
SPARK VENTURE MANAGEMENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018



SPARK VENTURE MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	A D N Betton A D Duffy C J Gee J R Patel T A Teichman
Company secretary	A D N Betton
Registered number	02454345
Registered office	62 Dean Street London England W1D 4QF
Independent auditors	Nyman Libson Paul Chartered Accountants & Statutory Auditors Regina House 124 Finchley Road London NW3 5JS

SPARK VENTURE MANAGEMENT LIMITED

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SPARK VENTURE MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 to 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
A D Duffy
C J Gee
J R Patel
T A Teichman

SPARK VENTURE MANAGEMENT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2018**

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.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Auditors

The auditors, Nyman Libson Paul, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 24 July 2018 and signed on its behalf:



A D N Betton
Director

SPARK VENTURE MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SPARK VENTURE MANAGEMENT LIMITED

Opinion

We have audited the financial statements of SPARK Venture Management Limited (the 'Company') for the year ended 31 March 2018, which comprise the statement of income and retained earnings, the statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

SPARK VENTURE MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SPARK VENTURE MANAGEMENT LIMITED (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

SPARK VENTURE MANAGEMENT LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SPARK VENTURE MANAGEMENT LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' 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 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.



Richard Lloyd (senior statutory auditor)

for and on behalf of
Nyman Libson Paul

Chartered Accountants
Statutory Auditors

Regina House
124 Finchley Road
London
NW3 5JS

24 July 2018

SPARK VENTURE MANAGEMENT LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2018**

		2018 £	2017 £
Turnover	4	113,200	72,100
Gross profit		<u>113,200</u>	<u>72,100</u>
Administrative expenses		(266,159)	(226,610)
Other operating income		45,493	116,393
Operating loss		<u>(107,466)</u>	<u>(38,117)</u>
Interest receivable and similar income	8	-	229
Interest payable and expenses	9	(1,490)	-
Loss before tax		<u>(108,956)</u>	<u>(37,888)</u>
Tax on loss	10	(998)	33,683
Loss after tax		<u><u>(109,954)</u></u>	<u><u>(4,205)</u></u>
Retained earnings at the beginning of the year		11,851	16,056
		<u>11,851</u>	<u>16,056</u>
Loss for the year		<u>(109,954)</u>	<u>(4,205)</u>
Retained earnings at the end of the year		<u><u>(98,103)</u></u>	<u><u>11,851</u></u>

The notes on pages 8 to 15 form part of these financial statements.

SPARK VENTURE MANAGEMENT LIMITED
REGISTERED NUMBER: 02454345

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	43	542
Investments	12	160	160
		<u>203</u>	<u>702</u>
Current assets			
Debtors: amounts falling due within one year	13	1,270,069	1,378,307
Bank and cash balances		73,988	118,542
		<u>1,344,057</u>	<u>1,496,849</u>
Creditors: amounts falling due within one year	14	(1,312,363)	(1,419,190)
Net current assets		<u>31,694</u>	<u>77,659</u>
Total assets less current liabilities		<u>31,897</u>	<u>78,361</u>
Net assets		<u>31,897</u>	<u>78,361</u>
Capital and reserves			
Called up share capital	16	130,000	66,510
Profit and loss account		(98,103)	11,851
		<u>31,897</u>	<u>78,361</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 July 2018.



A D N Betton
Director

The notes on pages 8 to 15 form part of these financial statements.

SPARK VENTURE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. General information

Spark Venture Management Limited is a private company limited by shares and incorporated in England. The address of the registered office and principal place of business is 62 Dean Street, London, W1D 4QF.

The company's principal activity is asset management.

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 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 accounting policies (see note 3).

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by paragraph 1.12 of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Basic Financial Instruments paragraphs 11.41(b) and 11.41(e);
- and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Querist Limited as at 31 March 2018 and these financial statements may be obtained from Companies House, Crown Way, Cardiff.

2.3 Revenue recognition

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:

The company's turnover derives from the management and operation of venture capital funds and the provision of management and advisory services to third parties. Revenue is recognised over the agreement for the provision of services.

Other operating income comprises recharges of salaries to group and associated companies.

SPARK VENTURE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.4 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 income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date

2.6 Debtors

Short term debtors are measured at transaction price, 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.

2.8 Creditors

Short term creditors are measured at the transaction price.

2.9 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 to and from related parties and investments in non-puttable ordinary shares.

SPARK VENTURE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. Accounting policies (continued)

2.9 Financial instruments (continued)

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Investments in non-puttable ordinary shares are measured at cost less impairment.

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 income and retained earnings.

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

There were no significant judgments and key sources of estimation uncertainty required in the preparation of these financial statements.

4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Management fees	113,200	69,100
Directors' fees	-	3,000
	<u>113,200</u>	<u>72,100</u>

All turnover arose within the United Kingdom.

5. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>7,500</u>	<u>7,500</u>

SPARK VENTURE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

6. Employees

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

	2018 £	2017 £
Wages and salaries	95,000	132,203
Social security costs	9,402	8,869
Cost of defined contribution scheme	337	8,418
	<u>104,739</u>	<u>149,490</u>

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

	2018 No.	2017 No.
Employees	<u>6</u>	<u>8</u>

7. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	50,000	42,500
	<u>50,000</u>	<u>42,500</u>

8. Interest receivable

	2018 £	2017 £
Other interest receivable	-	229
	<u>-</u>	<u>229</u>

9. Interest payable and similar expenses

	2018 £	2017 £
Other interest payable	1,490	-
	<u>1,490</u>	<u>-</u>

SPARK VENTURE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

10. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	-	(28,881)
Adjustments in respect of previous periods	-	(10,531)
Total current tax	<u>-</u>	<u>(39,412)</u>
Deferred tax		
Origination and reversal of timing differences	998	5,729
Total deferred tax	<u>998</u>	<u>5,729</u>
Taxation on profit/(loss) on ordinary activities	<u>998</u>	<u>(33,683)</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Loss on ordinary activities before tax	(108,956)	(37,888)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	(20,702)	(7,578)
Effects of:		
Expenses not deductible for tax purposes	210	-
Capital allowances for year in excess of depreciation	(118)	(1,149)
Utilisation of tax losses	-	(4,802)
Non-taxable income	-	(19,800)
Changes in provisions leading to an decrease in the tax charge	21,608	(354)
Total tax charge for the year	<u>998</u>	<u>(33,683)</u>

Factors that may affect future tax charges

The company has trading losses of approximately £114,000 (2017: £nil) available to offset against future trading profits.

SPARK VENTURE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

11. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 April 2017	6,977
Additions	85
At 31 March 2018	<u>7,062</u>
Depreciation	
At 1 April 2017	6,435
Charge for the year on owned assets	584
At 31 March 2018	<u>7,019</u>
Net book value	
At 31 March 2018	<u>43</u>
At 31 March 2017	<u>542</u>

12. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2017	25,159
At 31 March 2018	<u>25,159</u>
Impairment	
At 1 April 2017	24,999
At 31 March 2018	<u>24,999</u>
Net book value	
At 31 March 2018	<u>160</u>

SPARK VENTURE MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

13. Debtors

	2018 £	2017 £
Trade debtors	5,969	16,594
Amounts owed by group undertakings	1,134,828	1,245,828
Amounts owed by joint ventures and associated undertakings	95,151	97,383
Other debtors	10,062	5,564
Prepayments and accrued income	19,132	7,013
Deferred taxation (note 15)	4,927	5,925
	<u>1,270,069</u>	<u>1,378,307</u>

14. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	7,150	28,801
Amounts owed to group undertakings	1,227,025	1,300,515
Corporation tax	-	10,502
Other taxation and social security	10,183	1,442
Other creditors	23,309	37,698
Accruals and deferred income	44,696	40,232
	<u>1,312,363</u>	<u>1,419,190</u>

15. Deferred taxation

	2018 £	2017 £
At beginning of year	5,925	11,654
Utilised in year	(998)	(5,729)
At end of year	<u>4,927</u>	<u>5,925</u>

SPARK VENTURE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

15. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	4,927	5,925
	<u>4,927</u>	<u>5,925</u>

16. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
130,000 (2017 - 66,510) Ordinary shares of £1 each	<u>130,000</u>	<u>66,510</u>

During the year, the company issued 63,490 Ordinary shares of £1 each at par.

17. Related party transactions

At the reporting date, T A Teichman, a director of the company, was owed £23,056 (2017: £36,771) by the company.

At the reporting date, J R Patel, a director of the company, owed £4,398 (2017: £3,000) to the company.

The company owns 20% of Spark China Limited. During the year the company recharged payroll costs to Spark China Limited totalling £45,493 (2017: £45,000). At the reporting date Spark China Limited owed £95,151 (2017: £97,382) to the company.

The company is exempt from disclosing other related party transactions as they are with companies that are wholly owned within the group.

18. Controlling party

The ultimate parent company and controlling party of the group is Querist Limited. Querist Limited prepares group accounts, copies of which are available from Companies House, Crown Way, Cardiff.