

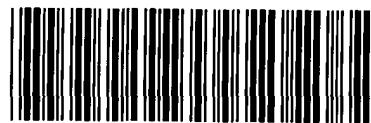
Registered No. OC324798

**DN Capital (UK) LLP**

Consolidated Report and Financial Statements

For the year ended 31 December 2020

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**DN Capital (UK) LLP**

**Annual report and financial statements for the year ended 31 December 2020**

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**DN Capital (UK) LLP**

**Members and Professional Advisers**

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**Designated Members**

Nenad Marovac  
DN Capital Limited

**Members**

John Horton  
Thomas Rubens  
Ian Marsh  
Guy Ward Thomas  
Teemu Mattila  
Ragnar Jongen  
Susann Aulbach (appointed on 20 January 2020)

**Registered office**

2 Queen Anne's Gate Buildings, Dartmouth Street, London SW1H 9BP

**Registered number**

OC324798

**Country of incorporation**

United Kingdom

**Auditor**

BDO LLP, 55 Baker Street, London, W1U 7EU

## **DN Capital (UK) LLP**

### **Strategic report for the year ended 31 December 2020**

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The Members have pleasure in presenting the strategic report and the consolidated financial statements of DN Capital (UK) LLP (the "LLP") for the year ended 31 December 2020.

#### **Review of the business**

The consolidated statement of comprehensive income and retained earnings is set out on page 8 and shows revenue for the year of £5.2 million (2019: £5.1 million) and a profit before Members' remuneration of £3.3 million (2019: £2.6 million). The Designated Members consider the results satisfactory and that the COVID 19 pandemic does not have a material impact on the financial position of the business. They anticipate that the LLP will continue to trade profitably for the foreseeable future.

Since the statement of financial position date, there have been no events materially affecting the position of the LLP or the Group.

#### **Key performance indicators ("KPIs")**

Given the straightforward nature of the business, the Designated Members are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

#### **Principal risks and uncertainties**

The LLP and the Group derive the majority of their revenues in respect of their role as investment adviser to the General Partners of five venture capital funds and so face risks and uncertainties derived from dependence on these clients. However, the Designated Members consider it unlikely that these clients will be lost. The firm raised an institutional venture capital fund and a Special Purpose Vehicle during 2020.

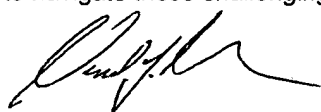
The General Partners receive General Partner Share ("GPS") or management fees quarterly in advance from the venture capital funds. The GPS or management fees is a contractual amount that is recalculated at the start of each year based upon either investor Commitments or residual cost adjusted for undrawn Commitments.

The LLP bills its management fees to the General Partners and recharges some of its travel and related expenses associated with monitoring the investments to the portfolio companies. These fees are billable in currencies other than sterling. However, the Designated Members monitor foreign exchange movements and take out forward contracts where necessary.

The current cash position, operating costs and cash flow projections are monitored on a regular basis. The Designated Members consider that the LLP has sufficient capital and revenues to meet its business requirements for a period of at least twelve months, taking the current COVID-19 pandemic into consideration, from the date of approval of these financial statements. The contractual and predictable revenue streams mean that the firm has sufficient time to take corrective action.

The LLP is authorised and regulated by the Financial Conduct Authority and reports its financial position to the regulator on a quarterly basis. The LLP and the Group have no loan facilities at present.

In light of the COVID-19 pandemic, the members and employees of the LLP and the Group are working remotely with all travel related activities on hold. The team remains in regular contact with one another, investors, portfolio companies and key suppliers via e-mails and video conference calls. The majority of the firm's information systems are held in the Cloud which means that day-to-day business activities are largely unaffected. The focus is upon supporting the management teams of the portfolio companies of the funds, to which the LLP is investment adviser, to navigate these challenging times and selectively to make new and follow-on investments.



Nenad Marovac

Approved and signed on behalf of the Designated Members on 28 April 2021.

## **DN Capital (UK) LLP**

### **Report of the Members for the year ended 31 December 2020**

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The Members have pleasure in presenting their report and the consolidated financial statements of DN Capital (UK) LLP (the "LLP") for the year ended 31 December 2020.

#### **Principal activities**

The consolidated financial statements comprise the financial statements of DN Capital (UK) LLP together with its subsidiary undertakings (the "Group"). The subsidiary undertakings are set out in note 1 to the financial statements.

The LLP and the Group's principal activity is to act as manager of five venture capital funds, including two funds raised during 2020. The LLP is authorised and regulated by the Financial Conduct Authority in the UK. DN Capital (US) Inc, its wholly owned subsidiary, is a SEC registered Exempt Reporting Advisor

The review of the business is set out in the strategic report on page 2.

#### **Members**

The following Designated Members have held office throughout the reporting year:

Nenad Marovac  
DN Capital Limited

The following Members have held office during the reporting year:

John Horton  
Ragnar Jongen  
Ian Marsh  
Teemu Mattila  
Thomas Rubens  
Guy Ward-Thomas  
Susann Aulbach (appointed 20 January 2020)

The Members may only contribute to the LLP's capital in accordance with the terms of the LLP agreement.

#### **Principal risks and uncertainties**

The principal risks and uncertainties are set out in the strategic report on page 2.

#### **Policy with respect to Members' drawings and the subscription and repayment of Members' capital**

Profit share is paid to certain Members under the terms of the LLP agreement and represents an allocation of profits. Profits are allocated up to the aggregate guaranteed drawings within remaining profits allocated between Members in accordance with their profit-sharing percentages. The management committee may from time to time determine that all or part of any profits available for allocation between the Members be retained in a reserve account as a reserve against liabilities of the LLP.

Members may from time to time make drawings, which represent allocated profits paid on account. The level and timing of these distributions is determined by the Management Committee taking into account the LLP's cash requirements.

## DN Capital (UK) LLP

### Report of the Members for the year ended 31 December 2020 *(Continued)*

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#### Statement of Members' responsibilities

The Members are responsible for preparing the strategic report, **Members'** report and financial statements in accordance with applicable law and regulation.

The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008 require the Members to prepare financial statements for each financial year. Under these regulations 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). Under these 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 Limited Liability Partnership and of the profit or loss of the Limited Liability 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Limited Liability Partnership will continue in business.

The Members are responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Liability Partnership's transactions, disclose with reasonable accuracy at any time the financial position of the Limited Liability Partnership, and enable them to ensure that the financial statements comply with 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 Limited Liability Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Auditor

All of the current Members have taken all necessary steps to make themselves aware of any information needed by the LLP's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Members do not know of any relevant audit information of which the auditors are unaware.

A resolution to reappoint BDO LLP as auditors will be put to the Members at the Annual General Meeting.



Nenad Marovac

Approved and signed on behalf of the Designated Members on 28 April 2021.

## **DN Capital (UK) LLP**

### **Report of the independent auditors**

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#### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DN CAPITAL (UK) LLP**

##### **Opinion on the financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the Limited Liability Partnership's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

We have audited the financial statements of DN Capital (UK) LLP ("the Limited Liability Partnership") for the year ended 31 December 2020 which comprise the consolidated statement of comprehensive income and retained earnings, the consolidated statement of financial position, the partnership statement of financial position, the consolidated statement of cash flows for the year and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We 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**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Limited Liability Partnership's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### **Other information**

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Other Companies Act 2006 reporting as applied to limited liability partnerships**

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

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

### **Responsibilities of Members**

As explained more fully in the Report of the Members, the Members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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



## **DN Capital (UK) LLP**

### **Report of the independent auditors (*Continued*)**

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

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

We gained an understanding of the legal and regulatory framework applicable to DN Capital (UK) LLP and the industry in which it operates and considered the risk of acts by DN Capital (UK) LLP which would be contrary to applicable laws and regulations, including fraud.

We focused on laws and regulations that could give rise to a material misstatement in the DN Capital (UK) LLP financial statements.

Our tests included, but were not limited to:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiry of management;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and
- considering the effectiveness of the control environment in monitoring compliance with laws and regulations.

We also communicated relevant identified 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.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the Limited Liability Partnership's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006 as applied by Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the Limited Liability Partnership's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Partnership and the Limited Liability Partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

*BDO LLP*

Vanessa-Jayne Bradley (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London, United Kingdom  
28 April 2021

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

**DN Capital (UK) LLP**

**Consolidated statement of comprehensive income and retained earnings for the year ended 31 December 2020**

	<b>Note</b>	<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
<b>Revenue</b>	<b>1</b>	<b>5,173,603</b>	<b>5,097,027</b>
Administrative expenses		(1,866,194)	(2,510,422)
<b>Operating profit</b>	<b>4</b>	<b>3,307,409</b>	<b>2,586,605</b>
Interest receivable and similar income		29	162
Interest payable and similar charges		-	-
<b>Profit on ordinary activities before taxation</b>		<b>3,307,438</b>	<b>2,586,767</b>
Taxation on profit on ordinary activities	<b>5</b>	(7,955)	(158)
<b>Profit for the financial year before Members' remuneration and profit shares</b>		<b>3,299,483</b>	<b>2,586,609</b>
Members' remuneration charged as an expense	<b>12</b>	(2,806,504)	(2,569,411)
<b>Profit for the financial year available for discretionary division among Members</b>	<b>12</b>	<b>492,979</b>	<b>17,198</b>
<b>Total retained earnings for the year</b>		<b>492,979</b>	<b>17,198</b>
<b>Total comprehensive income for the year available for discretionary division among Members</b>		<b>492,979</b>	<b>17,198</b>

There is no other comprehensive income other than the results for the period disclosed above.  
All of the activities of the Group are classed as continuing.

The notes on pages 12 to 22 form part of these financial statements.

**DN Capital (UK) LLP**

**Consolidated statement of financial position at 31 December 2020**

Registered No. OC324798	Note	2020	2020	2019	2019
		£	£	£	£
<b>Non-current assets</b>					
Property, plant and equipment	6	14,700		19,070	
Intangible asset	7	<u>665,776</u>		<u>-</u>	
			680,476		19,070
<b>Current assets</b>					
Debtors	9	642,687		420,335	
Cash and cash equivalents		<u>1,217,682</u>		<u>1,362,754</u>	
		1,860,369		1,783,089	
<b>Creditors: amount falling due within one year</b>	10	(1,337,330)		(1,406,400)	
<b>Net current assets</b>			523,039		376,689
<b>Creditors: amount falling due after one year</b>	11		<u>(231,970)</u>		<u>-</u>
<b>Net assets attributable to Members</b>			971,545		395,759
			<u>971,545</u>		<u>395,759</u>
<b>Represented by:</b>					
Loans and other debts due to Members			80,902		-
Other Members' interests classified as equity			570,643		75,759
Members' capital classified as equity			320,000		320,000
			<u>971,545</u>		<u>395,759</u>
			<u>971,545</u>		<u>395,759</u>
<b>Total Members' interests</b>					
Amounts due from Members	12		-		(43,776)
Loans and other debts due to Members	12		80,902		-
Other reserves	12		570,643		75,759
Members' capital classified as equity	12		320,000		320,000
			<u>971,545</u>		<u>351,983</u>
			<u>971,545</u>		<u>351,983</u>

The financial statements were approved by the Designated Members and authorised for issue on 28 April 2021.



Nenad Marovac

The notes on pages 12 to 22 form part of these financial statements.

**DN Capital (UK) LLP**

**Partnership statement of financial position at 31 December 2020**

	Note	2020 £	2020 £	2019 £	2019 £
<b>Non-current assets</b>					
Property, plant and equipment	6	12,255		15,974	
Investment in subsidiary	8	10,936		10,936	
			23,191		26,910
<b>Current assets</b>					
Debtors	9	548,714		260,744	
Cash and cash equivalents		496,388		331,550	
		1,045,102		592,294	
<b>Creditors: amount falling due within one year</b>	10	(650,590)		(299,204)	
<b>Net current assets</b>			394,512		293,090
<b>Net assets attributable to Members</b>			417,703		320,000
<b>Represented by:</b>					
Loans and other debts due to Members	12		97,703		-
Members' capital classified as equity	12		320,000		320,000
			417,703		320,000
<b>Total Members' interests</b>					
Amounts due from Members	12		-		(26,976)
Loans and other debts due to Members	12		97,703		-
Members' capital classified as equity	12		320,000		320,000
			417,703		293,024

The financial statements were approved by the Designated Members and authorised for issue on 28 April 2021.



Nenad Marovac

The notes on pages 12 to 22 form part of these financial statements.

**DN Capital (UK) LLP**

**Consolidated statement of cash flows for the year ended 31 December 2020**

	Note	2020	2019
		£	£
<b>Cash flows from operating activities</b>			
<b>Profit for the financial year</b>		3,299,483	2,586,609
Adjustments for:			
Depreciation and amortisation of non-current assets		104,203	23,214
Net interest receivable		(29)	(162)
Taxation expense		325	158
(Increase)/decrease in trade and other debtors		(397,335)	(28,174)
(Decrease) / increase in trade creditors		(390,292)	1,045,491
Taxation paid		(622)	(588)
<b>Cash from operations</b>		2,615,733	3,626,547
Members' drawings	12	(2,681,826)	(3,010,482)
<b>Net cash (absorbed by)/generated from operating activities</b>		(66,093)	616,065
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	(11,993)	(19,761)
Payments for an intangible asset		(76,784)	-
<b>Cash flows from financing activities</b>			
Interest received		29	162
<b>Net (decrease)/increase in cash and cash equivalents</b>		(154,841)	596,466
Cash and cash equivalents at beginning of year		1,362,754	758,162
Foreign exchange gains		9,769	8,126
<b>Cash and cash equivalents at end of year</b>		1,217,682	1,362,754

The notes on pages 12 to 22 form part of these financial statements.

## DN Capital (UK) LLP

### Notes forming part of the financial statements for the year ended 31 December 2020

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#### 1 Accounting policies

The financial statements have been prepared on a going concern basis and in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, Companies Act 2006 as applied by the Partnership and the Statement of Recommended Practice (2018), 'Accounting by Limited Liability Partnerships'.

##### Parent LLP disclosure exemptions

In preparing the separate financial statements of the parent LLP, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No statement of cash flows has been presented for the parent LLP;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent LLP as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

##### *Basis of consolidation*

The consolidated financial statements present the results of DN Capital (UK) LLP and its subsidiaries ("the Group") as if they formed a single entity. Intergroup transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of subsidiaries using the acquisition method. In the statement of financial position, the acquiree's identifiable assets and liabilities are initially recognised at their fair values at the acquisition date. The results of subsidiary undertakings are included in the consolidated statement of comprehensive income and retained earnings from the date of acquisition. The subsidiary undertakings are disclosed in Note 8.

The Group excludes from consolidation the co-investment and carry partner interests in DN Capital – Global Venture Capital IV LP and DNC GVC IV GP LP, which are both registered in Scotland, and DN Capital – Global Venture Capital V SCSp and DN Capital GVC V SLP SCSp, which are both registered in Luxembourg, on the basis that DN Capital (UK) LLP does not have the power to govern the financial and operating policies, so as to obtain benefits from their activities.

As permitted by Section 408 of the Companies Act 2006, no separate statement of comprehensive income is presented for the LLP. The Group profit for the period includes a profit attributable to Members of £nil (2019: £nil) shown within the consolidated statement of financial position on page 9.

##### *Going concern*

The current cash position, operating costs and cash flow projections are monitored on a regular basis. The Designated Members consider that the LLP has sufficient capital and revenues to meet its business requirements for a period of at least twelve months, taking the current COVID-19 pandemic into consideration, from the date of approval of these financial statements. The contractual and predictable revenue streams mean that the firm has sufficient time to take corrective action.

##### *Revenue*

The revenue shown in the statement of comprehensive income represents the value of non recourse loans received as general partner share and investment advisory services recognised as earned during the year, exclusive of Value Added Tax. Performance fees are recognised at the end of the performance year to which they relate, at which time they become due and payable.

## DN Capital (UK) LLP

### Notes forming part of the financial statements for the year ended 31 December 2020 (*Continued*)

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#### 1 Accounting policies (continued)

##### *Expenses*

Expenses are accounted for on an accruals basis. The Partnership makes estimates and assumptions concerning the future. The members consider there to be no significant estimates judgements included in these accounts.

##### *Foreign currencies*

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. All exchange differences are recognised in the statement of comprehensive income and retained earnings.

##### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, evenly over their expected useful lives. It is calculated at the following rate:

Computers and software – 50% straight line  
Leasehold improvements – over the remaining period of the lease (straight line)

##### *Intangible assets*

Placement fees payable to obtain investor commitments are capitalised as intangible assets. These assets are amortised on a straight-line basis over a five-year period (which is consistent with the Investment Periods of the underlying fund). The carrying value is assessed for impairment at the end of each financial period with provisions made where necessary.

##### *Operating leases*

Annual rentals are charged to operating profit on a straight-line basis over the lease term.

##### *Investments*

Investments in property, plant and equipment, and subsidiaries are included at cost less any provision required for permanent diminution in value.

##### *Financial assets*

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

##### *Financial liabilities*

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (after deducting transaction costs) and subsequently held at amortised cost.

##### *Member's participation rights*

Members' participation rights are the rights of a member that arise under the Members' agreement.

Members' participation rights in the earnings or assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity. A Members' participations rights results in a liability unless the right to any payment is discretionary on the part of the LLP.

## DN Capital (UK) LLP

### Notes forming part of the financial statements for the year ended 31 December 2020 (Continued)

#### 1 Accounting policies (continued)

Amounts subscribed or otherwise contributed by Members are classified as equity as it is intended to be maintained for regulatory capital adequacy requirements.

Where profits are automatically divided as they arise, so the LLP does not have an unconditional right to refuse payment, the amounts arising that are due to the Members are in the nature of liabilities. They are therefore treated as an expense in the statement of comprehensive income and retained earnings in the relevant year. To the extent that they remain unpaid at the year end, they are shown as liabilities in the statement of financial position.

Conversely, where profits are divided only after a decision by the LLP or its representative, so that the LLP has an unconditional right to refuse payment, such profits are classed as an appropriation of equity rather than as an expense. They are therefore shown as residual amount available for discretionary division among Members in the statement of comprehensive income and retained earnings and equity appropriations in the statement of financial position.

Other amounts applied to Members. For example, remuneration paid under employment contract and interest on capital balances, are treated in the same way as all other divisions of profits, as described above, according to whether the LLP has, in each case, an unconditional right to refuse payment.

All amounts due to Members that are classified as liabilities are presented in the statement of financial position within 'loans and other debts due to Members' and are charged to the statement of comprehensive income and retained earnings within 'Members' remuneration charged as an expense'. Amounts due to Members that are classified as equity are shown in the statement of financial position within 'Members' other interests'.

#### 2 Information in relation to Members

Profits are allocated to Members and profits are shared by the Members after the end of the year in accordance with agreed profit and loss sharing arrangements governed by the LLP Agreement. The highest paid Member received £1,640,172 (2019: £1,471,710).

	2020 Number	2019 Number
Average number of Members	8	8
	£	£
Average profit per Member (including Members' remuneration charged as an expense)	412,873	323,346

#### 3 Employees costs and information

Group	2020 £	2019 £
Staff costs consist of:		
Wages and salaries	805,214	914,167
Social security costs	49,699	74,069
Pension	132,081	269,150
	986,994	1,257,386



**DN Capital (UK) LLP****Notes forming part of the financial statements for the year ended 31 December 2020 (Continued)****3 Employees costs and information (continued)****LLP**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Staff costs consist of:		
Wages and salaries	411,242	535,802
Social security costs	33,871	58,122
Pension	10,921	12,333
	<u>456,034</u>	<u>606,257</u>

The average number of employees working on behalf of the Group during the year was as follows:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Investment Management	3	5
Administration	5	6
	<u>8</u>	<u>11</u>

**4 Operating profit**

This has been arrived at after charging:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Auditors' remuneration for audit services	11,364	11,364
Depreciation	16,270	23,214
Amortisation of intangible assets	87,933	-
Cost for operating leases	268,746	231,172
	<u>384,313</u>	<u>265,750</u>

**5 Taxation**

Taxation for the LLP, being individual liability of each member, is not provided for in the individual LLP financial statements. Taxation is provided for in relation to the corporate entities in the Group.

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Overseas taxation for current year	1,351	158
Adjustments in respect of prior years	4,098	-
Luxembourg net wealth tax	2,506	-
	<u>7,955</u>	<u>158</u>

**DN Capital (UK) LLP**

**Notes forming part of the financial statements for the year ended 31 December 2020 (Continued)**

**5 Taxation (continued)**

Total tax reconciliation in relation to overseas tax arising in DN Capital (US) Inc and DN Capital Germany GmbH.

	<b>2020</b> £	<b>2019</b> £
Profit on ordinary activities before tax	10,054	389
Current tax at 18% (2019: 15%)	1,813	58
Timing differences	(462)	-
Adjustment on prior year provision	-	100
	<u>1,351</u>	<u>158</u>
Total tax charge (see above)	<u>1,351</u>	<u>158</u>

**6 Property, plant and equipment**

<b>Group</b>	<b>Leasehold Improvements</b> £	<b>Computer equipment</b> £	<b>Total</b> £
<b>Cost</b>			
At 1 January 2020	52,828	128,285	181,113
Additions	-	11,993	11,993
Foreign exchange revaluation	-	(774)	(774)
	<u>52,828</u>	<u>139,504</u>	<u>192,332</u>
At 31 December 2020	52,828	139,504	192,332
<b>Depreciation</b>			
At 1 January 2020	52,499	109,544	162,043
Charge for the year	-	16,270	16,270
Foreign exchange revaluation	-	(681)	(681)
	<u>52,499</u>	<u>125,133</u>	<u>177,632</u>
At 31 December 2020	52,499	125,133	177,632
<b>Net book value</b>			
At 31 December 2019	329	18,741	19,070
At 31 December 2020	329	14,371	14,700

## DN Capital (UK) LLP

Notes forming part of the financial statements for the year ended 31 December 2020 (Continued)

### 6 Property, plant and equipment (continued)

LLP	Leasehold Improvements £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2020	52,828	102,439	155,267
Additions	-	9,806	9,806
At 31 December 2020	52,828	112,245	165,073
<b>Depreciation</b>			
At 1 January 2020	52,499	86,794	139,293
Charge for the year	-	13,525	13,525
At 31 December 2020	52,499	100,319	152,818
<b>Net book value</b>			
At 31 December 2019	329	15,645	15,974
At 31 December 2020	329	11,926	12,255

### 7 Intangible assets

Group	Total £
<b>Cost</b>	
At 1 January 2020	-
Additions	753,709
At 31 December 2020	753,709
<b>Amortisation</b>	
At 1 January 2020	-
Charge for the year	87,933
At 31 December 2020	665,776
<b>Net book value</b>	
At 31 December 2019	-
At 31 December 2020	665,776

The Group incurred placement fees amounting during the year in relation to fundraising for DN Capital – Global Venture Capital V SCSp.

## DN Capital (UK) LLP

### Notes forming part of the financial statements for the year ended 31 December 2020 (Continued)

#### 8 Investments in subsidiaries

The LLP acquired 12,000 shares with a cost of £10,324 (€12,000) during 2019 representing 100% of the share capital of DNC – GVC V (Top Co) Sarl, a company registered in Luxembourg. The total cost of investment is £10,936 (2019: £10,936).

The LLP's other wholly owned subsidiaries included within the group accounts comprise:

- DN Capital (US) Inc., a company incorporated in Delaware, USA;
- DN Capital GVC General Partner Limited, DN Capital Managing Member Limited, DN Capital Second Member Limited, DN Capital Third Member Limited and DNC – GVC IV GP LLP which are registered in Scotland; and
- DNC- GVC V GP Sarl, which is registered in Luxembourg.

The LLP also holds an indirect interest in DN Capital Germany GmbH, which is registered in Germany, via DN Capital (US) Inc.

#### 9 Debtors

	Group		LLP	
	2020 £	2019 £	2020 £	2019 £
Trade and other receivables	18,633	9,003	18,634	9,003
Amounts owed by related undertakings	451,586	136,164	408,434	128,413
Other debtors	94,452	164,785	43,630	29,745
Amounts due from Members	-	43,776	-	26,976
Prepayments and accrued income	78,016	66,607	78,016	66,607
	<u>642,687</u>	<u>420,335</u>	<u>548,714</u>	<u>260,744</u>

Group other debtors include £18,893 (2019: £19,476) in relation to rental deposits which is due in more than one year.

#### 10 Creditors: amounts falling due within one year

	Group		LLP	
	2020 £	2019 £	2020 £	2019 £
Trade and other payables	562,260	197,642	106,741	191,302
Deferred income	562,280	936,923	491,598	-
Other creditors	10,440	19,391	10,440	19,391
Amounts owed to related undertakings	7,856	28,129	3,311	26,137
Accruals	194,494	224,315	38,500	62,374
	<u>1,337,330</u>	<u>1,406,400</u>	<u>650,590</u>	<u>299,204</u>

**DN Capital (UK) LLP**

**Notes forming part of the financial statements for the year ended 31 December 2020 (Continued)**

**11 Creditors: amounts falling due after one year**

	<b>Group</b>		<b>LLP</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade and other payables	231,970	-	-	-
	<u>231,970</u>	<u>-</u>	<u>-</u>	<u>-</u>

**12 Reconciliation of movement in Members' interests**

<b>Group</b>	<b>Members' capital classified as equity</b>	<b>Other reserves</b>	<b>Loans and other debts due to/(from) to Members</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Members' interests at 1 January 2020	320,000	75,759	(43,776)	351,983
Members' remuneration charged as an expense	-	-	2,806,504	2,806,504
Profit available for discretionary distribution among Members	-	492,979	-	492,979
	<u>320,000</u>	<u>568,738</u>	<u>2,762,728</u>	<u>3,651,466</u>
Drawings	-	-	(2,681,826)	(2,681,826)
Other movements	-	1,905	-	1,905
Members' interests at 31 December 2020	<u>320,000</u>	<u>570,643</u>	<u>80,902</u>	<u>971,545</u>

**DN Capital (UK) LLP**

**Notes forming part of the financial statements for the year ended 31 December 2020 (Continued)**

**12 Reconciliation of movement in Members' interests (continued)**

<b>Group</b>	<b>Members' capital classified as equity £</b>	<b>Other reserves £</b>	<b>Loans and other debts due to/(from) to Members £</b>	<b>Total £</b>
Members' interests at 1 January 2019	320,000	59,571	414,094	793,665
Members' remuneration charged as an expense	-	-	2,569,411	2,569,411
Profit available for discretionary distribution among Members	-	17,198	-	17,198
	<u>320,000</u>	<u>76,769</u>	<u>2,983,505</u>	<u>3,380,274</u>
Drawings	-	-	(3,010,482)	(3,010,482)
Other movements	-	(1,010)	(16,799)	(17,809)
Members' interests at 31 December 2019	<u>320,000</u>	<u>75,759</u>	<u>(43,776)</u>	<u>351,983</u>

The balance for Loans and other debts due to/ (from) Members comprises the net of Loans and other debts due to Members equal to £80,902 (2019: £nil) less Amounts due from Members equal to £nil (2019: £43,776).

<b>LLP</b>	<b>Members' capital classified as equity £</b>	<b>Other reserves £</b>	<b>Loans and other debts due to / (from) Members £</b>	<b>Total £</b>
Members' interests at 1 January 2020	320,000	-	(26,976)	293,024
Members' remuneration charged as an expense	-	-	2,806,504	2,806,504
	<u>320,000</u>	<u>-</u>	<u>2,779,528</u>	<u>3,099,528</u>
Drawings	-	-	(2,681,825)	(2,681,825)
Members' interests at 31 December 2020	<u>320,000</u>	<u>-</u>	<u>97,703</u>	<u>417,703</u>

## DN Capital (UK) LLP

Notes forming part of the financial statements for the year ended 31 December 2020 (Continued)

### 12 Reconciliation of movement in Members' interests (continued)

LLP	Members' capital classified as equity £	Other reserves £	Loans and other debts due to / (from) Members £	Total £
Members' interests at 1 January 2019	320,000	-	414,094	734,094
Members' remuneration charged as an expense	-	-	2,569,411	2,569,411
	320,000	-	2,983,505	3,303,505
Drawings	-	-	(3,010,481)	(3,010,481)
Members' interests at 31 December 2019	320,000	-	(26,976)	293,024

The balance for Loans and other debts due to/ (from) Members comprises the net of Loans and other debts due to Members equal to £97,703 (2019: £nil) less Amounts due from Members equal to £nil (2019: £26,976).

### 13 Commitments under operating leases

The Group and LLP had total minimum commitments under non-cancellable operating leases as follows:

2020			
	Not later than one year	Later than one year and not later than five years	Later than five years
	£	£	£
Leasehold premises	215,570	63,792	-
Office equipment	1,000	2,750	-
	<u>216,570</u>	<u>66,542</u>	<u>-</u>
			<u>283,112</u>
2019			
	Not later than one year	Later than one year and not later than five years	Later than five years
	£	£	£
Leasehold premises	230,572	195,662	-
Office equipment	1,000	3,750	-
	<u>231,572</u>	<u>199,412</u>	<u>-</u>
			<u>430,984</u>

## **DN Capital (UK) LLP**

### **Notes forming part of the financial statements for the year ended 31 December 2020 (Continued)**

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#### **14 Related party transactions**

The Group acts as investment advisor to five venture capital funds. Total fees earned during the year amounted to £5,173,603 (2019: £5,097,027). The LLP also pays expenses on behalf of the funds and their general partners.

The balances outstanding at year end are disclosed within amounts due to and from related undertakings in Notes 9 and 10. £263,495 (2019: £100,449) is due from venture capital funds, with which the LLP or related parties has management contracts; £188,091 (2019: £35,715) is due from other associated entities that are subject to common control. The Group owes £7,856 (2019: £28,974) to venture capital funds and other associated entities.

#### **15 Controlling party**

The ultimate controlling party is Nenad Marovac.

#### **16 Subsequent events**

There are no material subsequent events.