

Registered number: 02323420

SPARK IMPACT LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

WEDNESDAY



A6FV400B

A30

27/09/2017

#290

COMPANIES HOUSE

SPARK IMPACT LIMITED

COMPANY INFORMATION

Directors	M F D'Abbadie M Borzomato
Registered number	02323420
Registered office	Liverpool Science Park 131 Mount Pleasant Liverpool L3 5TF
Independent auditors	Langtons Professional Services Limited Chartered Accountants and Business Advisors & Accountants 11th Floor The Plaza 100 Old Hall Street Liverpool L3 9QJ

SPARK IMPACT LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditors' report	4 - 5
Statement of comprehensive income	6
Balance sheet	7
Statement of changes in equity	8
Notes to the financial statements	9 - 20

SPARK IMPACT LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Introduction

The directors present their strategic report for the year ended 31 December 2016.

Business review

The directors believe that the company has achieved a satisfactory result for the year under review in the light of prevailing trading conditions.

The directors plan to continue to develop the existing activities of the company.

Principal risks and uncertainties

The company's operations expose it to a variety of financial risks. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of liquidity and the related finance costs. The company does not use derivative financial instruments and as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

Financial key performance indicators

The company monitors its performance on an ongoing basis and produces comprehensive management information which is presented at the board meetings. Key performance indicators are used on an ongoing basis to manage the business and these include the levels of assets under management, recurring income, new business, costs and EBITDA.

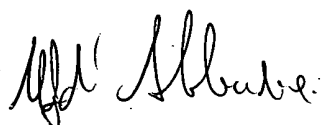
Liquidity risk

The company actively monitors liquidity levels to ensure the company has sufficient available funds for operations and planned expansions.

Regulatory risk

The majority of the company's activities are regulated by the Financial Conduct Authority (FCA). The directors are aware of the risks of non-compliance and ensure adequate resource and personnel are in place to maintain a controlled and fully compliant environment.

This report was approved by the board on 26 April 2017 and signed on its behalf.



M F D'Abbadie
Director

SPARK IMPACT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Principal activity

The principal activity of the company is acting as manager of The North West Fund for Biomedical and The Enterprise Development Scheme - Isle of Man.

Results and dividends

The profit for the year, after taxation, amounted to £136,216 (2015 - £317,132).

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Directors

The directors who served during the year were:

A D N Betton (resigned 28 September 2016)
J R Patel (resigned 28 September 2016)
A B Carruthers (resigned 28 September 2016)
C J Gee (resigned 28 September 2016)
M F D'Abbadie
A E Round (resigned 15 June 2016)
M Borzomato (appointed 28 September 2016)

SPARK IMPACT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Future developments

The directors intend to continue to develop the existing activities of the company.

Post balance sheet events

There have been no significant events affecting the company since the year end.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

Auditors

The auditors, Langtons Professional Services Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26 April 2017 and signed on its behalf.



M F D'Abbadie
Director

SPARK IMPACT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SPARK IMPACT LIMITED

We have audited the financial statements of Spark Impact Limited for the year ended 31 December 2016, set out on pages 6 to 20. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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 Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

SPARK IMPACT LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SPARK IMPACT LIMITED
(CONTINUED)**

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Eifion Roberts (Senior statutory auditor)

for and on behalf of

Langtons Professional Services Limited

Chartered Accountants and Business Advisors
Accountants

11th Floor
The Plaza
100 Old Hall Street
Liverpool
L3 9QJ

26 April 2017

SPARK IMPACT LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 £
Turnover		1,078,316	1,242,224
Gross profit		1,078,316	1,242,224
Administrative expenses		(905,495)	(1,029,362)
Operating profit		172,821	212,862
Interest receivable and similar income	9	1,033	750
Profit before tax		173,854	213,612
Tax on profit	10	(37,638)	103,520
Profit for the year		136,216	317,132

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015: £NIL).

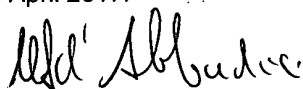
The notes on pages 9 to 20 form part of these financial statements.

SPARK IMPACT LIMITED
REGISTERED NUMBER: 02323420

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	12	9,439	3,870
Investments	13	25,002	2
		<u>34,441</u>	<u>3,872</u>
Current assets			
Debtors: amounts falling due within one year	14	628,804	140,174
Cash at bank and in hand	15	108,134	771,308
		<u>736,938</u>	<u>911,482</u>
Creditors: amounts falling due within one year	16	(253,059)	(335,250)
Net current assets		<u>483,879</u>	<u>576,232</u>
Total assets less current liabilities		<u>518,320</u>	<u>580,104</u>
Net assets		<u><u>518,320</u></u>	<u><u>580,104</u></u>
Capital and reserves			
Called up share capital	18	515	1,010
Capital redemption reserve	19	495	-
Profit and loss account	19	517,310	579,094
		<u>518,320</u>	<u>580,104</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 April 2017.



M F D'Abbadie

Director

The notes on pages 9 to 20 form part of these financial statements.

SPARK IMPACT LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	1,010	-	579,094	580,104
Comprehensive income for the year				
Profit for the year	-	-	136,216	136,216
Total comprehensive income for the year	-	-	136,216	136,216
Dividends: Equity capital	-	-	(98,000)	(98,000)
Purchase of own shares	-	495	(100,000)	(99,505)
Shares cancelled during the year	(495)	-	-	(495)
Total transactions with owners	(495)	495	(198,000)	(198,000)
At 31 December 2016	515	495	517,310	518,320

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	1,010	261,962	262,972
Comprehensive income for the year			
Profit for the year	-	317,132	317,132
Total comprehensive income for the year	-	317,132	317,132
Total transactions with owners	-	-	-
At 31 December 2015	1,010	579,094	580,104

The notes on pages 9 to 20 form part of these financial statements.

SPARK IMPACT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

The company is a private company limited by shares, which is incorporated under the Companies Act 2006 and registered in England and Wales (no.02323420). The address of the registered office is Liverpool Science Park, 131 Mount Pleasant, Liverpool, L3 5TF.

These financial statements present information about the company as an individual undertaking; it is a subsidiary of Spark Impact Holdings Limited. The principal activity of the company is acting as manager of The North West Fund for Biomedical and The Enterprise Development Scheme - Isle of Man

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The presentation currency of these financial statements is pound sterling; the financial statements are rounded to the nearest pound.

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

The following principal accounting policies have been applied:

2.2 Going concern

After reviewing the company's budget and forecasts for the future, taking into account reasonably possible changes in trading performance and the uncertain economic outlook, the directors are satisfied that, at the time of approving the financial statements, it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

SPARK IMPACT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.4 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Office equipment	-	33% straight line
Computer equipment	-	25% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Debtors

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

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

SPARK IMPACT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

2.9 Creditors

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

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.11 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

SPARK IMPACT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.12 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.13 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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

The directors have made judgments regarding the depreciation of fixed assets.

4. Turnover

The whole of the turnover is attributable to the principal business activity.

All turnover arose within the British Isles.

5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	4,915	4,195
Fees payable to the Company's auditor and its associates for the audit of the company's annual accounts	6,950	5,300
Defined contribution pension cost	28,092	50,563

SPARK IMPACT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. Auditors' remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	6,950	5,300

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	533,185	581,359
Social security costs	46,346	78,743
Cost of defined contribution scheme	28,092	50,563
	<u>607,623</u>	<u>710,665</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Directors	<u>2</u>	<u>6</u>

8. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	151,284	323,484
Company contributions to defined contribution pension schemes	15,696	32,024
	<u>166,980</u>	<u>355,508</u>

During the year retirement benefits were accruing to 2 directors (2015 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £82,951 (2015 - £128,274).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2015 - £4,680).

SPARK IMPACT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

9. Interest receivable

	2016 £	2015 £
Other interest receivable	1,033	750
	<u>1,033</u>	<u>750</u>

10. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	37,638	-
Adjustments in respect of previous periods	-	(147,647)
	<u>37,638</u>	<u>(147,647)</u>
 Group taxation relief	 -	 44,127
	<u>37,638</u>	<u>(103,520)</u>
 Total current tax	 <u>37,638</u>	 <u>(103,520)</u>

SPARK IMPACT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2015 - *higher than*) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>173,854</u>	<u>213,612</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	34,771	43,249
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,223	560
Capital allowances for year in excess of depreciation	(1,356)	26
Adjustments to tax charge in respect of prior periods	-	(147,647)
Short term timing difference leading to an increase (decrease) in taxation	-	292
Total tax charge for the year	<u><u>37,638</u></u>	<u><u>(103,520)</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

11. Dividends

	2016 £	2015 £
Ordinary	<u>98,000</u>	-
	<u><u>98,000</u></u>	<u><u>-</u></u>

SPARK IMPACT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

12. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 January 2016	18,764
Additions	10,483
	<hr/>
At 31 December 2016	29,247
Depreciation	
At 1 January 2016	14,894
Charge for the period on owned assets	4,915
	<hr/>
At 31 December 2016	19,809
Net book value	
At 31 December 2016	9,438
	<hr/> <hr/>
At 31 December 2015	3,870
	<hr/> <hr/>

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2016	2
Additions	25,000
	<hr/>
At 31 December 2016	25,002
	<hr/>
Net book value	
At 31 December 2016	25,002
	<hr/> <hr/>
At 31 December 2015	2
	<hr/> <hr/>

SPARK IMPACT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

13. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Spark Northwest GP Limited	Ordinary	100 %
NWF4B Directors Limited	Ordinary	100 %
Spark Impact (IOM) Limited	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Spark Northwest GP Limited made a profit for the year after tax of £115,397 in the year and has aggregate share capital and reserves of £126. The principal activity of the business is to act as a General Partner for NWF (Biomedical) LP, a venture capital investment fund.

NWF4B Directors Limited was dormant during the year and it has aggregate share capital and reserves of £1. The principal activity of the business is business support activities.

Spark Impact (IOM) Limited did not trade during the year and has aggregate share capital and reserves of £25,000. The principal activity of the business is fund management.

SPARK IMPACT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

14. Debtors

	2016 £	2015 £
Trade debtors	113,905	126,390
Amounts owed by group undertakings	498,131	-
Other debtors	12,394	203
Prepayments and accrued income	4,374	13,581
	<u>628,804</u>	<u>140,174</u>

15. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	108,134	771,308
	<u>108,134</u>	<u>771,308</u>

16. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	28,796	2,939
Amounts owed to group undertakings	121,195	268,691
Corporation tax	37,640	2
Taxation and social security	11,440	53,179
Other creditors	-	4,890
Accruals and deferred income	53,988	5,550
	<u>253,059</u>	<u>335,251</u>

SPARK IMPACT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

17. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	624,430	126,594
	<u>624,430</u>	<u>126,594</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(197,507)	(277,180)
	<u>(197,507)</u>	<u>(277,180)</u>

Financial assets that are debt instruments measured at amortised cost comprise of amounts owed by group companies, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise of amounts owed to group companies, accruals and trade creditors.

18. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
515 (2015 - 1,010) Ordinary shares of £1 each	<u>515</u>	<u>1,010</u>

19. Reserves

Capital redemption reserve

This reserve represents the amount equal to the nominal value of shares repurchased by the company to date.

Profit & loss account

Retained earnings includes all current and prior period retained profits and losses less dividends paid and cash paid for purchase of own shares.

SPARK IMPACT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

20. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £28,092 (2015: £50,563). Contributions totaling £nil (2015 - £4,890) were payable to the fund at the balance sheet date.

21. Related party transactions

There were recharges of expenses for Spark Venture Management Limited to the company of £51,869 (2015: £274,142). At 31 December 2016, £2,052 was included in debtors (2015: creditor of £147,496).

The company made a management charge to its wholly owned subsidiary Spark Northwest GP Limited amounting to £555,157 (2015: £675,000). The balance owed to Spark Northwest GP Limited at the year end was £121,193 (2015: £121,193).

At the balance sheet date, an amount of £495,697 (2015: £nil) was owed to the company by its subsidiary Spark Impact (Isle of Man) Limited, a company registered in the Isle of Man.

22. Controlling party

The company was owned by Spark Venture Management Ltd (51%) and Impact Investors Ltd (49%). On 28 September 2016 the company became a wholly owned subsidiary of Spark Impact Holdings Limited, the ultimate parent company.

Spark Impact Holdings Limited is a company incorporated in England and Wales (company number 9988752) and its registered office is situated at Liverpool Science Park, 131 Mount Pleasant, Liverpool, L3 5TF. Copies of the parent company financial statements may be obtained from Companies House, Cardiff, CF14 3UZ.

The company is controlled by M F D'Abbadie and M Borzomato by virtue of their shareholdings in Spark Impact Holdings Limited.