

REGISTERED NUMBER 04672531

INDEX VENTURE SERVICES LIMITED

**ANNUAL REPORT AND AUDITED CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2023



CONTENTS	PAGE
Company Information	3
Group Strategic Report	4
Director's Report	5-6
Independent Auditor's Report	7-9
Group Statement of Comprehensive Income	10
Group Statement of Financial Position	11
Company Statement of Financial Position	12
Group Statement of Changes in Equity	13
Company Statement of Changes in Equity	14
Group Statement of Cash Flows	15
Notes to the financial statements	16-26

Index Venture Services Limited

Registered number: 04672531

Company Information

Director Simon Cunningham

Registered office 5-8 Lower John Street
London
W1F 9DY

Auditor MHA
6th Floor
2 London Wall Place
London
EC2Y 5AU

Group Strategic report For the year ended 31 December 2023

The director presents the Group Strategic Report for Index Venture Services Limited (the "Company") and its subsidiary undertaking Index Ventures (UK) LLP (the "LLP") (together the "Group") for the year ended 31 December 2023.

Principal activities

The principal activity of the Company in the year ended 31 December 2023 was that of service company and corporate member to the LLP.

The principal activity of the LLP during the year ended 31 December 2023 was the provision of advisory services to venture capital and growth funds, which principally invest in technology and life science assets. The LLP identifies potential new investments and advises on acquisitions, management and disposals of these assets.

The LLP is authorised by the Financial Conduct Authority ("FCA") to give investment advice.

Future developments

The Director does not anticipate any change in the nature of the Group's principal activity going forward and there are no plans which will significantly change the activities and risks of the Group.

Results and dividends

During the year ended 31 December 2023, the Group had a profit of £17,518,780 (2022: profit of £18,523,173). The decrease to profitability is due to an increase in salary costs, being partly offset by a gain in the value of forward exchange contracts held. The Director does not recommend payment of a dividend by the Company for the year ended 31 December 2023 (2022 - £nil).

Principal risks and uncertainties facing the business


The Group's business is reliant upon its appointment as advisor to various funds, which typically have a life of 10 to 12 years. The funds are permitted to change advisors in accordance with their Limited Partnership Agreements but the members consider this risk to be minimal. Although the income stream is considered to be dependable, the Group's revenue could be impacted by poor performance of the funds.

The Group has exposure to foreign exchange risk as income arises in Euro and US Dollar, but the Group's expense base is in Pounds Sterling. There is no significant exposure to other market risks (price or interest risks), credit risk, liquidity risk or operational risk. The Group mitigates the foreign exchange risk by entering into forward foreign exchange contracts to convert Euro and US Dollar, into Pounds Sterling.

Key performance indicators

The key performance indicators of the Group relate to the performance of the underlying funds and the level of assets under management.

This report was approved and signed by:

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Simon Cunningham
Director
23 September 2024

Director's report For the year ended 31 December 2023

The Director present the Director's report together with the annual financial statements of Index Venture Services Limited (the "Company") and its subsidiary undertaking Index Ventures (UK) LLP (the "LLP") (together the "Group").

Directors

The Directors in office during the year ended 31 December 2023 and up to the date of approval of this report were as follows:

Sally Appleton (appointed 17 October 2023, resigned 28 May 2024)

Adrianna Ma (resigned 17 October 2023)

Simon Cunningham (appointed 17 January 2024)

Going Concern

The Director has undertaken an assessment of the Group and Company to continue as going concern for a period of 12 months from the date of approval of these financial statements. This assessment includes the impact of the ongoing worldwide conflicts on the ability to continue as a going concern for a period for at least 12 months from the date of approval of these financial statements.. The director considers that the Group and Company has sufficient liquid cash resources and can maintain sufficient income generating assets under management to cover their costs for the LLP to meet its regulatory capital requirement for this period.

The assets managed by the Index Group are EUR 2.8 billion plus USD 7.7 billion based on commitments. The funds have an initial term of 10 years and generates fees based on commitments for the Index Group over this 10 year period.

Each of the 16 funds managed are closed ended and hence investors are not able to withdraw their investments on a large scale and therefore create liquidity issues within the funds.

Director's responsibilities

The Director is responsible for preparing the Group Strategic Report, Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Director to prepare financial statements for each financial year. Under that law the Director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under Company law the Director 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 the Group and of the profit or loss of the Group for that year.

In preparing these financial statements, the Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 Company will continue in business.

The Director confirms that they have complied with the above requirements in preparing the financial statements.

Director's report For the year ended 31 December 2023 (continued)

The Director is 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. The Director is 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.

Section 172 (1) statement

Section 172 of the Companies Act 2006 requires a director of an entity to act in the way he or she considers, in good faith, would be most likely to promote the success of the entity for the benefit of its members as a whole.

As part of their deliberations and decision making process, the Director takes into account the following:

- (i) likely long term consequences of decisions made;
- (ii) the interests of the Group's employees;
- (iii) the need to foster the Group's business relationships with suppliers and clients and other market participants;
- (iv) the impact of the Group's operations on the community and the environment;
- (v) the desirability of the entity maintaining a reputation for high standards of business conduct.

The Director recognises that building strong relationships with stakeholders will help deliver the Group's strategy in line with its long-term values and is committed to effective engagement with the Group's stakeholders. Accordingly, the Director requires management to ensure that all stakeholder interests are considered in the Group's day to day management and operations and seek to understand the relative interests and priorities of the various stakeholders and to have regard to these in decision making. The Director acknowledges, however, that not every decision will necessarily result in a positive outcome for all stakeholders. As a result of these activities, the Director believes that they have demonstrated compliance with their legal duty under s.172 of the Companies Act 2006.


Auditor

MHA has indicated a willingness to continue in office. A resolution to reappoint MHA as independent auditor will be made in accordance with section 485 of the Companies Act 2006 at the next Director's meeting.

Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as each Director is aware, there is no relevant audit information of which auditor is unaware; and
- each Director has taken all steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report was approved and signed by:

DocuSigned by:

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Simon Cunningham
Director
23 September 2024

Independent auditor's report to the members of Index Venture Services Limited

Opinion

We have audited the financial statements of Index Venture Services Ltd (the "Company") and its subsidiary, Index Ventures (UK) LLP (together the "Group") for the year ended 31 December 2023 included within the Annual Report & Financial Statements (the "Annual Report"), which comprise of the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and the notes to the financial statements which include a description of the significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2023, and of the Group's 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 Companies Act 2006.

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 Group and the Company 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 ethical responsibilities in accordance with those 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Company'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 director with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

Now, for tomorrow

Independent auditor's report to the members of Index Venture Services Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic report and the Director's report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic report and Director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the director

As explained more fully in the director's responsibilities statement set out on pages 5 and 6, the director 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 director 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 director is responsible for assessing the Group and Company'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 director either intends to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- enquiry of management, those charged with governance, around actual and potential litigation and claims;

Independent auditor's report to the members of Index Venture Services Limited (continued)

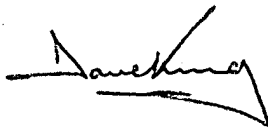
- enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the financial statements is located on the FRC's website at: 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 Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company's members as a body, for this report, or for the opinions we have formed.



David King, BSc, ACA Senior statutory auditor
For and on behalf of MHA,
Chartered Accountants and Statutory Auditors
London, United Kingdom
23/09/2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

Group Statement of Comprehensive Income for the year ended 31 December 2023

		2023	2022
	Notes	£	£
Turnover	4	40,469,151	40,712,179
Cost of sales		(273,953)	(193,528)
Gross profit		<u>40,195,198</u>	<u>40,518,651</u>
Administrative expenses	5	(24,734,997)	(20,172,758)
Movement in unrealised gain/loss on fair value of financial instruments measured at fair value through profit or loss		2,614,849	(1,065,111)
Operating profit	6	<u>18,075,050</u>	<u>19,280,782</u>
Interest receivable		33,948	2,379
Interest payable and similar charges		(6,719)	(8,158)
Profit on ordinary activities before taxation		<u>18,102,279</u>	<u>19,275,003</u>
Tax on ordinary activities	9a	(583,499)	(751,830)
Profit on ordinary activities after taxation		<u>17,518,780</u>	<u>18,523,173</u>
Appropriations to non-controlling interests		(13,781,011)	(16,670,070)
Retained profit on ordinary activities after taxation		<u><u>3,737,769</u></u>	<u><u>1,853,103</u></u>

All amounts relate to continuing activities.

There are no other items of comprehensive income for the current or prior year other than those included in Group Statement of Comprehensive Income shown above.

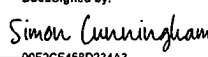
The notes on pages 16 to 26 form part of these financial statements.

Group Statement of Financial Position

As at 31 December 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	11	15,082,836		12,287,244	
Current assets					
Debtors	13	2,485,825		5,688,381	
Fair value of financial instruments at fair value through profit and loss	16	1,750,548		-	
Cash at bank and in hand	14	5,943,047		5,251,729	
		<u>10,179,420</u>		<u>10,940,110</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(8,401,856)		(9,568,156)	
Fair value of financial instruments at fair value through profit and loss	16	-		(864,301)	
		<u>(8,401,856)</u>		<u>(10,432,457)</u>	
Net current assets			<u>1,777,564</u>		<u>507,653</u>
Total assets less current liabilities			16,860,400		12,794,897
Provision for liabilities and charges	9c		(407,156)		(79,422)
			<u>16,453,244</u>		<u>12,715,475</u>
Capital and reserves					
Called-up equity share capital	19		100,000		100,000
Retained Earnings			16,323,244		12,585,475
Shareholders' Funds			<u>16,423,244</u>		<u>12,685,475</u>
Non-controlling interests	20		30,000		30,000
			<u>16,453,244</u>		<u>12,715,475</u>

These financial statements were approved by the Director and authorised for issue on 23 September 2024 and are signed by:

DocuSigned by:

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 Simon Cunningham
 Director

The notes on pages 16 to 26 form part of these financial statements.

Company Statement of Financial Position As at 31 December 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Investments	12		860,913		860,913
Current assets					
Debtors	13	15,914,692		12,278,763	
Cash at bank	14	<u>59,045</u>		<u>59,066</u>	
		15,973,737		12,337,829	
Creditors: amounts falling due within one year	15	<u>(4,250)</u>		<u>(433,845)</u>	
Net current assets			15,969,487		11,903,984
Total assets less current liabilities			<u>16,830,400</u>		<u>12,764,897</u>
Provision for liabilities and charges	9c		(407,156)		(79,422)
Net assets			<u>16,423,244</u>		<u>12,685,475</u>
Capital and reserves					
Called-up equity share capital	19		100,000		100,000
Retained Earnings			<u>16,323,244</u>		<u>12,585,475</u>
Shareholders' Funds			<u>16,423,244</u>		<u>12,685,475</u>

These financial statements were approved by the Director and authorised for issue on 23 September 2024 and are signed by:

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Simon Cunningham
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Simon Cunningham
Director

The notes on pages 16 to 26 form part of these financial statements.

Group Statement of Changes in Equity As at 31 December 2023

	Called up share capital	Retained earnings £	Shareholders equity	Non controlling interests £	Total equity £
At 1 January 2023	100,000	12,585,475	12,685,475	30,000	12,715,475
Comprehensive income for the year					
Profit for the year	-	3,737,769	3,737,769	13,781,011	17,518,780
Total comprehensive income for the year	<u>-</u>	<u>3,737,769</u>	<u>3,737,769</u>	<u>13,781,011</u>	<u>17,518,780</u>
Contributions by and distributions to members					
Capital contributed	-	-	-	-	-
Capital repaid	-	-	-	-	-
Appropriations to non-controlling interests	-	-	-	(13,781,011)	(13,781,011)
Total contributions by and distributions to members	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,781,011)</u>	<u>(13,781,011)</u>
At 31 December 2023	<u>100,000</u>	<u>16,323,244</u>	<u>16,423,244</u>	<u>30,000</u>	<u>16,453,244</u>

Group Statement of Changes in Equity As at 31 December 2022

At 1 January 2022	100,000	10,732,372	10,832,372	40,000	10,872,372
Comprehensive income for the year					
Retained profit for the year	-	1,853,103	1,853,103	16,670,070	18,523,173
Total comprehensive income for the year	<u>-</u>	<u>1,853,103</u>	<u>1,853,103</u>	<u>16,670,070</u>	<u>18,523,173</u>
Contributions by and distributions to members					
Capital contributed	-	-	-	-	-
Capital repaid	-	-	-	(10,000)	(10,000)
Appropriations to non-controlling interests	-	-	-	(16,670,070)	(16,670,070)
Total contributions by and distributions to members	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,680,070)</u>	<u>(16,680,070)</u>
At 31 December 2022	<u>100,000</u>	<u>12,585,475</u>	<u>12,685,475</u>	<u>30,000</u>	<u>12,715,475</u>

The notes on pages 16 to 26 form part of these financial statements.

Company Statement of Changes in Equity As at 31 December 2023

	Called up share capital	Retained earnings	Shareholders equity
At 1 January 2023	100,000	12,585,475	12,685,475
Comprehensive income for the year			
Retained profit for the year	-	3,737,769	3,737,769
Total comprehensive income for the year	-	3,737,769	3,737,769
At 31 December 2023	100,000	16,323,244	16,423,244

Company Statement of Changes in Equity As at 31 December 2022

At 1 January 2022	100,000	10,732,372	10,832,372
Comprehensive income for the year			
Retained profit for the year	-	1,853,103	1,853,103
Total comprehensive income for the year	-	1,853,103	1,853,103
At 31 December 2022	100,000	12,585,475	12,685,475

The notes on pages 16 to 26 form part of these financial statements.

Group Statement of Cash Flows for the year ended 31 December 2023

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	18,102,279	19,275,003
Interest receivable	(33,948)	(2,379)
Interest payable	6,719	8,158
Operating profit	<u>18,075,050</u>	<u>19,280,782</u>
Adjustments for:		
Depreciation	1,960,321	112,042
Corporation tax paid	(888,158)	(200,000)
Movement in unrealised gain/loss on fair value of financial instruments measured at fair value through profit or loss	(2,614,849)	1,065,111
Decrease/(increase) in debtors	3,405,135	(4,048,335)
(Decrease)/increase in creditors	(736,486)	2,407,093
Net cash generated from operating activities	<u>19,201,013</u>	<u>18,616,693</u>
Cash flows from investing activities		
Purchase of fixed assets	(4,755,913)	(10,062,702)
Disposals of fixed assets	-	66,921
Interest received	33,948	2,379
Interest paid	(6,719)	(8,158)
Net cash used in investing activities	<u>(4,728,684)</u>	<u>(10,001,560)</u>
Cash flows from financing activities		
Capital introduced by/(paid to) members	-	(10,000)
Appropriations to non-controlling interests	(13,781,011)	(16,670,070)
Net cash used in financing activities	<u>(13,781,011)</u>	<u>(16,680,070)</u>
Increase/(decrease) in cash and cash equivalents for the year	691,318	(8,064,937)
Cash and cash equivalents at 1 January	5,251,729	13,316,666
Cash and cash equivalents at 31 December	<u>5,943,047</u>	<u>5,251,729</u>
Represented by:		
Cash at bank	<u>5,943,047</u>	<u>5,251,729</u>

The Group has no borrowings and therefore a net debt reconciliation has not been presented.

The notes on pages 16 to 26 form part of these financial statements.

Notes to the financial statements for the year ended 31 December 2023

1. Company information

Index Venture Services Limited is a limited liability company registered and domiciled in England and Wales, limited by shares. The address of the registered office and place of business of the Company and its subsidiary Index Ventures (UK) LLP is 5-8 Lower John Street, London W1F 9DY

2. Accounting policies

2.1 Basis of accounting

The financial statements have been prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities at fair value and in accordance with United Kingdom accounting standards, incorporating Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The financial statements consolidate the financial statements of the Company and its subsidiary, Index Ventures (UK) LLP (the "LLP"), drawn up to 31 December 2023. The Company is a member of the LLP and is deemed to have control as it has 99.7% of the voting rights of the LLP. All inter-group transactions and balances have been eliminated in the consolidated financial statements.

The Company has taken advantage of the exemption available in para 1.2 of FRS 102 from preparing a cash flow statement, as the Company is the parent of a group and prepares publicly available consolidated financial statements, which are intended to give a true and fair view and the Company is included in those consolidated financial statements.

2.3 Going concern

The Director has undertaken an assessment of the Group and Company to continue as going concern for a period of 12 months from the date of approval of these financial statements. This assessment includes the impact of the ongoing worldwide conflicts on the ability to continue as a going concern for a period for at least 12 months from the date of approval of these financial statements.. The Director considers that the Group and Company has sufficient liquid cash resources and can maintain sufficient income generating assets under management to cover their costs for the LLP to meet its regulatory capital requirement for this period.

The assets managed by the Index Group are EUR 2.8 billion plus USD 7.7 billion based on commitments. The funds have an initial term of 10 years and generates fees based on commitments for the Index Group over this 10 year period.

Each of the 16 funds managed are closed ended and hence investors are not able to withdraw their investments on a large scale and therefore creating liquidity issues within the funds.

Notes to the financial statements for the year ended 31 December 2023 (continued)

2. Accounting policies (continued)

2.4 Revenue recognition

Revenue, which is stated net of any value added tax, represents fees arising from advisory services provided.

Revenue is only recognised on an accruals basis when the services have been performed and both of the following conditions are satisfied:

- the amount of revenue can be measured reliably; and
- it is probable that the Group will receive the consideration due under the contract.

2.5 Expenses

Expenses are recognised on an accruals basis.

2.6 Operating leases

Rentals under operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits on a straight line basis over the period of the lease.

2.7 Current and deferred taxation

Current tax is recognised for the amount of UK corporation tax payable in respect of the taxable profit for the current year using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Provision is made for corporation tax at the current rates on the excess of taxable income over allowable expenses.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where the transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A deferred tax asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain.

Any deferred tax assets and liabilities recognised are provided at the rate of tax expected to apply when the asset and liability crystallises and are not discounted.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation and any impairment.

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

Leasehold property	-	over the length of the lease
Furniture	-	over 5 years
Equipment	-	over 3 years

Notes to the financial statements for the year ended 31 December 2023 (continued)

2. Accounting policies (continued)

2.9 Financial Instruments

Financial assets

The Group's and Company's financial assets comprise basic financial instruments being trade receivables, amounts due from related parties and other receivables that are categorised as being debt instruments measured at amortised cost, cash at bank and other financial instruments.

Cash at bank is represented by deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Trade receivables, amounts due from related parties and other receivables are measured at transaction price and thereafter at the undiscounted amount of cash or other consideration to be received less any impairment. Any impairment loss is recognised in the Statement of Comprehensive Income.

Investments

Fixed asset investments represent the Company's investment in Index Ventures (UK) LLP and is measured at cost less provision for any impairment.

Impairment

An impairment loss is measured as the difference between an asset's carrying amount and best estimate of its fair value, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire or are settled, substantially all the risks and rewards of the ownership of the asset are transferred to another party or control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party.

Financial liabilities

The Group's and Company's financial liabilities comprise basic financial liabilities, being trade and other payables, amounts due to related parties and accruals that are measured at amortised cost. These are initially recognised at transaction price and thereafter at the amount of cash or other consideration expected to be paid.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Notes to the financial statements for the year ended 31 December 2023 (continued)

2. Accounting policies (continued)

2.9 Financial Instruments (continued)

Other financial instruments - derivatives

The Group's derivatives comprise forward currency contracts.

Derivatives are initially measured at cost which is the fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value through the Statement of Comprehensive Income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of the forward currency contracts is calculated by reference to current forward exchange contracts with similar maturity profiles.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 Foreign currencies

Functional and presentation currency

The Group's and Company's functional and presentational currency is Pounds Sterling, being the currency of the primary economic environment in which the Group and Company operate.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

Foreign exchange gains and losses are presented in the Statement of Comprehensive Income within administrative expenses.

2.11 Pensions

The Group operates a defined contribution money purchase pension scheme. Contributions are recognised in the Group Statement of Comprehensive Income as they become payable in accordance with the rules of the scheme.

Notes to the financial statements for the year ended 31 December 2023 (continued)

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the financial position date and the amounts reported for revenues and expenses during the year.

Critical judgements in applying the entity's accounting policies

The Group has not been required to apply any critical judgements in preparing the financial statements.

Critical accounting estimates and assumptions

The Director makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The 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 are addressed below.

Useful economic lives of non-financial assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 11 and 12 for the carrying amount of the non-financial assets, and note 2.8 for the useful economic lives for each class of tangible fixed assets.

Impairment of debtors

The Director makes estimates of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the aging profile of debtors and historical experience. See note 13 for the net carrying amount of the debtors and any associated impairment provision.

4. Analysis of turnover

Turnover, which is stated net of VAT, represents fees for the provision of advisory services in the UK to entities based in Jersey.

5. Administration expenses

Administration expenses include salaries, travel costs, professional fees, office expenses and foreign exchange gains or losses.

6. Operating profit

Operating profit is stated after charging/(crediting):

	2023	2022
	£	£
Depreciation of owned fixed assets	1,960,321	112,042
Foreign exchange gains	(113,043)	(66,148)
Operating lease payments - land and buildings	1,404,445	1,942,125
Auditor's remuneration - audit services to the Company	4,250	4,025
Auditor's remuneration - audit services to subsidiary	23,050	21,975
	<u>23,050</u>	<u>21,975</u>

Notes to the financial statements for the year ended 31 December 2023 (continued)

7. Employee information

The average number of staff employed by the Group during the year ended 31 December 2023 amounted to:

	2023	2022
	No.	No.
Investment team	9	10
Management staff	3	4
Support staff	30	21
	<u>42</u>	<u>35</u>

The aggregate payroll costs were:

	2023	2022
	£	£
Wages and salaries	10,673,356	9,340,628
Social security costs	1,798,198	1,476,671
Other pension costs	462,728	400,146
	<u>12,934,282</u>	<u>11,217,445</u>

8. Director's remuneration

For the two Directors that were Directors of the Company during the year ended 31 December 2023, one of the Directors was remunerated by the Company's subsidiary Index Ventures (UK) LLP and the other Director was remunerated by Index Ventures (U.S.) Inc, a fellow subsidiary undertaking of the Company's parent undertaking Index Ventures SA. For their services to the Company and its subsidiary, Index Ventures (UK) LLP, the Directors were remunerated as follows for the time that they were directors of the company:

	2023	2022
	£	£
Aggregate remuneration	160,584	94,428
Value of group pension contributions to money purchase schemes	1,437	3,295
	<u>162,021</u>	<u>97,723</u>

Remuneration of highest paid Director:

	2023	2022
	£	£
Total remuneration (excluding pension contributions)	133,880	63,990
Value of company pension contributions to money purchase schemes	-	3,295
	<u>133,880</u>	<u>67,285</u>

The number of Directors who accrue benefits under company pension schemes was as follows:

	2023	2022
	No.	No.
Money purchase schemes	<u>1</u>	<u>1</u>

Notes to the financial statements for the year ended 31 December 2023 (continued)

11. Tangible fixed assets
Group:

	Leasehold property	Furniture	Equipment	Total
	£	£	£	£
Cost or valuation				
At 1 January 2023	10,934,065	967,324	824,275	12,725,664
Additions	4,144,076	240,480	371,357	4,755,913
Disposals	-	-	(83,100)	(83,100)
At 31 December 2023	15,078,141	1,207,804	1,112,532	17,398,477
Depreciation				
At 1 January 2023	122,340	169,521	146,559	438,420
Charge for the year	1,575,925	171,142	213,254	1,960,321
Disposals	-	-	(83,100)	(83,100)
At 31 December 2023	1,698,265	340,663	276,713	2,315,641
Net book value				
At 31 December 2023	13,379,876	867,141	835,819	15,082,836
At 31 December 2022	10,811,725	797,803	677,716	12,287,244

12. Investments
Company:

	£
At 1 January and 31 December 2023	860,913
	£
Net book value as at 31 December 2022	860,913

The investment represents the Company's capital contribution to Index Ventures (UK) LLP, a limited liability partnership incorporated in England. The Director considers that there are no indications of impairment in this investment.

Notes to the financial statements for the year ended 31 December 2023 (continued)

13. Debtors

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Amounts owed by Index Ventures (UK) LLP	-	-	15,712,119	12,278,763
Due from related parties	-	2,712,179	-	-
Employee loans	252,847	411,997	-	-
VAT receivables	630,015	710,590	-	-
Other debtors	839,693	1,436,377	-	-
Corporation tax	202,573	-	202,573	-
Prepayments and accrued income	560,697	417,239	-	-
	<u>2,485,825</u>	<u>5,688,381</u>	<u>15,914,692</u>	<u>12,278,763</u>

Included within other debtors is a receivable from City of Westminster of £164,546 (2022: £80,477), a rent deposit of £540,000 (2022: £1,264,906) falling due after one year and an amount of £78,115 (2022: £76,845), which falls due after one year and relates to loans made through a peer to peer market place. During the year ended 31 December 2023 new loans of £39,273 were made to employees, interest of £20,049 was charged and £218,472 was repaid by employees. As at 31 Dec 2023 £252,847 (2022: £411,997) was due from employees. These loans bear interest at the rate of 1% above the secured overnight financing rate (SOFR) and are repayable in five equal instalments commencing on 31 December in the year following the drawdown.

14. Bank balances

Included in cash at bank is an amount of £116,310 (2022: £116,034), which has been collateralised by the bank in support of a Bond given as a rent guarantee and to cover credit card and financial facilities.

15. Creditors: amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	921,417	493,496	-	-
Amounts owed to related parties	824,631	-	-	-
Corporation tax	-	429,820	-	429,820
PAYE and social security	1,781,725	1,689,908	-	-
Amounts due to Members of Index Ventures (UK) LLP	3,200,000	4,500,000	-	-
Other creditors	376,950	813,798	-	-
Lease incentive	145,467	113,799	-	-
Accruals and deferred income	1,151,666	1,527,335	4,250	4,025
	<u>8,401,856</u>	<u>9,568,156</u>	<u>4,250</u>	<u>433,845</u>

16. Financial Instruments

At 31 December 2023 the LLP held forward foreign exchange contracts to hedge currency exposure of future income. The notional principal amounts of these contracts as at 31 December 2023 amounted to £46,000,000 (2022: £28,000,000).

The contracts were/are due to be settled in January 2024, July 2024 and January 2025 (2022: January 2023 and July 2023).

The net fair value gains/(losses) on these open contracts as at 31 December 2023 determined by reference to their market values, were as follows:

	2023	2022
	£	£
Fair value at 1 January	(864,301)	200,810
Movement in unrealised gain/loss in the fair value of financial instruments at fair value through profit and loss	2,614,849	(1,065,111)
Fair value at 31 December	<u>1,750,548</u>	<u>(864,301)</u>
Due to be settled with one year	1,375,638	(864,301)
Due to be settled between one and five years	374,910	-
	<u>1,750,548</u>	<u>(864,301)</u>

Movement in unrealised gain/loss in the fair value of financial instruments at fair value through profit and loss

Notes to the financial statements for the year ended 31 December 2023 (continued)

17. Operating lease commitments

Group:

At 31 December 2023 the Group had the following annual commitments under non-cancellable operating leases as follows:

	2023	2022
	£	£
Land and buildings		
Payable within one year	1,158,700	1,238,617
Payable between one and five years	4,566,301	4,608,700
Payable after five years	-	1,116,301
Total payable	<u>5,725,001</u>	<u>6,963,618</u>

Under the non-cancellable operating leases the LLP is committed to paying service charges until the end of each of the two lease terms on 20 December 2028 and 25 December 2028 . The service charge is variable and is calculated each year by the landlord. During the year ended 31 December 2023 service charges amounted to £132,400 (2022: £115,333).

18. Related party transactions

Index Venture Associates V Limited, Index Venture Growth Associates II Limited, Index Venture Associates VI Limited, Index Venture Life Associates VI Limited, Index Venture Associates VII Limited, Index Venture Associates VIII Limited, Index Venture Growth Associates III Limited, Index Venture Associates IX Limited, Index Venture Growth Associates IV Limited, Index Venture Associates X Limited, Index Venture Growth Associates V Limited, Index Associates I Origin Ltd, Index Venture Associates XI Limited, Index Venture Growth Associates VI Limited and Index Associates II Origin Ltd ("Index Group"), all of whom are registered in Jersey are related parties as they share common beneficial owners.

During the year, the Group provided services on an arm's length basis totalling £40,426,032 (2022: £40,565,134) to these entities.

As at 31 December 2023 £811,548 was owed to these companies (2022: £2,712,179 was due from these entities).

Index Ventures (U.S.) Inc., which is registered in the United States, is a related party as it and the Company are fellow subsidiaries of Index Ventures SA.

During the years ended 31 December 2023 and 31 December 2022, the LLP received payments on behalf of Index Ventures (U.S.) Inc. and as at 31 December 2023 the LLP owed £13,083 (2022: £nil) to Index Ventures (U.S.) Inc. and is included in amounts due to related parties.

19. Share capital

Authorised share capital:	2023	2022
	£	£
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

Allotted, called up and fully paid:	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

Notes to the financial statements for the year ended 31 December 2023 (continued)

20. Minority interests

The other members of the Company's subsidiary, Index Ventures (UK) LLP, have a minority interest in the retained profits and capital of that entity. Minority interest in the Consolidated Statement of Financial Position represent their capital contribution to, and their entitlement to retained profits of, Index Ventures (UK) LLP.

	2023	2022
	£	£
As at 1 January	(30,000)	(40,000)
Capital contributed	-	-
Capital repaid	-	10,000
As at 31 December	<u>(30,000)</u>	<u>(30,000)</u>

21. Immediate and Ultimate parent company

The Director regards Index Ventures S.A., a company registered in Switzerland as the immediate and ultimate controlling party.