REGISTERED NUMBER: 01977742 (England and Wales)

Strategic Report, Report of the Directors and

Financial Statements for the Year Ended 31 December 2019

for

Top Technology Ventures Limited
trading as IP Capital

Top Technology Ventures Limited
trading as IP Capital (Registered number: 01977742)

Contents of the Financial Statements
for the Year Ended 31 December 2019

Top Technology Ventures Limited
trading as IP Capital

Company Information
for the Year Ended 31 December 2019

DIRECTORS:	A J Aubrey D G Baynes M C N Townend
SECRETARY:	IP2IPO Services Limited
REGISTERED OFFICE:	The Walbrook Building 25 Walbrook London EC4N 8AF
REGISTERED NUMBER:	01977742 (England and Wales)
AUDITORS:	KPMG LLP, Statutory Auditor Chartered Accountants 15 Canada Square London E14 5GL

Top Technology Ventures Limited
trading as IP Capital (Registered number: 01977742)

Strategic Report
for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

REVIEW OF BUSINESS

Results and Performance

The principal activities of Top Technology Ventures Limited trading as IP Capital (the "Company", "TTV") during the year were to act as investment manager and advisor to venture capital limited partnerships and companies, and will continue to be in the coming year. The key risks faced by the Company are the unplanned termination of the Company's appointment to manage one or more funds, the loss of key staff and an inability of the Company to carry out regulated activities due to legislative or other changes or for any other reason.

Post the year end TTV transferred the assets of The North East Technology Fund LP to its sole limited partner by mutual agreement and IP Venture Fund will exit its last remaining investment and will then be closed.

The results of the Company for the year are set out on page 8.

The Company's loss for the year was £428,026 (2018: £569,874 profit). No interim dividend was paid during the year (2018: £-). The directors propose a final dividend of £1,000,000 for the year ended 31 December 2019 (2018: £1,000,000).

During the year the Company managed three entities (2018: three):

Company / partnership	Type of agreement	Business
IP Venture Fund II L.P. ("IPVFII")	Investment management and administrative services	A UK Limited Partnership formed to achieve long term capital growth by making equity and debt investments in relatively early stage UK high technology ventures within the IP Group
The North East Technology Fund L.P.	Investment management and administrative services	A UK Limited Partnership formed to achieve long term capital growth by making equity and debt investments in high technology ventures in the northeast of England.
IP Venture II (DMG) L.P.	Investment management and administrative services	A UK Limited Partnership formed to facilitate an equity investment in an AIM listed company on behalf of an existing limited partner of IPVFII

The Company arranged (brought about) deals in finance for two portfolio companies in the year for which fees of £93,974 were generated (2018: seven companies; fees of £1,435,911).

MARKET ENVIRONMENT

The year was characterised by significant geopolitical developments, including the US/China trade war and the spectre of Brexit in the UK, and the consequent increased political and economic uncertainty. In addition, there were significant developments in investor appetite and sentiment in the UK following the closure of Woodford Investment Management.

As a result, the number of companies and organisations seeking to commercialise intellectual property, and/or provide capital to spin-out companies from universities and research-intensive institutions in the UK, declined this year. This caused a significant downturn in sentiment in the sector in the UK with a number of other capital providers also taking a far more cautious approach with access to capital in the UK coming under pressure in 2019. In response, IP Group focussed on driving value from its diversified and maturing portfolio of assets by substantially increasing cash realisations, either by partially or fully exiting holdings in some companies.

In addition, there was a continuation of the trend that private companies have, on the whole, found it easier to raise finance at attractive valuations than those on the public markets and thus we have seen companies staying private for longer.

As is more fully described in the Risk Management section of IP Group plc's 2019 annual report and financial statements, while the ongoing European Union exit negotiations may have an impact on the Company's business, management has taken mitigating actions in recent years, including diversification of access to both research and capital. In addition, the Company continues to take steps to broaden its shareholder register and counts several large global investors among its shareholder base.

Top Technology Ventures Limited
trading as IP Capital (Registered number: 01977742)

Strategic Report
for the Year Ended 31 December 2019

STRATEGY
The Company's business plan is to continue to act as investment manager and advisor to venture capital limited partnerships and companies. The Company will also continue to monitor investor appetite for new or follow on investment entities for which it could be a manager or adviser.

KEY PERFORMANCE INDICATORS ('KPIS')
The board monitors progress on the overall Company strategy and the individual strategic elements by reference to three distinct KPIs. Performance during the year is set out in the table below:

	2019	2018
	£'000	£'000
Funds under management	41,578	60,289
Venture capital finance advisory revenues	94	1,436
Total comprehensive income	(428)	570

PRINCIPAL RISKS AND UNCERTAINTIES
The Company is exposed to variety of financial and operational risks that arise in the course of its business. These risks include regulatory risk, the loss of key personnel and liquidity risk. The Company seeks to limit exposure to such risks where possible and the Company has in place a risk management framework that is designed to limit the adverse effects of these risks on the financial and operational performance of the Company. Top Technology Ventures Limited trading as IP Capital is authorised and regulated by the Financial Conduct Authority ("FCA").

The Directors are continuing to closely monitor the impact of Covid-19 on the Company; for further discussion see the Future Outlook section.

FUTURE OUTLOOK
As the Covid-19 virus has developed over recent weeks, the Directors have been assessing the impact on the Company to ensure that such impacts are effectively managed. It is too early to be able to fully assess the likely impact on our portfolio companies however recent equity market conditions suggest a deterioration in the outlook for fundraising activity. In addition, portfolio company management teams are generally following government travel advice, which may limit fundraising or commercial activities in the short term.

Notwithstanding the potential impact of Covid-19, the Directors believes that the Company will continue to operate satisfactorily for the foreseeable future.

ON BEHALF OF THE BOARD:

M C N Townend - Director

23 April 2020

Top Technology Ventures Limited
trading as IP Capital (Registered number: 01977742)

Report of the Directors
for the Year Ended 31 December 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

The Directors' report should be read in conjunction with the Strategic report on page 2 (which is incorporated in this Directors' report by reference), which together, include information about the Company's business, its financial performance during the period, and likely developments in the future.

DIVIDENDS
No interim dividend was paid during the year. The directors recommend a final dividend of 4.9 per share.

The total distribution of dividends for the year ended 31 December 2019 will be £1,000,000.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

A J Aubrey
D G Baynes
M C N Townend

POLITICAL DONATIONS AND EXPENDITURE
During the year ended 31 December 2019, the Company made no political or charitable donations (year ended 31 December 2018: £nil).

GOING CONCERN
The Company has adequate financial resources and as a consequence, the Directors believe that the Company is well place to manage its business risks successfully and to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements. The Directors have considered the impact of the emergence and spread of COVID-19 and potential implications on the Company's future operations. Whilst there are significant wider market uncertainties which may impact portfolio company investments and fund investors, the Directors do not believe this will impact the ability of the Company to continue as a going concern over the next 12 months. For this reason, the Directors have adopted the going concern basis in preparing these financial statements.

QUALIFYING THIRD PARTY INDEMNITY PROVISION
The Company has arranged qualifying third party indemnity for all of its directors.

FINANCIAL RISK MANAGEMENT
Top Technology Ventures Limited trading as IP Capital is authorised and regulated by the FCA. The Company is a subsidiary of IP Group plc, which manages risk on a divisional basis. For further information on risk management at a group level, please see the IP Group plc consolidated financial statements. The Company's individual risk management extends further to focus on the major areas of risk specific to its business; namely credit risk and operation risk. The Company has only limited exposure to general financial market conditions (i.e. market risk) due to the lack of significant external debt and direct equity investments. Responsibility for the ongoing management of risk rests with the Company's board of directors. This includes identification, assessment and reporting of risks. Day to day monitoring is performed by the compliance officer through review of operational reporting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditor KPMG LLP is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

M C N Townend - Director

23 April 2020

Top Technology Ventures Limited
trading as IP Capital (Registered number: 01977742)

Statement of Directors' Responsibilities
for the Year Ended 31 December 2019

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities..

Report of the Independent Auditors to the Members of
Top Technology Ventures Limited
trading as IP Capital (Registered number: 01977742)

Opinion
We have audited the financial statements of Top Technology Ventures Limited trading as IP Capital ("the company") for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern
The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report
The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:
- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion [those reports have]/[that report has] been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Members of
Top Technology Ventures Limited
trading as IP Capital (Registered number: 01977742)

Directors' responsibilities
As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities
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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities
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 our audit work, for this report, or for the opinions we have formed

Mark Noonan

Mark Noonan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 24 April 2020

Top Technology Ventures Limited
trading as IP Capital (Registered number: 01977742)

Statement of Comprehensive Income
for the Year Ended 31 December 2019

	Notes	2019 £	2018 £
TURNOVER	4	**848,628**	2,661,967
Administrative expenses		**(1,363,770)**	(1,952,761)
		(515,142)	709,206
Change in fair value of investments		**(342)**	(2,985)
OPERATING (LOSS)/PROFIT		**(515,484)**	706,221
Interest receivable and similar income		**11,451**	9,529
(LOSS)/PROFIT BEFORE TAXATION	5	**(504,033)**	715,750
Tax on (loss)/profit	7	**81,364**	(140,974)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		**(422,669)**	574,776
OTHER COMPREHENSIVE INCOME			
Item that will not be reclassified to profit or loss:			
Deferred tax		**(5,357)**	(4,902)
OTHER COMPREHENSIVE LOSS/INCOME FOR THE YEAR, NET OF INCOME TAX		**(5,357)**	(4,902)
TOTAL COMPREHENSIVE LOSS /INCOME FOR THE YEAR		**(428,026)**	569,874

The notes on pages 11 to 18 form part of these financial statements

Top Technology Ventures Limited
trading as IP Capital (Registered number: 01977742)

Balance Sheet
31 December 2019

	Notes	2019 £	2019 £	2018 £	2018 £
FIXED ASSETS					
Tangible assets	9		-		-
Investments	10		-		2,560
			-		2,560
CURRENT ASSETS					
Debtors: amounts falling due within one year	11	346,939		3,850,588	
Debtors: amounts falling due after more than one year	11	742,218		971,734	
Cash at bank		5,243,828		3,776,734	
		6,332,985		8,599,056	
CREDITORS					
Amounts falling due within one year	12	868,608		1,669,796	
NET CURRENT ASSETS			5,464,377		6,929,260
TOTAL ASSETS LESS CURRENT LIABILITIES			5,464,377		6,931,820
PROVISIONS FOR LIABILITIES	13		575,131		651,138
NET ASSETS			4,889,246		6,280,682
CAPITAL AND RESERVES					
Called up share capital	14		204,000		204,000
Share premium			396,000		396,000
Retained earnings			4,289,246		5,680,682
SHAREHOLDERS' FUNDS			4,889,246		6,280,682

The financial statements were approved by the Board of Directors on 23 April 2020 and were signed on its behalf by:

M. C. N

M C N Townend - Director

The notes on pages 11 to 18 form part of these financial statements

Top Technology Ventures Limited
trading as IP Capital (Registered number: 01977742)

Statement of Changes in Equity
for the Year Ended 31 December 2019

	Note	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2018		204,000	5,077,393	396,000	5,677,393
Changes in equity					
Total comprehensive income		-	569,874	-	569,874
Share based payments charge		-	33,415	-	33,415
Balance at 31 December 2018		204,000	5,680,682	396,000	6,280,682
Changes in equity					
Dividends	8	-	(1,000,000)	-	(1,000,000)
Total comprehensive income		-	(428,026)	-	(428,026)
Share based payments charge	18	-	36,590	-	36,590
Balance at 31 December 2019		204,000	4,289,246	396,000	4,889,246

The notes on pages 11 to 18 form part of these financial statements

1. STATUTORY INFORMATION

Top Technology Ventures Limited trading as IP Capital is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparation
The Financial Statements of Top Technology Ventures Limited trading as IP Capital (the "Company") are for the year ended 31 December 2019. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. These financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures: a Cash Flow Statement and related notes; disclosures in respect of transactions with wholly owned subsidiaries; disclosures in respect of capital management; the effects of new but not yet effective IFRSs; and disclosures of transactions with a management entity that provides key management personnel services to the company. The Company has also applied the exemption from the requirements of IFRS 7 Financial Instruments: Disclosures, the equivalent disclosures are included in the IP Group plc consolidated financial statements.

After reviewing the cash flow forecasts for a period of at least 12 months, the Directors are satisfied that taking account of reasonably possible downsides, including the potential impact of COVID-19, the company will have sufficient funds to meet its liabilities as they fall due for that period. For this reason, the Directors consider it appropriate to adopt the going concern basis in preparing these financial statements

The Directors have considered the impact of the emergence and spread of COVID-19 and potential implications on future operations. Whilst there are significant wider market uncertainties which may impact the Company, the Directors do not believe this will impact the ability of the company to continue as a going concern for at least the next 12 months.

Changes in accounting policies
(i) New standards, interpretations and amendments effective from 1 January 2019
The following new standards have been applied in these financial statements:

IFRS 16 Leases
IFRS 16 Leases was issued on 13 January 2016 and replaces IAS 17 Leases. IFRS 16 requires all operating leases in excess of one year, where the Group is the lessee, to be included on the Group's statement of financial position, and recognised as a right-of-use ("ROU") asset and a related lease liability representing the obligation to make lease payments. The ROU asset will be amortised on a straight-line basis with the lease liability being amortised using the effective interest method. Optional exemptions are available under IFRS 16 for shortterm leases (lease terms less than 12 months) and for small-value leases.

The Group has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17. The details of accounting policies under IAS 17 are disclosed separately if they are different from those under IFRS 16 and the impact of changes is disclosed in Note 23.

The Directors have noted no impact on this entity following the adoption.

(ii) New standards, interpretations and amendments not yet effective
No new standards, interpretations and amendments not yet effective are expected to have a material effect on the Group's future financial statements.

continued...

2. **ACCOUNTING POLICIES - continued**

Portfolio return and revenue

Change in fair value

Change in fair value of equity and debt investments represents revaluation gains and losses on the Company's portfolio of investments. Gains on disposal of equity investments represent the difference between the fair value of consideration received and the carrying value at the start of the accounting period on the disposal of equity investments. Change in fair value of Limited Partnership investments represents revaluation gains and losses on the Company's investments in Limited Partnership funds. Changes in fair values of assets do not constitute revenue.

Revenue from services and other income

All revenue from services is generated primarily from within the United Kingdom and is stated exclusive of value added tax, with further revenue generated in the Group's Australian and US operations. Revenue is recognised when the Company satisfies its performance obligations, in line with IFRS 15. Revenue from services and other income comprises:

Advisory fees

Fees earned from the provision of business support services including IP Assist and IP Exec services and fees for IP Group representation on portfolio company boards are recognised as the related services are provided. Corporate finance advisory fees are generally earned as a fixed percentage of total funds raised and recognised at the time the related transaction is successfully concluded. In some instances, these fees are settled via the issue of equity in the company receiving the corporate finance services at the same price per share as equity issued as part the financing round to which the advisory fees apply.

Fund management services

Fund management fees include fiduciary fund management fees which are generally earned as a fixed percentage of total funds under management and are recognised as the related services are provided and performance fees payable from realisation of agreed returns to investors which are recognised as performance criterion are met.

Licence & Royalty income

The Company's IP licenses typically constitute separate performance obligations, being separate from other promised goods or services. Revenue is recognised in line with the performance obligations included in the license, which can include sales-based, usage-based on milestone-based royalties.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Full provision is made for deferred tax on all temporary differences resulting from the carrying value of an asset or liability and its tax base. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or deferred tax liability settled. Deferred tax assets are recognised to the extent that it is probable that the deferred tax asset will be recovered in the future.

continued...

2. **ACCOUNTING POLICIES - continued**

Employee benefits
(i) Pension obligations
The Company operates a company defined contribution pension scheme for which all employees are eligible. The assets of the scheme are held separately from those of the Company in independently administered funds. The Company currently makes contributions on behalf of employees to this scheme or to employee personal pension schemes on an individual basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

(ii) Share-based payments
The Company engages in equity-settled share-based payment transactions in respect of services receivable from employees, by granting employees conditional awards of ordinary shares subject to certain vesting conditions.

Conditional awards of shares are made pursuant to the Company's Long-Term Incentive Plan ("LTIP") awards and/or the Group's Annual Incentive Scheme ("AIS"). The fair value of the shares is estimated at the date of grant, taking into account the terms and conditions of the award, including market-based performance conditions.

The fair value at the date of grant is recognised as an expense over the period that the employee provides services, generally the period between the start of the performance period and the vesting date of the shares. The corresponding credit is recognised in retained earnings within total equity. The fair value of services is calculated using the market value on the date of award and is adjusted for expected and actual levels of vesting. Where conditional awards of shares lapse the expense recognised to date is credited to the statement of comprehensive income in the year in which they lapse.

Where the terms for an equity-settled award are modified, and the modification increases the total fair value of the share-based payment, or is otherwise beneficial to the employee at the date of modification, the incremental fair value is amortised over the vesting period.

Related party transactions
In accordance with IAS 24 "Related Parties Disclosures", the Company discloses details of material transactions between the reporting entity and related parties. However, transactions between the Company and other Group companies have not been disclosed in accordance with the exemption in IAS 24 paragraph 16.

3. **EMPLOYEES AND DIRECTORS**

	2019	2018
	£	£
Wages and salaries	591,930	777,609
Social security costs	57,065	95,238
Other pension costs	46,105	50,888
	695,100	923,735

The average number of employees during the year was as follows:

	2019	2018
Office and management	4	6

The directors were remunerated for their services to other group companies within the group headed by the Company's ultimate parent, IP Group plc. The directors of the company chose to waive any remuneration during the year ended 31 December 2019, for their services to this entity.

4. **TURNOVER**

All revenue from services is generated within the United Kingdom and is stated exclusive of value added tax. Corporate finance advisory fees are generally earned as a fixed percentage of total funds raised and recognised at the time the related transaction is successfully concluded. Fiduciary fund management fees are generally earned as a fixed percentage of the limited partners' commitments to a given fund or the net cost of a given fund's portfolio and are recognised as the related services are provided.

continued...

5. (LOSS)/PROFIT BEFORE TAXATION

The loss before taxation (2018 - profit before taxation) is stated after charging:

	2019	2018
	£	£
Other operating leases	3,186	2,943
Depreciation - owned assets	-	1,484
Foreign exchange differences	7,696	5,508

6. AUDITORS' REMUNERATION

	2019	2018
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	17,750	12,317

7. TAXATION

Analysis of tax (income)/expense

	2019	2018
	£	£
Current tax:		
Tax	-	140,974
Deferred tax	(81,364)	-
Total tax (income)/expense in statement of comprehensive income	(81,364)	140,974

Factors affecting the tax expense
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
(Loss)/profit before income tax	(504,033)	715,750
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(95,766)	135,993
Effects of:		
Expenses not deductible for tax purposes	1,823	11,996
Deferred tax relating to other comprehensive income	(5,357)	(4,902)
Adjustments to rate change of deferred tax	8,941	(17,162)
Deferred tax on chargeable gains not qualifying for SSE	-	(237)
Share based payment adjustment	9,553	16,700
Adjustment in relation to Partnership Share	(558)	(1,414)
Tax (income)/expense	(81,364)	140,974

Tax effects relating to effects of other comprehensive income

		2019	
	Gross	Tax	Net
	£	£	£
Deferred tax	(5,357)	-	(5,357)

		2018	
	Gross	Tax	Net
	£	£	£
Potential tax deduction on share options	(4,902)	-	(4,902)

continued...

8. DIVIDENDS

	2019 £	2018 £
Ordinary shares of £1 each		
Final dividend from 2018 paid in 2019	1,000,000	-
Current financial year proposed final dividend	1,000,000	1,000,000

9. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
Cost			
At 1 January 2019			
and 31 December 2019	193,701	14,462	208,163
Depreciation			
At 1 January 2019			
and 31 December 2019	193,701	14,462	208,163
Net book value			
At 31 December 2019	-	-	-
At 31 December 2018	-	-	-

10. INVESTMENTS

	Listed Investments £
Cost	
At 1 January 2019	2,560
Disposals	(2,218)
Fair value movements	(342)
At 31 December 2019	-
Net book value	
At 31 December 2019	-
At 31 December 2018	2,560

11. DEBTORS

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	267,207	3,689,012
Other debtors	79,732	161,576
	346,939	3,850,588
Amounts falling due after more than one year:		
Amounts owed by group undertakings	742,218	971,734
Aggregate amounts	1,089,157	4,822,322

continued...

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	68,332	114,662
Amounts owed to group undertakings	659,032	1,356,815
Social security and other taxes	15,098	24,341
VAT	-	50,465
Other creditors	35,228	50,591
Accruals and deferred income	90,918	72,922
	868,608	1,669,796

VAT payable is zero due to amounts being netted with the group VAT position.

13. PROVISIONS

	2019	2018
	£	£
Deferred tax	575,131	651,138

	Deferred tax
	£
Balance at 1 January 2019	651,138
Deferred tax charged (income)	(81,364)
Deferred tax charged (equity)	5,357
Balance at 31 December 2019	575,131

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019	2018
			£	£
204,000	Ordinary	£1	204,000	204,000

continued...

15. RELATED PARTY DISCLOSURES

During the year ended 31 December 2019, Top Technology Ventures Limited trading as IP Capital had the following transactions with related parties:

- £85,310 was earned from the North East Technology Fund (GP) Limited in the form of Priority Profit Share relating to management of The North East Technology Fund LP (2018: £384,690). No amounts (2018: £384,670) were outstanding at the reporting date.

- £572,308 was earned from IP Venture Fund II (GP) LLP in the form of Priority Profit Share relating to the management of IP Venture Fund II L.P. (2018: £607,622). £572,3080 (2018: £1,215,244) was outstanding at the reporting date.

- £35,000 was earned from IP Venture Fund (GP) Limited in the form of Priority Profit Share relating to the management of IP Venture Fund LP. (2018: £130,000). £20,000 (2018: £804,143) was outstanding at the reporting date.

- Directors' fees of £43,734 (2018: £64,484) were earned by Top Technology Ventures Limited trading as IP Capital for holding directorships in investee companies of IP Group plc, the immediate and ultimate parent company, or of limited partnership funds managed by Top Technology Ventures Limited trading as IP Capital. An outstanding amount of £56,825 (2018: £56,708) before provisions was included in debtors as at 31 December 2019.

- Advisory, arrangement, and other fees of £93,974 (2018: £1,475,171) were earned by Top Technology Ventures Limited trading as IP Capital from investee companies of IP Group plc, the immediate and ultimate parent company, or of limited partnership funds managed by Top Technology Ventures Limited trading as IP Capital. An outstanding amount of £20,000 (2018: £1,202,818) was included in debtors as at 31 December 2019.

- The partnership agreements provide that IP Venture Fund (GP) Limited, IP Venture Fund II (GP) LLP and North East Technology (GP) Limited, the 100% owned subsidiary companies, shall act as General Partner of IP Venture Fund, IP Venture Fund II L.P. and The North East Technology Fund L.P. respectively and are entitled to Priority Profit Share payments as described in notes 1 and 2 which are ultimately payable to TTV as the funds' manager.

16. EVENTS AFTER THE REPORTING PERIOD

Post the year end TTV transferred the assets of The North East Technology Fund LP to its sole limited partner by mutual agreement.

As the Covid-19 virus has developed over recent months, the Directors have been assessing the impact on the Company to ensure that such impacts are effectively managed. It is too early to be able to fully assess the likely impact, although portfolio company management teams are generally following government travel advice, which may limit fundraising or commercial activities in the short term. However the ultimate financial impact cannot be estimated.

17. IMMEDIATE AND ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The Directors regard IP Group plc as the immediate and ultimate parent company and controlling party. Copies of the ultimate parent company's financial statements may be obtained from the secretary of IP Group plc, The Walbrook Building, 25 Walbrook, London, EC4N 8AF.

continued...

18. SHARE-BASED PAYMENT TRANSACTIONS

Deferred Bonus Share Plan ("DBSP") awards

Awards made to employees under the Group's AIS above a certain threshold include 50% deferred into IP Group equity through the grant of nil-cost options under the Group's DBSP. The number of nil-cost options granted under the Group's DBSP is determined by the share price at the vesting date. The DBSP options are subject to further time-based vesting over two years (typically 50% after year one and 50% after year two).

As the 2019 AIS financial performance targets were met and as the number of DBSP options to be granted in order to defer such elements of the AIS payments as are required under our remuneration policy are based on a percentage of employees' salary, the share-based payments line includes the associated share-based payments expense incurred in 2019.

Long Term Incentive Plan ("LTIP") awards

Awards under the LTIP take the form of conditional awards of ordinary shares of 2p each in the Group which vest over the prescribed performance period to the extent that performance conditions have been met. The Remuneration Committee imposes objective conditions on the vesting of awards and these take into consideration the guidance of the Group's institutional investors from time to time. Further information on the Group's LTIP is set out in the Directors' Remuneration Report in the IP Group plc 2019 Annual Report.

The 2019 LTIP awards were made on 26 April 2019. The awards will ordinarily vest on 31 March 2022, to the extent that the performance conditions have been met. The awards are based on the performance of the Group's Hard NAV and Total Shareholder Return ("TSR"). Both performance measures are combined into a matrix format to most appropriately measure performance relative to the business, as shown in the Directors' Remuneration Report within the Group's 2019 Annual Report and Accounts. The total award is subject to an underpin based on the relative performance of the Group's TSR to that of the FTSE 250 index, which can reduce the awards by up to 50%. The 2019 LTIP matrix is designed such that up to 100% of the award (prior to the application of the underpin) will vest in full in the event of both Hard NAV increasing by 15% per year on a cumulative basis, from 1 January 2019 to 31 December 2021, and TSR increasing by 15% per year on a cumulative basis from the date of award to 31 March 2022, using an industry-standard average price period at the beginning and end of the performance period. Further, the matrix is designed such that 30% of the award shall vest (again prior to the application of the underpin) if the cumulative increase is 8% per annum for both measures over their respective performance periods ("threshold performance"). A straight-line sliding scale is applied for performance between the distinct points on the matrix of vesting targets.

The 2018 LTIP awards were made on 10 May 2018. The awards will ordinarily vest on 31 March 2021, to the extent that the performance conditions have been met. The awards are based on the performance of the Group's Hard NAV and Total Shareholder Return ("TSR"). Both performance measures are combined into a matrix format to most appropriately measure performance relative to the business, as shown in the Directors' Remuneration Report within the Group's 2018 Annual Report and Accounts. The total award is subject to an underpin based on the relative performance of the Group's TSR to that of the FTSE 250 index, which can reduce the awards by up to 50%. The 2018 LTIP matrix is designed such that up to 100% of the award (prior to the application of the underpin) will vest in full in the event of both Hard NAV increasing by 15% per year on a cumulative basis, from 1 January 2018 to 31 December 2020, and TSR increasing by 15% per year on a cumulative basis from the date of award to 31 March 2021, using an industry-standard average price period at the beginning and end of the performance period. Further, the matrix is designed such that 30% of the award shall vest (again prior to the application of the underpin) if the cumulative increase is 8% per annum for both measures over their respective performance periods ("threshold performance"). A straight-line sliding scale is applied for performance between the distinct points on the matrix of vesting targets.

The 2017 LTIP awards were made on 29 August 2017. The awards will ordinarily vest on 31 March 2020, to the extent that the performance conditions have been met. The awards are based on the performance of the Group's Hard NAV and Total Shareholder Return ("TSR"). Both performance measures are combined into a matrix format to most appropriately measure performance relative to the business, as shown in the Directors' Remuneration Report within the Group's 2017 Annual Report and Accounts. The total award is subject to an underpin based on the relative performance of the Group's TSR to that of the FTSE 250 index, which can reduce the awards by up to 50%. The 2017 LTIP matrix is designed such that up to 100% of the award (prior to the application of the underpin) will vest in full in the event of both Hard NAV increasing by 15% per year on a cumulative basis, from 1 January 2017 to 31 December 2019, and TSR increasing by 15% per year on a cumulative basis from the date of award to 31 March 2020, using an industry-standard average price period at the beginning and end of the performance period. Further, the matrix is designed such that 30% of the award shall vest (again prior to the application of the underpin) if the cumulative increase is 8% per annum for both measures over their respective performance periods ("threshold performance"). A straight-line sliding scale is applied for performance between the distinct points on the matrix of vesting targets.