

IFM Fintech Opportunities GP Limited

Registered number 09736578

Annual Report and Financial Statements

For the year ended 31 December 2018



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General Information

Directors:	Beeston, Mark Ian Whitcroft, Mark Derek
Registered Office:	85 Great Eastern Street London United Kingdom EC2A 3HY
Company number:	09736578
Country of domicile and incorporation:	England and Wales

Directors' report

The directors of IFM Fintech Opportunities GP Limited (the "Company") present the annual report and financial statements of the Company for the year ended 31 December 2018 (the "Year").

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Principal Activities, Review of the Business and Future Developments

The Company was incorporated in England and Wales on 17 August 2015.

The Company is a wholly owned subsidiary of Illuminate Financial Management LLP, an entity incorporated in the United Kingdom on the 9 September 2014.

On 20 August 2015, the Company was appointed as the general partner of IFM Fintech Opportunities LP (the "Partnership") under the Limited Partnership Agreement, as amended and restated (the "LPA").

The principal activity of the Company is the operation and management of IFM Fintech Opportunities LP.

Results and Dividends

The Company made a loss before tax for the financial year of £24,413 (2017: £43,139), as disclosed on page 4. No dividends were paid during the year.

Furthermore, the directors do not recommend payment of a dividend in respect of the period ended 31 December 2018 (2017: £nil).

Financial Risk Management

The functional currency of the Company is pounds sterling. All transactions would be incurred in the functional currency and therefore foreign exchange risk is not significant.

Principal Risks and Uncertainties

The directors are of the opinion that there are no significant risks and uncertainties in relation to this entity.

Directors

The following persons held office as directors of the Company during the year and up to the date of signing these financial statements, except as otherwise noted:

- Beeston, Mark Ian
- Whitcroft, Mark Derek

Directors' report (continued)

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with the recognition and measurement criteria of the United Kingdom Accounting Standards, including FRS 102. Under company law, the directors 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 Company and of the profit or loss of the Company for the year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of financial statements;
- state whether applicable United Kingdom Accounting Standards, including FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board of directors



Director: Mark Beeston
IFM Fintech Opportunities GP Limited
13 September 2019

Statement of Comprehensive Income

	Note	1 January 2018 to 31 December 2018 £	1 January 2017 to 31 December 2017 £
Turnover		720,450	720,450
Administrative expenses		(744,863)	(763,589)
Operating loss		(24,413)	(43,139)
Loss on ordinary activities before taxation		(24,413)	(43,139)
Tax on profit on ordinary activities	5	-	-
Loss for the financial year		(24,413)	(43,139)

There are no other recognised gains or losses for the year apart from those included in the loss/profit stated.

The results above derive from continuing activities.

The notes on pages 7 to 9 form part of these financial statements.

Statement of Financial Position

	Notes	31 December 2018 £	31 December 2017 £
Current assets			
Debtors	6	319,453	874,036
Total current assets		<u>319,453</u>	<u>874,036</u>
Current liabilities			
Creditors	7	(385,097)	(915,267)
Total current liabilities		<u>(385,097)</u>	<u>(915,267)</u>
Net assets		<u>(65,644)</u>	<u>(41,231)</u>
Capital and reserves			
Called up share capital	8	1	1
Retained loss		(65,645)	(41,232)
Total shareholder's funds		<u>(65,644)</u>	<u>(41,231)</u>

The directors are satisfied that the Company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime.

The above Statement of Financial Position should be read in conjunction with the accompanying notes on pages 7 to 9.

These financial statements on pages 4 to 9 were approved by the board of directors on 13 September 2019 and were signed on their behalf by:



Director: Mark Beeston
IFM Fintech Opportunities GP Limited
13 September 2019

Statement of Changes in Equity

	Called-up share capital	Profit and loss account	Total
	£	£	£
At 31 December 2016	1	1,907	1,908
Loss for the year (unaudited)	-	(43,139)	(43,139)
At 31 December 2017	1	(41,232)	(41,231)
Loss for the year (unaudited)	-	(24,413)	(24,413)
At 31 December 2018	1	(65,645)	(65,644)

Notes to the Financial Statements

1. Statement of Compliance

These financial statements have been prepared under United Kingdom Accounting Standards, in compliance with Financial Reporting Standard 102 Section 1A (small entities) ("Section 1A") and the Companies Act 2006.

2. Principal accounting policies

The following accounting policies have been applied consistently in preparation of the Company's financial statements.

The principal accounting policies are set out below.

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standard 102 Section 1A (small entities) ("Section 1A"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and Companies Act 2006.

The Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006. The Company is not required to produce a statement of cash flows under Section 1A.

The financial statements have been prepared on a going concern basis.

(b) Turnover

Under the terms of the LPA, the Company was appointed general partner to the Partnership. The General Partner is entitled to receive annually a General Partner's Share, in respect of each Limited Partner of the Limited Partnership. As per the Management Agreement, The General Partner will retain a General Partner's Fee of £500 per quarter as its fee in relation to its role as General Partner of the Partnership.

General Partner's share income is recognised in the period to which it relates.

Turnover represents amounts receivable from the provision of service to IFM Fintech Opportunities LP.

(c) Trade debtors and creditors

Trade debtors are measured at the amount receivable less any provisions. Trade creditors are carried at the payment or settlement amount.

Notes to the Financial Statements (continued)

3. Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Directors' emoluments

The directors received no remuneration in respect of their services to the Company during the financial year.

5. Taxation

The tax assessed for the year is calculated at the most up to date Corporation Tax in the UK. The rate of Corporation Tax was 20% but as agreed during the United Kingdom's Summer Budget in 2015 the rate would be reduced as of 1 April 2017 to 19% which have been reflected in these Financial Statements. As the Company made a loss for the year there was no corporation tax due for the year.

	31 December 2018 £	31 December 2017 £
Total tax on profit for the year	-	-
Current tax on profit for the period multiplied by the standard rate of corporation tax in the UK	-	-
Total tax charge for the year	-	-

6. Debtors

	31 December 2018 £	31 December 2017 £
Amounts due from IFM Fintech Opportunities LP	313,068	869,651
Other debtors	6,385	4,385
Total debtors	319,453	874,036

Notes to the Financial Statements (continued)

7. Creditors:

	31 December 2018	31 December 2017
	£	£
Other Creditors	(313,068)	(703,068)
Amounts owed to group undertakings	(348)	(166,931)
Expense borne by the General Partner	(71,552)	(45,139)
Corporation tax	(129)	(129)
Total creditors	(385,097)	(915,267)

8. Called up share capital

	31 December 2018	31 December 2017
	£	£
Ordinary shares at £1	1	1
Total share capital	1	1

9. Statement of Cash Flow

The Company has not produced a cash flow statement for the year as it is not required to under FRS 102 section 1A. The Company does not maintain a bank account and its operating expenditure is covered by the Partnership.

10. Related party disclosure

As of 31 December 2018, the debtors balance was £319,453 (2017: £874,036). The creditor balance was £385,097 (2017: £915,267).

11. Immediate and ultimate parent undertaking

The immediate parent undertaking of the company is Illuminate Financial Management LLP (the "LLP"), an English Limited Liability Partnership with its registered office at 85 Great Eastern Street, London, United Kingdom, EC2A 3HY. The ultimate controlling party is Mr. M Beeston.

IFM Fintech Opportunities LP

Limited Partnership No. LP016818

Annual Report and Audited Financial Statements

For the year ended 31 December 2018

IFM Fintech Opportunities LP
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Partnership Overview

First Closing Date:	22 October 2015
Vintage Year:	2015
Final Closing Date:	22 October 2016
Total Commitments:	£34,815,000 as at 31 December 2018
Term:	10 years from Final Close Date
Investment Period:	The earlier of: The fifth anniversary of the Final Close Date; or the date when there are no Undrawn Commitments
Partnership Domicile:	England and Wales
Legal Form:	Limited Partnership
Structure:	One General Partner, Fourteen Limited Partners
Investment Focus by Geography:	Europe, USA & Singapore
Investment Focus by Stage:	Financial Technology Companies
Reporting Standard:	FRS102

**IFM Fintech Opportunities LP
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Report of the General Partner

IFM Fintech Opportunities GP Limited, the "General Partner" of IFM Fintech Opportunities LP (the "Partnership") submits the following report in respect of the year ended 31 December 2018 (the "year").

The General Partner has appointed MJ Hudson Fund Management Limited (formerly Tower Gate Capital Limited) (the "Manager") to act as the manager and to operate the Partnership, in particular, to admit investors to the Partnership and manage its investment portfolio under the terms of the management agreement. The Manager is authorised and regulated by the Financial Conduct Authority to manage an unauthorised AIF. The General Partner has taken advantage of the small qualifying partnership regime's exemption set out in Section 414B of the Companies Act 2006 from preparing a Strategic Report.

Principal activities and results

The Partnership is a Limited Partnership established in England and Wales on 20 August 2015 pursuant to the Limited Partnerships Act 1907 and registered under number LP016818. The Partnership commenced activities on 22 October 2015 with total commitment of £34,815,000.

The Partnership is a venture capital firm with an international reach exclusively focused on financial technology with capital markets.

The results for the year are presented on page 8. The Net assets at 31 December 2018 were £37,388,203 (2017: £19,401,406).

Details of the Partnership's investments are shown in note 7 of the Financial Statements.

Registered Office

3rd Floor
85 Great Eastern Street
London
EC2A 3HY

Statement of disclosure to the auditor

Each of the persons who is a director of the General Partner at the date of approval of the annual report confirms that:

- So far as the directors are aware, there is no relevant audit information of which the Limited Partnership's auditors are unaware; and
- The directors have taken all the steps that they ought to have taken as a director of the General Partner in order to make themselves aware of any relevant audit information and establish that the Limited Partnership's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

IFM Fintech Opportunities LP
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Report of the General Partner (cont'd)

Auditors

RSM UK Audit LLP has expressed their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors.

Statement of Responsibilities of the General Partner

The General Partner is responsible for preparing the financial statements, in accordance with the Limited Partnership Agreement of the Partnership (the "LPA") for each financial period. The General Partner has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) including "The Financial Reporting Standards applicable in the UK and the Republic of Ireland" ("FRS 102"), modified to reflect the activities of a private equity fund as specified in the LPA. The financial statements are required to give a true and fair view of the state of affairs of the Partnership and of the net results of the Partnership for that year. In preparing those financial statements the General Partner is required to:

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

The General Partner is responsible for keeping proper accounting records which records 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 LPA and the requirements of the Companies Act 2006 as applied to qualifying partnerships. The General Partner is also responsible for safeguarding the assets of the Partnership and hence for taking steps for the prevention detection of fraud and other irregularities.



Mark Beeston

for and on behalf of IFM Fintech Opportunities GP Limited

in its capacity as General Partner of IFM Fintech Opportunities LP

Date 29th March 2019

IFM Fintech Opportunities LP
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Independent Auditor's report to the Partners of IFM Fintech Opportunities LP

Opinion

We have audited the financial statements of IFM Fintech Opportunities LP (the 'qualifying partnership') for the year ended 31 December 2018 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Net Assets Attributable to Partners 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 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 qualifying partnership's affairs as at 31 December 2018 and of its gain 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 qualifying 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 qualifying 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the General Partner's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the General Partner has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the qualifying partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent Auditor's report to the Partners of IFM Fintech Opportunities LP (cont'd)

Other information

The General Partner is 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the General Partner for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the General Partner has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the qualifying partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the General Partner.

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying 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
- certain disclosures of partners' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit;
- the General Partner was not entitled to take advantage of the small companies' exemption as applied to qualifying partnerships from the requirement to prepare a strategic report or in preparing the Report of the General Partner.

Independent Auditor's report to the Partners of IFM Fintech Opportunities LP (cont'd)

Responsibilities of partners

As more fully explained in the Statement of Responsibilities of the General Partner set out on page 3, the General Partner is 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 General Partner determines 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 General Partner is responsible for assessing the qualifying 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 General Partner either intends to liquidate the company 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.

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 qualifying partnership's partners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships. Our audit work has been undertaken so that we might state to the qualifying partnership's partners 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 qualifying partnership and the qualifying partnership's partners as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

STUART CLOWSER (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB
Date

29/03/2019

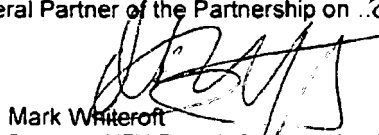
IFM Fintech Opportunities LP
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Statement of Financial Position

	Notes	As at 31 December 2018 £	As at 31 December 2017 £
Fixed assets			
Investments	7	34,717,742	18,671,195
Current assets			
Debtors	8	1,977,197	748,555
Cash and cash equivalents		758,928	236,480
Total current assets		2,736,125	985,035
Current liabilities			
Creditors	9	(65,664)	(254,824)
Total current liabilities		(65,664)	(254,824)
Net current assets		2,670,461	730,211
Net assets		37,388,203	19,401,406
Limited Partners' accounts			
Founder Partner's account		2,998,674	1,750
Capital contribution		3,482	3,482
Loan account		24,840,651	17,995,381
Income account		11,848,862	2,983,809
		39,691,669	20,984,422
General Partner's account			
Loan account		(2,303,466)	(1,583,016)
Partner's funds		37,388,203	19,401,406

The financial statements of IFM Fintech Opportunities LP were approved and authorised for issue by IFM Fintech Opportunities GP Limited in its capacity as General Partner of the Partnership on 29th March 2019.


Mark Beeston
Director of IFM Fintech Opportunities GP Limited


Mark Whitcroft
Director of IFM Fintech Opportunities GP Limited

The accompanying notes on pages 11 – 21 form an integral part of the financial statements.

IFM Fintech Opportunities LP
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Statement of Comprehensive Income

	Note	1 January 2018 to 31 December 2018 £	1 January 2017 to 31 December 2017 £
Expenses			
Administration fees		113,703	153,252
Audit fees	11	24,000	26,600
Investment costs		18,639	-
Legal fees		10,639	8,967
Tax advisory fees		5,910	-
Bank charges		163	267
Abortive deal costs		-	2,268
Other expenses		-	4,295
Expenses borne by the General Partner		(26,412)	(45,139)
Total expenses		146,642	150,510
Net loss for the year		(146,642)	(150,510)
Unrealised gain/(loss) on currency revaluation of investments		229,669	(283,008)
Unrealised gain on revaluation of investments		11,778,950	3,669,867
Total recognised gain for the year		11,861,977	3,236,349

The accompanying notes on pages 11 – 21 form an integral part of the financial statements.

IFM Fintech Opportunities LP
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Statement of Cash Flows

	1 January 2018 to 31 December 2018 £	1 January 2017 to 31 December 2017 £
Cash flow from operating activities		
Total recognised gain for the year	11,861,977	3,236,349
Unrealised gain on investments	(12,008,619)	(3,386,859)
Loss for the year	(146,642)	(150,510)
Purchase of investments	(4,037,928)	(10,754,617)
Increase in debtors	(1,228,642)	(430,867)
(Decrease)/increase in creditors	(189,160)	106,241
Net cash outflow from operating activities	(5,602,372)	(11,229,753)
Cash flow from financing activities		
Amounts drawdown from Limited Partners	6,845,270	11,287,566
General Partner share	(720,450)	(720,450)
Net cash inflow from financing activities	6,124,820	10,567,116
Increase/(decrease) in cash for the year	522,448	(662,637)
Cash and cash equivalents at the beginning of the year	236,480	899,117
Cash and cash equivalents at the end of the year	758,928	236,480

The accompanying notes on pages 11 – 21 form an integral part of the financial statements.

IFM Fintech Opportunities LP
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Statement of Changes in Net Assets Attributable to the Partners

	General Partner Share	Founder Partner Account	Limited Partners' Capital Contribution	Limited Partners' Loan Account	Limited Partners' Income Account	Total
	£	£	£	£	£	£
Net assets attributable to the Partners at: 1 January 2017	(862,566)	1,750	3,482	6,707,815	(252,540)	5,597,941
Amounts contributed	-	-	-	11,287,566	-	11,287,566
Total gain for the year	-	-	-	-	3,236,349	3,236,349
General Partner share	(720,450)	-	-	-	-	(720,450)
Carried interest allocation	-	-	-	-	-	-
Net assets attributable to the Partners at: 1 January 2018	(1,683,016)	1,750	3,482	17,995,381	2,983,809	19,401,406
Amounts contributed	-	-	-	6,845,270	-	6,845,270
Total gain for the year	-	-	-	-	11,861,977	11,861,977
General Partner share	(720,450)	-	-	-	-	(720,450)
Carried interest allocation	-	2,996,924	-	-	(2,996,924)	-
Net assets attributable to the Partners as at: 31 December 2018	(2,303,466)	2,998,674	3,482	24,840,651	11,848,862	37,388,203

Limited Partners in the Partnership have made Commitments which comprise of the Founder Partners capital contribution of £1,750, the Limited Partners capital contributions (0.01% of Commitments: £3,482) and loan commitments (99.99% of Commitments: £34,811,518). Commitments to the Partnership at 31 December 2018 amounted to £34,815,000 (2017: £34,815,000) or £34,816,750 (2017: £34,816,750) including the Founder Partner's capital contribution.

The balance of the General Partner's loan account represents the General Partner's share unsatisfied by the net income and capital gains generated by the Partnership as at the year end. It is an interest free loan which will be discharged in the event that any part of the General Partner's share being unsatisfied then subsequently satisfied by an allocation of net income and capital gains. As at 31 December 2018, the Partnership has £9,970,867 (2017: £16,816,137) of undrawn Commitments.

Per clause 12.7 of the Limited Partnership Agreement, the allocations of unrealised profits and losses shall be allocated to the Partners such as to reflect the entitlement of the Partners to receive future distributions made in accordance with clause 10.1, assuming that all Investments and other Partnership Assets were realised for their then fair value.

The accompanying notes on pages 11 – 21 form an integral part of the financial statements.

Notes to the Financial Statements

1. Background

IFM Fintech Opportunities LP is an English Limited Partnership established under the Limited Partnership Act 1907, registered on 20 August 2015 and commenced business on 22 October 2015. The investment period will likely finish at the earlier of: the fifth anniversary of the Final Close Date on 22 October 2021; or the date when there are no Undrawn Commitments. The Limited Partnership will terminate 10 years after the final close date on 22 October 2026. The Limited Partnership's principal activities, its registered office and place of business are disclosed in page 2. The operations of the Limited Partnership and the role of the General Partner are governed by the LPA.

2. Statement of compliance

The financial statements of the Partnership have been prepared in compliance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland" ("FRS 102") modified to reflect the activities of a private equity fund as specified in the LPA. This modification primarily relates to the presentation of the Partnership accounts.

3. Basis of preparation

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with FRS 102 issued by the Financial Reporting Council. The financial statements are prepared in GBP which is the functional currency of the Partnership. Monetary items are rounded to the nearest £.

Per clause 9.9 (b) of FRS 102, consolidated accounts are not required to be prepared as the Investments are held as part of a portfolio for resale.

General objectives, policies and processes

The General Partner has overall responsibility for the determination of the Partnership's risk management objectives and policies, whilst retaining ultimate responsibility for them.

Capital management policy

The principal financial risks faced by the Group are market and credit risk. The General Partner reviews and agrees policies for managing each of these risks. The Partnership's objectives when managing capital are to safeguard its ability to continue as a going concern and so provide returns for investors.

- Market risk
 - Price risk

All securities investments present a risk of loss of capital. The investment managers moderate the risk through diversification of the investment portfolio.

Notes to the Financial Statements (cont'd)

3. Basis of preparation (cont'd)

Capital management policy (cont'd)

- Currency risk

The Fund holds monetary and non-monetary assets in currencies other than its functional currency, Pounds Sterling. The value of the monetary assets denominated in foreign currencies will fluctuate due to changes in foreign exchange rates.

- Credit risk

Credit risk refers to the risk that a counterparty will be unable to pay amounts in full when they fall due, resulting in a financial loss for the Fund.

The Fund is exposed to credit risk through its debt securities and its deposits of cash. In management's opinion, the carrying amounts of the financial assets represent the maximum exposure to credit risk at the year end. None of the Fund's assets at the reporting date are considered to be past due nor impaired.

Significant accounting policies:

(i) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits held on call with banks. Bank overdrafts that are repayable on demand are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

(ii) Investments held as part of an investments portfolio

Investments are, in the opinion of the Manager, not controlled by the Partnership as the investors do not exercise a controlling influence over the management of the investments. In the opinion of the Manager, the investments are private equity investments which are held exclusively with a view to subsequent resale. Investments are accounted for in accordance with FRS 102.11, at fair value through profit or loss, as all investments are held as part of an investment portfolio as their value to the Partnership is through their marketable value as part of a basket of investments, rather than as a medium through which the Partnership carries out its business.

The Partnership holds unquoted ordinary equity shares and convertible loan note in the investee companies. Investment in ordinary equity shares are initially recognised at the transaction cost and subsequently measured at fair value by the Manager. The fair value of investments held for less than one year is deemed to be cost, less any provision for impairment.

(iii) Fair Value

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Notes to the Financial Statements (cont'd)

3. Basis of preparation (cont'd)

Significant accounting policies (cont'd):

(iii) Fair Value (cont'd)

Where financial instruments are not traded in an active market, the fair value is determined using valuation techniques. The valuations obtained in recent rounds of funding are dependent on the level of data, the circumstance and the availability of observable inputs for each financial instrument but may include comparable recent arm's length transactions, discount cash flow analysis and option pricing models.

In preparing the financial statements, the investment managers have exercised judgement over the inputs used in the determination of fair value of equities not quoted in an active market.

The valuation of these equity securities involves estimation uncertainty as there is no active market to determine the fair value of the funds or their underlying investments.

The availability of the valuation techniques and observable inputs vary from security to security and is affected by a wide variety of factors including, the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction.

Investments measured and reported at fair value are classified and disclosed utilising inputs from one or more of the following categories:

Level 1 - quoted (bid) price for an identical asset in an active market;

Level 2 - price of a recent transaction for an identical asset. If necessary, the price is adjusted to reflect updated economic conditions or if evidence suggests that a recent transaction was not at fair value;

Level 3 - if there is no active market and no suitable recent transactions then a valuation technique is used to determine the arm's length price for the asset. If a reliable, commonly used valuation method exists in that market, then that technique is used.

The General Partner has concluded that the Partnership's investments should be classified as using significant Level II and Level III input in the fair value hierarchy.

The unrealised gain or loss in the value of the investments is recognised in the statement of comprehensive income.

(iv) Partners Capital

Section 22.3 of FRS 102, requires all Partners' capital and loan contributions are classified as debt rather than equity since the Partnership is in existence for a fixed period. The effect of this is that the net assets of the Partnership would always be zero since there would be no equity instruments issued by the Partnership. In accordance with the LPA, the General Partner has elected to specify that all Partners' Capital and loan contributions shall, for accounting purposes, be treated as equity, not debt.

Notes to the Financial Statements (cont'd)

3. Basis of preparation (cont'd)

Significant accounting policies (cont'd):

(iv) Partners Capital (cont'd)

Per clause 12.7 of the Limited Partnership Agreement, the allocations of unrealised profits and losses shall be allocated to Partners such as to reflect the entitlement of the Partners to receive future distributions made in accordance with clause 10.1, assuming that all Investments and other Partnership assets were realised for their then fair value.

(v) Establishment costs

Partnership establishment costs comprise of initial set-up costs to establish the Partnership which under the terms of the LPA are capped at the higher of 1% of Total Commitments or £350,000 (excluding any applicable VAT). These costs are included within establishment costs and expensed through the statement of comprehensive income.

(vi) Interest expense and similar charges

Interest expenses and similar charges are recognised on an accruals basis.

(vii) Dividend income

Dividends are recognised when the Partnership's right to receive payment has been established unconditionally.

(viii) Taxation

The Partnership is an English Limited Partnership which is not subject to taxation in the United Kingdom. On this basis taxation has not been provided for in the financial statements. Dividend and interest income received by the Partnership may be subject to withholding tax imposed in the country of origin.

(ix) Foreign exchange gains and losses

Transactions in currencies other than GBP are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, investments, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the balance sheet.

Monetary assets and liabilities denominated in currencies other than the GBP are included in the statement of financial position at the exchange rate ruling at the period end. Unrealised gains and losses arising from revaluations of foreign currency investments at the period end are taken directly to the statement of comprehensive income. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the statement of comprehensive income.

Notes to the Financial Statements (cont'd)

3. Basis of preparation (cont'd)

Significant accounting policies (cont'd):

(ix) Foreign exchange gains and losses (cont'd)

The functional currency of the Partnership is considered to be the GBP because that is the currency of the primary economic environment in which the Partnership operates. Transactions denominated in currencies other than GBP are translated into GBP using the actual exchange rate as at the date of the transition.

(x) Expenses

All expenses are accounted for on an accruals basis.

(xi) Distributions of income and capital proceeds between partners

Pursuant to clause 10.1 of the LPA all proceeds other than proceeds in relation to the payment of equalisation fees shall be distributed in the following order of priority:

- first, 100% to the Investors *pro rata* based on their Percentage Interests, until each such Investor has received an aggregate amount equal to its unreturned Contributions;
- second, 100% to the Investors *pro rata* based on their Percentage Interests, until each such Investor has received an aggregate amount equal to 7% per annum, compounded annually on the anniversary of the first drawdown date of the first investor in the Fund and on the average daily balance of all unreturned Advance Contributions of such Investor (the "Preferred Return")
- third, 100% to the Founder Partner until (excluding any amounts received by the Founder Partner as an Investor) it has in aggregate received a sum equal to 20% of the amounts cumulatively distributed; and
- fourth, (A) 80% to the Investors, *pro rata* based on their Percentage Interests and (B) 20% to the Founder Partner (excluding any amounts received by the Founder Partner as an Investor).

(xii) Judgements and sources of estimation and uncertainty

The preparation of financial statements requires the Manager to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities including disclosure of contingent assets and liabilities at the date of the financial statements. This also includes the reported amounts of increases and decreases in the comprehensive income or loss during the reporting period.

The investments are accounted for at fair value and there are inherent limitations in any fair value estimation, particularly in relation to level 3 investments in the Partnership. Due to the inherent uncertainties of any valuation technique, actual results could differ from those estimated and such differences could be material, especially under volatile economic and political conditions. More details on the specific judgements and estimates made in valuing the investments are included under the accounting policies in note 7, relating to the Partnership's investments. The fair value of the investments as at 31st December 2018 amounted to £34,717,742 (2017: £18,671,195).

Notes to the Financial Statements (cont'd)

3. Basis of preparation (cont'd)

Significant accounting policies (cont'd):

(xiii). Financial instruments

Debt instruments that are classified as payable or receivable within one year on initial recognition are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Partnership transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Partnership, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

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

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction.

If an arrangement constitutes a 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.

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

A provision for impairment of financial assets is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade asset. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

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Notes to the Financial Statements (cont'd)

4. Going concern

These financial statements have been prepared on a going concern basis. The Partnership presently meets its working capital requirements through drawdowns from its investors.

The General Partner has a reasonable expectation that the Partnership has adequate resources to continue in operational existence for the foreseeable future.

Thus, it will continue to adopt the going concern basis of accounting and in preparing the financial statements.

The partnership will terminate on the tenth anniversary of the First Closing Date.

5. Interest income

Interest income comprises interest received on cash and cash equivalent balances on an accruals basis.

6. General Partner's Share

In accordance with clause 8.5 of the LPA, the General Partner is entitled to receive a General Partner's Share which is an amount equal to, from the First Closing Date until the end of the Investment Period, a percentage of the total Commitment of that Limited Partner as at the Final Closing Date; and thereafter, a percentage of the aggregate amount of Contributions made by that Limited Partner to the Partnership to fund the Acquisition Cost of Investments, reduced by that Limited Partner's pro rata share of the Acquisition Cost of Investments realised or written-off or, where part of an Investment is realised, that Limited Partner's pro rata share of the proportion thereof that the acquisition cost of the Investment so realised bears to the total acquisition cost of such Investment.

7. Investments at fair value through profit and loss

	31 December 2018 £	31 December 2017 £
Investments		
Opening Balance	18,671,195	4,529,719
Additions	4,037,928	10,754,618
Revaluation gain on investments	11,778,950	3,669,867
Unrealised currency gains on revaluation of investment	229,669	(283,009)
Fair Value	<u>34,717,742</u>	<u>18,671,195</u>

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Notes to the Financial Statements (cont'd)

7. Investment at fair value through profit and loss (cont'd)

From inception to 31 December 2018, the Partnership made 11 investments (2017: 9 investments) as detailed below:

	31 December 2018		31 December 2017	
	£		£	
	Cost	Fair Value	Cost	Fair Value
Cloud Margin Limited	4,190,582	7,909,427	3,342,160	5,366,098
Privitar Limited	2,040,325	6,278,371	2,040,325	3,680,646
Chart IQ Inc	3,060,497	6,243,607	2,597,284	2,709,778
RegTek Solutions, Inc.	1,953,958	1,959,129	1,953,958	1,855,482
Axe Trading Limited	1,698,434	4,025,387	1,698,434	1,777,979
Ticksmith Corp	1,197,280	1,953,238	1,197,280	1,190,242
DV01	1,137,655	2,397,183	1,137,655	1,109,684
Feedstock Limited	657,114	655,914	527,607	527,607
Transficc Limited	502,669	735,600	453,679	453,679
Genesis Global	1,547,796	1,559,886	-	-
Steeleye Ltd	1,000,000	1,000,000	-	-
	18,986,310	34,717,742	14,948,382	18,671,195

All investments are made through equity purchases other than those investments disclosed below:

The Cloud Margin Limited investment included unsecured convertible loan notes of £396,913 which were issued on 30 November 2017 and subsequently converted into Series A shares on 9 April 2018.

The ChartIQ Inc investment includes unsecured convertible loan notes of £463,213 which were issued on 7 August 2018 and are convertible into preferred stock of the company at any time between the date of issue of the notes and their settlement date at the option of the holder. Interest of 8% per annum will be due on the conversion or maturity date. If the notes are not converted in line with the terms of the agreement, they mature on 23 January 2020. In forming their assessment of the fair value of the investment management have assumed that the holders of the convertible loan notes will exercise their option to convert. The remaining elements of the ChartIQ investment consists of both common and preferred shares.

As at 31 December 2018 a further £500,000 had been drawn for the further investment in Steeleye Limited, which was subsequently invested on 4 February 2019.

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Notes to the Financial Statements (cont'd)

7. Investment at fair value through profit and loss (cont'd)

	31 December 2018 £	31 December 2017 £
Level I	-	-
Level II	24,220,102	9,046,744
Level III	10,497,640	9,624,451
	<u>34,717,742</u>	<u>18,671,195</u>

Level II valuations are derived from valuations received from third parties during the most recent funding round. These occurred during the year under review and are deemed to be the prevailing fair value at the reporting date in line with the Partnership's accounting policy.

8. Debtors

	31 December 2018 £	31 December 2017 £
Due from the General Partner	384,967	748,555
Other Debtors	1,592,230	-
	<u>1,977,197</u>	<u>748,555</u>

Included within the amounts due from the General Partner is a prepayment of General Partner Share and expenses borne on its behalf as disclosed in note 12.

Included within Other Debtors is an amount held in a trust account as at the year end totalling \$1,970,000 (£1,592,230) relating to the potential investment in Tookitaki Holdings. On 11 March 2019, the Limited Partnership completed the investment in Tookitaki Holdings for the prescribed amount of \$1,970,000.

9. Creditors

	31 December 2018 £	31 December 2017 £
Due to the General Partner	-	166,583
Accruals	65,664	55,778
Amounts owed to Illuminate Financial Management LLP	-	18,063
Due to the Manager	-	14,400
	<u>65,664</u>	<u>254,824</u>

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Notes to the Financial Statements (cont'd)

10. Financial Instruments

	31 December 2018 £	31 December 2017 £
Financial Assets		
Instruments measured at fair value through profit or loss	34,717,742	18,671,195
Instruments measured at amortised cost	1,977,197	748,555
	<u>36,694,939</u>	<u>19,419,750</u>
Financial Liabilities		
Measured at amortised cost	(85,664)	(254,824)
	<u>(65,664)</u>	<u>(254,824)</u>

11. Audit fees

	31 December 2018 £	31 December 2017 £
Remuneration of audit fees	24,000	26,600
	<u>24,000</u>	<u>26,600</u>

12. Related Party Transactions

Related party disclosures made in accordance with Section 33 of FRS 102 are detailed below.

In line with the provisions set out in clause 8.5 of the LPA a General Partner's Share of £720,450 (2017: £720,450) was allocated during the year. As at 31 December 2018, there was an amount held in debtors relating to General Partner Share received in advance of £313,068 (2017: £703,068) and an amount relating to expenses borne by the General Partner on behalf of the Limited Partnership of £71,899 (2017: £45,487). The cash paid during the year in relation to the General Partner share was £497,033 (2017: £163,867) split between amounts relating to the current year totalling £330,450 (2017: £163,867) and for amounts relating to previous years totalling £166,583 (2017: £nil).

As at 31 December 2018, £nil (2017: £166,583) was owed to the General Partner in relation to unpaid General Partner Share.

As at 31 December 2018, £nil (2017: £18,063) was owed to Illuminate Financial Management LLP in relation to expenses paid on its behalf.

Notes to the Financial Statements (cont'd)

12. Related Party Transactions (con't)

Transactions occurring during the period with Limited Partners are disclosed in the Statement of changes in Net Assets Attributable to Partners.

There were no other related party transactions in the year.

13. Capital Commitments and Contingent Liabilities

As at 31 December 2018, the Limited Partnership has £9,970,867 (2017: £16,816,137) of Undrawn Commitments, the Capital Commitment for the Limited Partner and Founder Partner totalled £5,232 (2017: £5,232). There were no contingent liabilities outstanding at 31 December 2018.

14. Ultimate controlling party

It is the opinion of the General Partner, that there is no controlling party of the Partnership.

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General Information

General partner	IFM Fintech Opportunities GP Limited 3 rd Floor 85 Great Eastern Street, London EC2A 3HY, United Kingdom
Manager	MJ Hudson Fund Management Limited (formerly Tower Gate Capital Limited) 8 Old Jewry London EC2R 8DN, United Kingdom
Independent auditor	RSM UK Audit LLP 25 Farringdon Street London EC4A 4AB, United Kingdom
Legal advisors	Osborne Clarke LLP 2 Temple Back East Temple Quay Bristol BS1 6EG, United Kingdom
Administrator	Alter Domus Fund Services (UK) Limited 18 St. Swithin's Lane London EC4N 8AD, United Kingdom
Bankers	Silicon Valley Bank 14 – 18 Finsbury Square London EC2A 1BR, United Kingdom