. The registered office is 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ.²

Guaranteed entities

AEP II Execs GP Ltd, AEP II GP Ltd, AEP III Execs GP Ltd and AEP III GP Ltd prepared unaudited accounts for their financial statements for the year ended 31 December 2023 under section 479A of the companies Act 2006.

In accordance with Section 479C of the Companies Act 2006, August Equity LLP (OC313101) guarantees any outstanding liabilities of August Equity Partners II Executives GP Limited (SC308307), August Equity Partners II GP Limited (SC308304), August Equity Partners III Executives GP Limited (SC436140), August Equity Partners III GP Limited (SC436139) at 31 March 2024.

Notes to the financial statements (continued)

for the year ended 31 March 2024

8. Movements in tangible fixed assets (Group and Partnership)

	Owned (£)			Total (£)	Leased (£)	Total (£)
	Leasehold improvements	IT equipment	Office equipment		Office equipment	
Cost						
Balance at start of the year	417,127	193,670	231,610	842,407	18,518	860,925
Additions	19,849	40,325	6,693	66,867	12,181	79,048
Disposals	0	0	0	0	0	0
Balance at end of the year	436,976	233,995	238,303	909,274	30,699	939,973
Depreciation						
Balance at start of the year	(417,127)	(154,988)	(173,741)	(745,856)	(16,975)	(762,831)
Profit and loss charge	(992)	(30,807)	(22,810)	(54,609)	(3,167)	(57,776)
Disposals	0	0	0	0	0	0
Balance at end of the year	(418,119)	(185,795)	(196,551)	(800,465)	(20,142)	(820,607)
Net book value						
Balance at start of the year	0	38,682	57,869	96,551	1,543	98,094
Movements in the year	18,857	9,518	(16,117)	12,258	9,014	21,272
Balance at end of the year	18,857	48,200	41,752	108,809	10,557	119,366

9. Debtors: amounts falling due within one year

	31 Mar 2024		31 Mar 2023	
	Group (£)	Partnership (£)	Group (£)	Partnership (£)
Amounts due within one year:				
Trade debtors	1,693,358	1,693,358	637,337	637,337
Trade debtors provision	(80,000)	(80,000)	(80,000)	(80,000)
Amounts due from related parties	659,702	649,738	409,457	403,872
Amounts due from group	0	7,355	0	0
Prepayments	378,486	378,481	374,374	374,374
Taxation recoverable	40	0	34	0
Other debtors	247,766	442,357	2,053,508	2,053,508
	2,899,352	3,091,289	3,394,710	3,389,091

Amounts due from related parties are repayable on demand, unsecured and non-interest bearing.

Within Other Debtors are employee loans which are unsecured and repayable on demand that accrue interest at the HMRC prevailing rate. This includes £52,630 (2023: £1,522,163) due from members and £195,136 due from employees (2023: £531,345). The amount due from members is not within their capacity as members.

10. Creditors: amounts falling due within one year

	31 Mar 2024		31 Mar 2023	
	Group (£)	Partnership (£)	Group (£)	Partnership (£)
Trade creditors	56,202	56,202	246,069	238,069
Amounts payable to group	0	5,820	0	5,820
Amounts payable to members	0	0	301,110	301,110
Other creditors	63	0	63	0
Other tax and social security	692,289	692,289	604,716	604,716
Accruals	986,101	986,101	765,053	765,053
Deferred income	3,884,289	3,884,289	3,772,785	3,772,820
	5,618,944	5,624,701	5,689,796	5,687,588

Notes to the financial statements (continued)

for the year ended 31 March 2024

11. Creditors: amounts falling due after one year

	31 Mar 2024		31 Mar 2023	
	Group (£)	Partnership (£)	Group (£)	Partnership (£)
Finance leases				
Between one and two years	3,216	3,216	0	0
Between two and five years	11,256	11,256	0	0
	14,472	14,472	0	0

12. Provisions for liabilities

The provision of £75,000 as at 31 March 2024 (2023: £75,000) represents a future obligation for dilapidation costs incurred in removing fixtures and fittings at the Slingsby Place office and thus restoring the property to its original state at the time when the lease was entered.

The dilapidations are expected to be payable on cessation of the property lease term, which expires in January 2026. The liability of £75,000 has been estimated based on a £15 charge per square foot of floor space.

13. Reconciliation of operating profit to net cash inflow

	31 Mar 2024	31 Mar 2023
	Group (£)	Group (£)
Operating profit for the year	7,041,371	6,798,172
Decrease in debtors	495,357	598,488
(Decrease)/increase in creditors	(56,380)	91,093
Depreciation charges	57,776	58,488
Decrease/(increase) in taxation recoverable	6	(280)
Non-cash movement in investments*	(194,591)	0
Net cash inflow from operating activities	7,343,539	7,545,961

*Non-cash movement in investments relates to the impact of the reclassification of the Group's commitments in certain funds, namely AEP OCV EP LP and AEP FFCV EP LP, from debtors to investments.

14. Commitments

	31 Mar 2024		31 Mar 2023	
	Group (£)	Partnership (£)	Group (£)	Partnership (£)
Total future minimum lease payments under non-cancellable operating leases are:				
<i>Office premises lease payments:</i>				
<i>within one year</i>	358,814	358,814	358,814	358,814
<i>between one and five years</i>	274,147	274,147	632,961	632,961
<i>after five years</i>	0	0	0	0

15. Related party disclosures

Philip Rattle, David Lonsdale, Michael Biddulph, Mehul Patel, Kate Cook and Dan Venn were key management personnel of the LLP during the year and in the prior year. Kishan Chotai became key management personnel on 1 April 2023. Christian Dube resigned from the partnership 31 March 2024.

The LLP has taken advantage of the exemption in FRS 102 Section 33 - Related Party Disclosures from the requirement to disclose intra group transactions with companies.

By virtue of its significant influence, the LLP has related party relationships with certain limited partnerships under management and their portfolio assets.

In the year to March 2024, the LLP earned fees of £12,186,042 (2023: £11,484,172) from limited partnerships under management. At the year end, £2,814,859 (2023: £3,311,396) had been paid in advance to the LLP.

In the year to March 2024, the LLP invoiced monitoring fees of £2,447,712 (2023: £2,139,000) to the portfolio assets of the limited partnerships under management. At the year end, £780,000 (2023: £290,000) remained outstanding to the LLP. In the year to March 2024, the LLP invoiced recharged costs of £408,954 (2023: £270,485) to the portfolio assets of the limited partnerships under management. At the year end, £202,457 (2023: £4,253) remained outstanding to the LLP.

There were no other related party transactions in the year.

Notes to the financial statements (continued)

for the year ended 31 March 2024

15. Related party disclosures (continued)

There is a cross charge guarantee over the assets of the LLP with August Equity Partners IV A LP in relation to a facility with HSBC Innovation Bank Limited. The LLP acts as manager for August Equity Partners IV A LP.

There is a cross charge guarantee over the assets of the LLP with August Equity Partners V A LP in relation to a facility with HSBC Innovation Bank Limited. The LLP acts as manager for August Equity Partners V A LP.

There is a cross charge guarantee over the assets of the LLP with AEP V Investment LP in relation to a facility with HSBC Innovation Bank Limited. The LLP acts as manager for AEP V Investment LP.

16. Subsequent events

On 14 June 2024, August Equity Management Limited retired as a member of AE LLP.

On 15 April 2024, August Equity Partners VI A LP held its first close.

Between the date of the statement of financial position, 31 March 2024, and the date of approval of the financial statements, there were no subsequent events material to the financial statements.

17. Key management personnel

The total remuneration for key management personnel in the year was £7,103,406 (2023: £6,867,951).

18. Ultimate controlling party

The LLP does not have a controlling party and no individual member can exercise control.