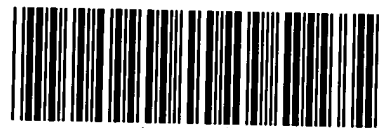


Registered number: OC331235

IQ CAPITAL PARTNERS LLP

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

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COMPANIES HOUSE

IQ CAPITAL PARTNERS LLP

INFORMATION

Designated Members

Mr M Bautin
Mr E P Stacey
Ms K Baldwin

Member

Mr S G M Hirtzel

LLP registered number

OC331235

Registered office

45 Whitfield Street, London, W1T 4HD

Independent auditors

Grant Thornton UK LLP, 30 Finsbury Square, London, EC2A 1AG

Bankers

Silicon Valley Bank, 14-18 Finsbury Square, London, EC2A 1BR

HSBC Innovation Banking Limited, 14-18 Finsbury Square, London, EC2A 1BR

National Westminster Bank, 250 Bishopsgate, London, EC2M 4AA

Accountants

Peters Elworthy & Moore, Salisbury House, Station Road, Cambridge, CB1 2LA

IQ CAPITAL PARTNERS LLP

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IQ CAPITAL PARTNERS LLP

MEMBERS' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The members present their annual report together with the audited financial statements of IQ Capital Partners LLP (the "LLP") for the ended 31 March 2024.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal objective of the LLP is to provide fund management services to the general partners of IQ Capital Fund I LP, IQ Capital Fund II LP, IQ Capital Side Car Fund LP, IQ Capital Fund III LP, IQ Capital Fund III C LP, IQ Capital Fund IV A LP, IQ Capital Fund IV C LP, IQ Capital Growth Fund I LP, IQ Capital Growth Fund II LP and IQ Capital SPV LP (collectively the "Venture Capital Funds"). During the year the LLP generated a profit of £4,000,905 (2023: £3,033,131). In July 2023, the Variation of Permission application was approved, hence from this date the LLP must comply with the regulatory requirements of MIFIDPRU.

DESIGNATED MEMBERS

Mr M Bautin, Mr E P Stacey and Ms K Baldwin were designated members of the LLP throughout the year.

MEMBERS

Mr S G M Hirtzel was a member of the LLP throughout the year.

MEMBERS' CAPITAL AND INTERESTS

Members Capital and Interest are governed by the Limited Liability Partnership Agreement (the "LLP Agreement"). Each member's subscription to the capital of the LLP is determined by their share of the profit.

Details of changes in members' capital in the year ended 31 March 2024 are set out in the Reconciliation of Members' Interests (page 10). Following the variation of permission, £825,000 was re-allocated to members' capital to comply with the regulatory requirements of MIFIDPRU.

Members are remunerated based on the Prior Profit Share and then from the profits of the LLP and are required to make their own provision for pensions and other benefits. Profits are allocated and divided between members as it is earned. Members are entitled to draw a fixed proportion of their Prior profit share each month, per clause 9.3 of the LLP Agreement. After the year end the remaining balance of their Prior profit share is distributed, subject to MIFIDPRU and the cash requirements of the business per clause 9 of the LLP Agreement.

GOING CONCERN AND PRINCIPAL RISKS AND UNCERTAINTIES FACING THE PARTNERSHIP

In assessing the ability of the LLP to continue as a going concern, the members have prepared relevant forecasts and sensitivity analysis. After making appropriate enquiries, reviewing the cash position and its expected cash inflows from Revenue (i.e. Fees received from the General Partners of the Venture Capital Funds) the Members concluded that the LLP has adequate resources to continue in operational existence for at least the next twelve months from the date of the approval of the financial statements. The investors remain committed into the Funds and so the members have also concluded there is not a risk that income is not converted to cash.

Accordingly, the Members continue to adopt the going concern basis in preparing the financial statements. In addition, the Members note the key business risks and uncertainties are default or bankruptcies in the Venture Capital Funds from investors or portfolio companies.

The Members considered the global geopolitical situations in Ukraine, Russia, the Middle East, and elsewhere and do not consider there to be a material impact on the LLP at the present time. The Members also considered the macroeconomic conditions, particularly in relation to the rise in interest rates in the United Kingdom over the past 18 months. As the LLP has no debt and its investments are not financed using long-term debt facilities, there is no material impact on the Partnership at the present time.

IQ CAPITAL PARTNERS LLP

**MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024**

MEMBERS' RESPONSIBILITIES STATEMENT

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 and Audit) (Application of Companies Act 2006) Regulations 2008 (the 2008 Regulations) requires the members to prepare financial statements for each financial year. Under the law the members have elected to prepare financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The financial statements are required by law to give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period.

In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Companies Act 2006 (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008). 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 LLP and financial information included on the LLP's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are members at the time when this Members' Report is approved has confirmed that:

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

This report was approved by the members and signed on their behalf by:

Max Bautin

**Mr M Bautin
Designated member**

Date: 24/7/2024

IQ CAPITAL PARTNERS LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IQ CAPITAL PARTNERS LLP

OPINION

We have audited the financial statements of IQ Capital Partners LLP (the 'Limited Liability Partnership') for the year ended 31 March 2024, which comprise the Statement of Comprehensive Income, Statement of Financial Position, Reconciliation of Members' Interests, Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 31 March 2024 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 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 the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

In our evaluation of the members' conclusions, we considered the inherent risks associated with the Limited Liability Partnership's business model including effects arising from macro-economic uncertainties, we assessed and challenged the reasonableness of estimates made by the members and the related disclosures and analysed how those risks might affect the Limited Liability Partnership's financial resources or ability to continue operations over the going concern period.

In auditing the financial statements, we have concluded that the members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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.

IQ CAPITAL PARTNERS LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IQ CAPITAL PARTNERS LLP (CONTINUED)

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 members' 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 2, 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.

IQ CAPITAL PARTNERS LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IQ CAPITAL PARTNERS LLP (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the Limited Liability Partnership and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the Members and management. We determined that the most significant laws and regulations were United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, applicable Financial Services and Markets Act 2000 (FSMA 2000) legislation and the CCAB Statement of Recommended Practice (SORP) 'Accounting by Limited Liability Partnerships';
- We enquired of the Members to obtain an understanding of how the Limited Liability Partnership is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the minutes of the Limited Liability Partnership's Members meetings, inspection of legal and regulatory correspondence and reports to the regulator, the Financial Conduct Authority (the 'FCA');
- We assessed the susceptibility of the Limited Liability Partnership's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
 - Evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud.
 - Testing journal entries, including manual journal entries processed at the year-end for financial statements preparation and journals with unusual account combinations; and
 - Challenging the assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement leader's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding of, and practical experience with, audit engagements of a similar nature and

IQ CAPITAL PARTNERS LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IQ CAPITAL PARTNERS LLP (CONTINUED)

- complexity, through appropriate training and participation.
 - Knowledge of the industry in which the Limited Liability Partnerships operates; and
 - Understanding of the legal and regulatory frameworks applicable to the Limited Liability Partnership.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit; and
 - In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Limited Liability Partnership's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the rules and interpretative guidance issued by the Financial Conduct Authority applicable to the Limited Liability Partnership and the scope of its authorisation; and
 - the Limited Liability Partnership's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations of the regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the Limited Liability Partnership's compliance with regulatory requirements, the authority of, and resources available to the compliance officer and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

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

USE OF OUR REPORT

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

Grant Thornton UK LLP

Mirza Ahmad (Senior Statutory Auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants and Statutory Auditors
30 Finsbury Square
London
EC2A 1AG
Date: 24/7/2024

IQ CAPITAL PARTNERS LLP

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 £	As restated 2023 £
Turnover	4	7,436,843	6,604,088
GROSS PROFIT		7,436,843	6,604,088
Administrative expenses		(3,589,833)	(3,586,413)
Other operating income		10,164	11,667
OPERATING PROFIT		3,857,174	3,029,342
Amounts written off and profit or loss on disposals of investments		137,935	-
Interest receivable and similar income		5,796	3,789
PROFIT FOR THE YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		4,000,905	3,033,131
Profit for the year before members' remuneration and profit shares		4,000,905	3,033,131
Members' remuneration charged as an expense		(4,000,905)	(3,033,131)
RESULTS FOR THE YEAR AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		-	-

There were no recognised gains or losses in the year other than those reported above.

The notes on pages 11 to 21 form part of these financial statements.

IQ CAPITAL PARTNERS LLP
REGISTERED NUMBER: OC331235

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Note	2024 £	As restated 2023 £
FIXED ASSETS			
Tangible assets	8	162,548	184,758
Investments	9	123,296	50,023
		285,844	234,781
CURRENT ASSETS			
Debtors: amounts falling due within one year	10	1,319,243	317,033
Cash and cash equivalents		1,368,306	1,095,030
		2,687,549	1,412,063
TOTAL CURRENT ASSETS			
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	11	(357,667)	(494,096)
		2,329,882	917,967
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES			
		2,615,726	1,152,748
NET ASSETS			
		2,615,726	1,152,748
REPRESENTED BY:			
TOTAL MEMBERS' INTERESTS			
Loans and other amounts due to members		1,785,170	1,147,192
Members' other interests		830,556	5,556
		2,615,726	1,152,748

The financial statements were approved and authorised for issue by the members and were signed on their behalf by:

Mr M Bautin

Mr M Bautin
Designated member

Date: 24/7/2024

The notes on pages 11 to 21 form part of these financial statements.

IQ CAPITAL PARTNERS LLP

**RECONCILIATION OF MEMBERS' INTERESTS
FOR THE YEAR ENDED 31 MARCH 2024**

	EQUITY	DEBT	Total
	Members' other interests (classified as equity)	Loans and other amounts due to members	
	£	£	£
BROUGHT FORWARD AT 1 APRIL 2022	5,000	1,587,511	1,592,511
Members' remuneration charged as an expense	-	3,033,131	3,033,131
Amounts introduced by members	556	-	556
Drawings	-	(3,473,450)	(3,473,450)
	<hr/>	<hr/>	<hr/>
Amounts due to members		1,147,192	
BALANCE AT 31 MARCH 2023	5,556	1,147,192	1,152,748
	<hr/>	<hr/>	<hr/>
BROUGHT FORWARD AT 1 APRIL 2023	5,556	1,147,192	1,152,748
Members' remuneration charged as an expense	-	4,000,905	4,000,905
Drawings	-	(2,537,927)	(2,537,927)
Reallocation to members capital	825,000	(825,000)	-
	<hr/>	<hr/>	<hr/>
Amounts due to members		1,785,170	
BALANCE AT 31 MARCH 2024	830,556	1,785,170	2,615,726
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 11 to 21 form part of these financial statements.

The LLP must comply with the relevant clauses in the LLP Agreement (specifically clause 7 and 25) and the regulatory requirements under MIFIDPRU when considering any reduction in members' other interests.

IQ CAPITAL PARTNERS LLP

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024**

	2024 £	As restated 2023 £
Profit before members' remuneration	4,000,905	3,033,131
ADJUSTMENTS FOR:		
Depreciation of tangible assets	52,570	51,843
Interest received	(5,796)	(3,789)
(Increase) in debtors	(143,689)	(60,169)
(Increase)/decrease in amounts owed by groups	(858,521)	2,590,834
Decrease in creditors	(113,201)	(1,241,303)
(Decrease)/increase in amounts owed to groups	(23,228)	104,493
Investment impairments	26,284	-
Income received on disposal of investments	(164,219)	-
NET CASH GENERATED FROM OPERATING ACTIVITIES BEFORE TRANSACTIONS WITH MEMBERS	<u>2,771,105</u>	<u>4,475,040</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(30,360)	(26,056)
Purchase of fixed asset investments	(99,557)	(2)
Income received on disposal of investments	164,219	-
Interest received	5,796	3,789
NET CASH FROM INVESTING ACTIVITIES	<u>40,098</u>	<u>(22,269)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Members' capital contribution	-	556
Members' drawings	(2,537,927)	(3,473,450)
NET CASH USED IN FINANCING ACTIVITIES	<u>(2,537,927)</u>	<u>(3,472,894)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	<u>273,276</u>	<u>979,877</u>
Cash and cash equivalents at beginning of year	1,095,030	115,153
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u>1,368,306</u>	<u>1,095,030</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	<u>1,368,306</u>	<u>1,095,030</u>

The notes on pages 11 to 21 form part of these financial statements.

IQ CAPITAL PARTNERS LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. GENERAL INFORMATION

IQ Capital Partners LLP (the "LLP") is a limited liability partnership incorporated in England and Wales. The registered office is 45 Whitfield Street, London, W1T 4HD.

The Partnership's functional and presentational currency is GBP.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" (issued December 2021).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the LLP's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 EXEMPTION FROM PREPARING CONSOLIDATED FINANCIAL STATEMENTS

The Members of the LLP have reviewed whether the subsidiaries of the LLP, including the General Partners of the Venture Capital Funds and the Members of the General Partners of the Venture Capital Funds, should be consolidated in these financial statements. Following this review, it was concluded by the Members that the combined impact of these entities is immaterial to the financial performance and financial position of the LLP. Consequently, they have not been consolidated in these financial statements.

2.3 GOING CONCERN

In assessing the ability of the LLP to continue as a going concern, the Members have prepared relevant forecasts. After making appropriate enquiries, reviewing the cash position of the LLP, the level of uncalled commitments, and its expected cash outflows, the Members have concluded that the LLP has adequate resources to continue in operational existence for at least the next twelve months from the date of approval of the financial statements. Accordingly, the Members continue to adopt the going concern basis in preparing the financial statements. In addition, the Members note the key business risks and uncertainties are losses or bankruptcies in the companies in which the LLP is invested.

The Members have considered the geopolitical situation in Ukraine, Russia, the Middle East, and elsewhere and do not consider there to be a material impact on the LLP at the present time. The Members also considered the macroeconomic conditions, particularly in relation to the rise in interest rates in the United Kingdom over the past 18 months. As the LLP has no debt and its investments are not financed using long-term debt facilities, there is no material impact on the LLP at the present time.

IQ CAPITAL PARTNERS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. ACCOUNTING POLICIES (CONTINUED)

2.4 TURNOVER

Turnover relates to Fees received from the General Partners of the Venture Capital Funds as defined in the relevant section of each Management Agreement (between the LLP and relevant Venture Capital Fund's General Partner).

Turnover comprises Management fees, Monitoring fees, Arrangement fees and Directorship fees in respect of services supplied during the year.

Revenue is recognised as it is earned on an accruals basis and invoices are raised, typically on a quarterly basis, on the first day of the quarter in advance.

2.5 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The LLP's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.6 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	-	10% straight line over the lease period
Fixtures and fittings	-	33% straight line
Equipment	-	33% straight line
Other fixed assets	-	20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

IQ CAPITAL PARTNERS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. ACCOUNTING POLICIES (CONTINUED)

2.7 VALUATION OF INVESTMENTS

Investments in subsidiaries are held at cost less accumulated impairment.

Consolidated financial statements have not been prepared as the subsidiaries are considered immaterial for the purpose of giving a true and fair view of the LLP's financial performance and financial position.

2.8 DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Debtors are reviewed annually for recoverability and provisions are made on a specific basis where receipt of that debtor is no longer probable.

2.9 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand and amounts held with third parties which are readily converted into cash, with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings within current liabilities.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the LLP's cash management.

2.10 CREDITORS

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 OPERATING LEASES

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.12 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The LLP operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the LLP pays fixed contributions into a separate entity. Once the contributions have been paid the LLP has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the LLP in independently administered funds.

IQ CAPITAL PARTNERS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

2. ACCOUNTING POLICIES (CONTINUED)

2.13 DIVISION AND DISTRIBUTION OF PROFITS

A division of profits is the mechanism by which the profits of an LLP become a debt due to members. A division may be automatic or discretionary, may relate to some or all of the profits for a financial period and may take place during or after the end of a financial period.

An automatic division of profits is one where the LLP does not have an unconditional right to avoid making a division of an amount of profits based on the members' agreement in force at the time, whereas a discretionary division of profits requires a decision to be made by the LLP, which it has the unconditional right to avoid making.

The LLP, in accordance with MIFIDPRU requirements, will make transfers of undistributed profit from loans and other amounts due to members to members' other interests (members' capital accounts).

The LLP divides profits automatically, subject to the MIFIDPRU requirements being met. Automatic divisions of profits are recognised as 'Members' remuneration charged as an expense' in.

During the year, the members set the level of members' monthly drawings after considering the interim profit calculations and the LLP's working capital needs. The LLP agreement provides that the profit, after a prior profit share, be allocated in accordance with the profit sharing ratios as set out in the members' agreement. Such payments and allocations are accounted for as an expense and are shown within members' remuneration.

The LLP classifies distributions of profits as operating cash flows in the Statement of Cash Flows.

2.14 LOANS AND OTHER AMOUNTS DUE TO MEMBERS

In the unlikely scenario of a winding up of the LLP, any surplus Loans and other amounts due to members will be distributed to the members in accordance with the agreed percentages after payment of all amounts due to the creditors of the LLP and expenses of the winding up.

2.15 OTHER AMOUNTS DUE TO MEMBERS

Other amounts due to members includes members initial contribution and any subsequent contributions. Together these form the Members' Capital Accounts. This is governed in accordance with clause 7 of the LLP Agreement. The members shall at all times maintain any permanent minimum capital requirement within the Members' Capital Accounts in accordance with rule 4.4 of MIFIDPRU.

IQ CAPITAL PARTNERS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the LLP's accounting policies, described above, 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 relevant. Actual results may differ from these estimates. These estimates and assumptions are reviewed on an ongoing basis and any significant changes identified will be applied retrospectively by restating prior periods unless restatement is impracticable

The General Partner has concluded that there are no critical accounting judgements or key sources of estimation uncertainty other than the fixed asset investments.

4. TURNOVER

	2024 £	As restated 2023 £
Management fees	6,206,794	6,586,602
Monitoring fees	691	4,145
Arrangement fees	1,227,357	1,341
Directorship fees	2,001	12,000
	<u>7,436,843</u>	<u>6,604,088</u>

5. AUDITORS' REMUNERATION

During the year, the LLP obtained the following services from the LLP's auditors:

	2024 £	2023 £
Fees payable to the auditor of the LLP for provision of audit services	33,000	30,000

IQ CAPITAL PARTNERS LLP

**NOTES TO THE FINANCIAL STATEMENTS
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6. EMPLOYEES

Staff costs were as follows:

	2024	2023
	£	£
Wages and salaries	1,681,988	1,492,024
Social security costs	189,928	196,199
Pension costs	58,490	59,350
	<u>1,930,406</u>	<u>1,747,573</u>

The average monthly number of persons (including members with contracts of employment) employed during the year was as follows:

	2024	2023
	No.	No.
Employees	<u>18</u>	<u>17</u>

7. INFORMATION IN RELATION TO MEMBERS

	2024	2023
	Number	Number
The average number of members during the year was	<u>4</u>	<u>4</u>

	2024	2023
	£	£
The average members remuneration during the year was	<u>1,000,226</u>	<u>758,283</u>
Paid under the terms of the LLP agreement	<u>4,000,905</u>	<u>3,033,131</u>
	<u>4,000,905</u>	<u>3,033,131</u>
Profit attributable to the member with the largest entitlement	<u>1,150,271</u>	<u>859,939</u>

IQ CAPITAL PARTNERS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

8. TANGIBLE FIXED ASSETS

	Short-term leasehold property £	Office equipment £	Other fixed assets £	Total £
COST OR VALUATION				
At 1 April 2023	197,490	151,107	11,474	360,071
Additions	-	27,629	2,731	30,360
At 31 March 2024	<u>197,490</u>	<u>178,736</u>	<u>14,205</u>	<u>390,431</u>
DEPRECIATION				
At 1 April 2023	70,613	98,470	6,230	175,313
Charge for the year	19,749	30,174	2,647	52,570
At 31 March 2024	<u>90,362</u>	<u>128,644</u>	<u>8,877</u>	<u>227,883</u>
NET BOOK VALUE				
At 31 March 2024	<u>107,128</u>	<u>50,092</u>	<u>5,328</u>	<u>162,548</u>
At 31 March 2023	<u>126,877</u>	<u>52,637</u>	<u>5,244</u>	<u>184,758</u>

IQ CAPITAL PARTNERS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

9. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 April 2023	200,126
Additions	99,557
Disposals	(147,110)
At 31 March 2024	152,573
IMPAIRMENT	
At 1 April 2023	150,103
Charge for the period	26,284
Reversal of impairment on disposals	(147,110)
At 31 March 2024	29,277
NET BOOK VALUE	
At 31 March 2024	123,296
At 31 March 2023	50,023

IQ CAPITAL PARTNERS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

9. FIXED ASSET INVESTMENTS (CONTINUED)**SUBSIDIARY UNDERTAKINGS**

The following were subsidiary undertakings of the LLP:

Name	Registered office	Class of shares	Holding
IQ Capital Partners GP Limited	45 Whitfield Street, London, W1T 4HD	Ordinary	100%
IQ Founder Partner (GP) Limited	C/O Brodies LLP, Capital Square, 58 Morrison Street, Edinburgh, EH3 8BP	Ordinary	100%
IQ Capital Directors Nominees Ltd	45 Whitfield Street, London, W1T 4HD	Ordinary	100%
IQ Capital Partners GP II Limited	45 Whitfield Street, London, W1T 4HD	Ordinary	100%
IQ Founder Partner (GP) II Limited	C/O Brodies LLP, Capital Square, 58 Morrison Street, Edinburgh, EH3 8BP	Ordinary	100%
IQ Capital Partners Nominee Limited	45 Whitfield Street, London, W1T 4HD	Ordinary	100%
IQ Founder Partner (GP) III Limited	C/O Brodies LLP, Capital Square, 58 Morrison Street, Edinburgh, EH3 8BP	Ordinary	100%
IQCP III A1 Limited	45 Whitfield Street, London, W1T 4HD	Ordinary	100%
IQCP III A2 Limited	45 Whitfield Street, London, W1T 4HD	Ordinary	100%
IQCP III C1 Limited	45 Whitfield Street, London, W1T 4HD	Ordinary	100%
IQCP III C2 Limited	45 Whitfield Street, London, W1T 4HD	Ordinary	100%
IQ Founder Partner (GP) Growth Limited	C/O Brodies LLP, Capital Square, 58 Morrison Street, Edinburgh, EH3 8BP	Ordinary	100%
IQCP GF1 Limited	45 Whitfield Street, London, W1T 4HD	Ordinary	100%
IQCP GF2 Limited	45 Whitfield Street, London, W1T 4HD	Ordinary	100%
IQCP IV A1 Limited	45 Whitfield Street, London, W1T 4HD	Ordinary	100%
IQCP IV A2 Limited	45 Whitfield Street, London, W1T 4HD	Ordinary	100%
IQCP IV C1 Limited	45 Whitfield Street, London, W1T 4HD	Ordinary	100%
IQCP IV C2 Limited	45 Whitfield Street, London, W1T 4HD	Ordinary	100%
IQ Capital Partners GP SPV Limited	45 Whitfield Street, London, W1T 4HD	Ordinary	100%

IQ CAPITAL PARTNERS LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024**

9. FIXED ASSET INVESTMENTS (CONTINUED)

SUBSIDIARY UNDERTAKINGS (CONTINUED)

Name	Registered office	Class of shares	Holding
IQCP GFII 1 Limited	45 Whitfield Street, London, W1T 4HD	Ordinary	100%
IQCP GFII 2 Limited	45 Whitfield Street, London, W1T 4HD	Ordinary	100%

10. DEBTORS

	2024	As restated 2023
	£	£
Trade debtors	28,261	10,414
Amounts owed by group undertakings	967,528	109,007
Other debtors	143,920	49,901
Prepayments and accrued income	179,534	147,711
	<u>1,319,243</u>	<u>317,033</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Trade creditors	55,257	108,059
Amounts owed to group undertakings	206,619	229,847
Other taxation and social security	47,062	58,814
Other creditors	8,079	30,153
Accruals and deferred income	40,650	67,223
	<u>357,667</u>	<u>494,096</u>

12. PRIOR YEAR ADJUSTMENT

During the year, it was identified that income for the year ending 31 March 2023 was overstated by £182,907. This overstatement related to management fees earned from IQ Capital Side Car Fund LP. The cash for this income was not received by the prior year-end (31 March 2023) and was therefore recognised as a debtor. The overstatement was corrected, and consequently, the net assets and income of the LLP for the year ending 31 March 2023 have been reduced by £182,907.

IQ CAPITAL PARTNERS LLP

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13. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2024 the LLP had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024 £	2023 £
Not later than 1 year	194,762	83,300
Later than 1 year and not later than 5 years	372,017	34,708
	<u>566,779</u>	<u>118,008</u>

14. RELATED PARTY TRANSACTIONS

The LLP has taken an exemption under section 33.1A of FRS 102 and has not disclosed transactions with related parties or key management personnel. The members are considered to be key management personnel and their remuneration is disclosed within note 7.

As at 31 March 2024 the total amounts due on an aggregate basis are:

- The LLP is owed £967,528 (2023: £109,007) from entities which it either directly or indirectly exercises control over.
- The LLP owes £206,619 (2023: £229,847) to entities which it either directly or indirectly exercises control over.

15. POST BALANCE SHEET EVENTS

Subsequent events that require recognition or disclosure in the financial statements have been evaluated up to and including 24 July 2024, which is the date that the financial statements were available to be issued.

There are no subsequent events which require recognition in the financial statements.

16. CONTROLLING PARTY

The partners do not consider there to be an ultimate controlling party.