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**REGISTRAR OF  
COMPANIES**

**Sussex Place Investment Management  
Limited**

Report and Financial Statements

Year Ended

31 July 2000



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**BDO**

BDO Stoy Hayward  
Chartered Accountants

# **SUSSEX PLACE INVESTMENT MANAGEMENT LIMITED**

**Annual report and financial statements for the year ended 31 July 2000**

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Directors

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## **Directors**

M Stoddart  
J Bates  
M Williams  
M Cameron  
I Laing  
E Macpherson  
K Willey

## **Secretary and registered office**

R Vipond, Sussex Place, Regents Park, London, NW1 4SA.

## **Company number**

3610855

## **Auditors**

BDO Stoy Hayward, 8 Baker Street, London, W1M 1DA.

## **Bankers**

Barclays Bank plc, 50 Pall Mall, London, SW1A 1QB.

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# **SUSSEX PLACE INVESTMENT MANAGEMENT LIMITED**

## **Report of the directors for the year ended 31 July 2000**

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The directors present their report together with the audited financial statements for the year ended 31 July 2000.

### **Results and dividends**

The consolidated profit and loss account is set out on page 4 and shows the profit for the year.

The directors do not recommend payment of a dividend.

The directors intend to apply profits not required for working capital to charitable purposes.

Due to the establishment of a significant new private equity fund, to whom the company will be providing investment management services, the directors expect turnover for the year ended 31 July 2001 to substantially increase.

### **Principal activities, trading review and future developments**

The group provides investment management services to private equity funds, investing wholly in the United Kingdom.

The funds are constituted as limited partnerships with investors having the status of limited partners. The general partners of these limited partnerships are limited companies and subsidiaries of the company. Under the partnership agreements of the funds, the general partners have appointed Sussex Place Investment Management Limited as investment manager with control over investment decisions.

### **Charitable donations**

The company made a donation of £49,500 to the London Business School.

### **Directors**

The directors of the company during the year were:

M Stoddart (Chairman)	
J Bates (Executive)	
M Williams (Executive)	
M Cameron	
I Laing	(appointed 11 April 2000)
E Macpherson	(appointed 14 December 1999)
K Willey (Executive)	(appointed 14 March 2000)

Each of the first four-named directors has a beneficial interest in 1,250 ordinary shares. Subject to regulatory approval the directors intend to gift these shares to the London Business School.

## SUSSEX PLACE INVESTMENT MANAGEMENT LIMITED

### Report of the directors for the year ended 31 July 2000 (*Continued*)

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#### Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which 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 those 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 accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which 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 1985. 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.

#### Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the Board

  
R Vipond

Secretary

Date

30 NOV 2000

## SUSSEX PLACE INVESTMENT MANAGEMENT LIMITED

### Report of the auditors

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#### To the shareholders of Sussex Place Investment Management Limited

We have audited the financial statements on pages 4 to 17 which have been prepared under the accounting policies set out on page 9.

#### *Respective responsibilities of directors and auditors*

As described on page 2 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### *Basis of opinion*

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### *Opinion*

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31 July 2000 and of the profits of the company and the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**BDO STOY HAYWARD**  
*Chartered Accountants  
and Registered Auditors*  
London

Date

**30 NOV 2000**

**SUSSEX PLACE INVESTMENT MANAGEMENT LIMITED****Consolidated profit and loss account for the year ended 31 July 2000**

	Note	2000 £	1999 £
<b>Turnover</b>	2	415,505	50,877
Administrative expenses		(397,872)	(48,678)
<b>Operating profit</b>		17,633	2,199
Investment income		1,147	-
<b>Profit on ordinary activities before taxation</b>	3	18,780	2,199
Tax on profit on ordinary activities	6	(4,700)	(440)
<b>Profit on ordinary activities after taxation</b>	13	14,080	1,759
Retained profit at beginning of the year		1,759	-
<b>Retained profit at end of year</b>	13	15,839	1,759

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 9 to 17 form part of these financial statements.

**SUSSEX PLACE INVESTMENT MANAGEMENT LIMITED****Company profit and loss account for the year ended 31 July 2000**

	Note	2000 £	1999 £
Turnover	2	404,507	50,877
Administrative expenses		(386,874)	(48,678)
<b>Operating profit</b>		<b>17,633</b>	<b>2,199</b>
Investment income		1,147	-
<b>Profit on ordinary activities before taxation</b>	3	<b>18,780</b>	<b>2,199</b>
Tax on profit on ordinary activities	6	(4,700)	(440)
<b>Profit on ordinary activities after taxation</b>	13	<b>14,080</b>	<b>1,759</b>
Retained profit at beginning of the year		1,759	-
<b>Retained profit at end of year</b>	13	<b>15,839</b>	<b>1,759</b>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 9 to 17 form part of these financial statements.

**SUSSEX PLACE INVESTMENT MANAGEMENT LIMITED**

**Consolidated balance sheet at 31 July 2000**

	Note	2000 £	1999 £
<b>Fixed assets</b>			
Tangible assets	8	14,956	-
<b>Current assets</b>			
Debtors	9	120,064	32,160
Cash at bank		10,078	34,901
		130,142	67,061
<b>Creditors: amounts falling due within one year</b>	10	(119,115)	(59,858)
<b>Net current assets</b>		11,027	7,203
<b>Provisions for liabilities and charges</b>	11	(5,140)	(440)
<b>Net assets</b>		20,843	6,763
<b>Capital and reserves</b>			
Called up share capital	12	5,000	5,000
Profit and loss account	13	15,839	1,759
		20,839	6,759
Minority interests		4	4
<b>Shareholders' funds - equity</b>		20,843	6,763

The financial statements were approved by the Board on

31.11.00

J Bates  
Director

The notes on pages 9 to 17 form part of these financial statements.



# SUSSEX PLACE INVESTMENT MANAGEMENT LIMITED

## Company balance sheet at 31 July 2000

	Note	2000 £	1999 £
<b>Fixed assets</b>			
Investments	7	8	6
Tangible assets	8	14,956	-
		<u>14,964</u>	<u>6</u>
<b>Current assets</b>			
Debtors	9	120,063	32,156
Cash at bank		9,925	33,537
		<u>129,988</u>	<u>65,693</u>
<b>Creditors: amounts falling due within one year</b>	10	(122,807)	(58,940)
<b>Net current assets</b>		<u>7,181</u>	<u>6,753</u>
<b>Provision for liabilities and charges</b>		<u>(1,306)</u>	<u>-</u>
<b>Net assets</b>		<u><u>20,839</u></u>	<u><u>6,759</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	5,000	5,000
Profit and loss account	13	15,839	1,759
<b>Shareholders' funds - equity</b>	14	<u><u>20,839</u></u>	<u><u>6,759</u></u>

The financial statements were approved by the Board on 30 NOV 2000

J Bates  
Director

The notes on pages 9 to 17 form part of these financial statements.

**SUSSEX PLACE INVESTMENT MANAGEMENT LIMITED**

**Consolidated cash flow statement for the year ended 31 July 2000**

	Note	2000	1999
		£	£
<b>Net cash (outflow)/inflow from operating activities</b>	17	(3,537)	29,897
<b>Returns on investment and servicing of finance</b>			
Interest received		1,147	-
<b>Net cash inflow from returns on investments and services of finance</b>		1,147	-
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(22,433)	-
<b>Net cash outflow from capital expenditure and financial investment</b>		(22,433)	-
<b>Net cash (outflow)/inflow before financing</b>		(24,823)	29,897
<b>Financing</b>			
Issue of share capital	18	-	5,000
<b>Net cash inflow from financing</b>		-	5,000
<b>Minority interests</b>		-	4
<b>(Decrease)/increase in cash</b>	19	(24,823)	34,901

The notes on pages 9 to 17 form part of these financial statements.

## SUSSEX PLACE INVESTMENT MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended 31 July 2000

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### 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

#### *Basis of consolidation*

The consolidated financial statements incorporate the results of the company and all its subsidiary undertakings at 31 July 2000 using the acquisition method of accounting.

#### *Turnover*

Turnover comprises the value (excluding value added tax) of services provided in the normal course of business and the revenues from participation in the assets of limited partnerships in the form of non-recourse loans, which will be satisfied by allocation against the companies' share of future income of the partnerships. This income is recognised in the profit and loss account in the year to which its guaranteed receipt relates.

#### *Tax*

Corporation tax payable is provided on taxable profits at the current rate.

Partnership income, included in turnover, may carry associated tax credits. The benefits arising out of such credits are paid to the partnership and the related cost included in the tax charge for the year.

Deferred tax is provided on timing differences, which are expected to reverse, at the rates of tax likely to be in force at the time of reversal. Deferred tax is not provided on timing differences where it can be reasonably foreseen that such deferred taxation will not be payable in future.

#### *Leases*

Rentals under operating leases are charged on a straight-line basis over the lease term.

#### *Valuation of investments*

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

#### *Depreciation*

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Office equipment – 33 $\frac{1}{3}$ %

#### *Deferred taxation*

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

# SUSSEX PLACE INVESTMENT MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended 31 July 2000 (Continued)

## 2 Turnover

All turnover arises from the conduct of investment management services and related corporate finance services in the United Kingdom.

## 3 Profit on ordinary activities before tax

	2000 £	1999 £
<b>Group and company</b>		
This has been arrived at after charging:		
Depreciation	7,477	-
Rentals payable under operating leases – property	15,260	2,478
Auditors' remuneration - audit services	8,500	5,875
- non-audit services	3,450	5,875
Staff costs (see note 4)	148,869	8,794
	<u>148,869</u>	<u>8,794</u>

## 4 Staff costs

	2000 £	1999 £
<b>Group and company</b>		
Particulars of employee costs (including executive directors) are shown below:		
Employee costs during the year amounted to:		
Wages and salaries	143,526	7,916
Social security costs	5,343	878
	<u>148,869</u>	<u>8,794</u>

The average monthly number of persons (excluding directors) employed by the company and group during the year was as follows:

	Number	Number
Investment advice and analysis	1	1
Administration	1	-
	<u>2</u>	<u>1</u>

## SUSSEX PLACE INVESTMENT MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended 31 July 2000 (Continued)

### 5 Directors' remuneration

#### Group and company

Remuneration received by or due to directors in respect of the year was as follows:

K Willey	£27,917 (1999 - £Nil)
J Bates	£30,000 (1999 - £Nil) (corporate finance activities)

Further services of J Bates (investment advice) were provided by London Business School which made no charge for these services. F Bailey & Sons Limited, a company of which M Williams is a director, made a charge of £90,532 (1999 - £13,333) for the services of M Williams. Fees for the services of M Williams consist of £40,000 p.a. for investment advice and £50,532 for generating fees from corporate finance activities. F Bailey & Sons also invoiced the company £9,960 for travel costs incurred by M Williams in his duties.

Sussex Place (Founder Partner) Limited is a limited partner in Combined London Colleges University Challenge LP, Sussex Place Partners LP and Sussex Place Partners II LP which entitles it to a share in any income and gains of the partnerships over the preferred return defined in the relevant Partnership Deed. Its share in Combined London Colleges University Challenge LP, and a proportion of its share in Sussex Place Partners LP and Sussex Place Partners II LP, have been assigned to J Bates and M Williams.

### 6 Tax on profit on ordinary activities

Group	2000 £	1999 £
Transfer to deferred tax provision	4,700	440
	<u>          </u>	<u>          </u>
Company		
Payment to subsidiary for group relief	3,394	440
Transfer to deferred tax provision	1,306	-
	<u>          </u>	<u>          </u>
	4,700	440
	<u>          </u>	<u>          </u>

# SUSSEX PLACE INVESTMENT MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended 31 July 2000 (*Continued*)

## 7 Fixed asset investments

Company	Subsidiary undertakings £
<i>Cost and net book value</i>	
At 1 August 1999	6
Additions	2
	<hr/>
At 31 July 2000	8
	<hr/>

The following were subsidiary undertakings at the end of the year and have all been included in the consolidated financial statements.

Name	Proportion of ordinary share capital held	Nature of business
Sussex Place (General Partner) Limited	100%	General partner of venture capital fund
Combined London Colleges (General Partner) Limited	100%	General partner of venture capital fund
Sussex Place (Founder Partner) Limited	100%	Dormant
Sussex Place II (General Partner) Limited	100%	General partner of venture capital fund

## 8 Tangible assets

	Office equipment £
<i>Cost</i>	
Additions in the year	22,433
	<hr/>
At 31 July 2000	22,433
	<hr/>
<i>Depreciation</i>	
Provided in the year	7,477
	<hr/>
At 31 July 2000	7,477
	<hr/>
<i>Net book value</i>	
At 31 July 2000	14,956
	<hr/>

# SUSSEX PLACE INVESTMENT MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended 31 July 2000 (*Continued*)

## 9 Debtors

Group	2000 £	1999 £
Trade debtors	42,476	27,000
Other debtors	1,214	4
Amounts owed by investment funds	76,374	5,156
	<u>120,064</u>	<u>32,160</u>
<b>Company</b>		
Trade debtors	42,476	27,000
Other debtors	1,213	-
Amounts owed by investment funds	76,374	5,156
	<u>120,063</u>	<u>32,156</u>

## 10 Creditors: amounts falling due within one year

Group	2000 £	1999 £
Creditors for taxation and social security	1,509	3,074
Other creditors	23,508	26,774
Amounts due to investment funds	3,750	4,131
Accruals and deferred income	90,348	25,879
	<u>119,115</u>	<u>59,858</u>
<b>Company</b>		
Amounts owing to group undertakings	7,441	3,213
Creditors for taxation and social security	1,509	3,074
Other creditors	23,508	26,774
Accruals and deferred income	90,349	25,879
	<u>122,807</u>	<u>58,940</u>

# SUSSEX PLACE INVESTMENT MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended 31 July 2000 (*Continued*)

## 11 Provision for liabilities and charges

	2000 £	1999 £
<b>Deferred tax</b>		
<b>Group</b>		
Provided		
Transfer to profit and loss account	4,700	440
Balance at beginning of year	440	-
	<u>5,140</u>	<u>440</u>
Balance at 31 July 2000	5,140	440
	<u>5,140</u>	<u>440</u>
Unprovided	-	-
	<u>-</u>	<u>-</u>
<b>Company</b>		
Provided		
Transfer to profit and loss account	1,306	-
	<u>1,306</u>	<u>-</u>
Balance at 31 July 2000	1,306	-
	<u>1,306</u>	<u>-</u>
Unprovided	-	-
	<u>-</u>	<u>-</u>

Deferred taxation is provided at 20% analysed over the following timing differences:

<b>Group</b>	2000 £	1999 £
Unrealised profits	3,834	440
Accelerated capital allowances	1,306	-
	<u>5,140</u>	<u>440</u>
	<u>5,140</u>	<u>440</u>
<b>Company</b>		
Accelerated capital allowances	1,306	-
	<u>1,306</u>	<u>-</u>



# SUSSEX PLACE INVESTMENT MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended 31 July 2000 (Continued)

## 12 Share capital

Group and company	2000 £	1999 £
<i>Authorised</i>		
10,000 ordinary shares of £1 each	100,000	100,000
<i>Allotted and fully paid up</i>		
5,000 ordinary shares of £1 each	5,000	5,000

## 13 Reserves

	Group		Company	
	Profit and loss account £	Total £	Profit and loss account £	Total £
Balance at beginning of year	1,759	1,759	1,759	1,759
Profit for the year	14,080	14,080	14,080	14,080
Balance at end of year	15,839	15,839	15,839	15,839

## 14 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the year	14,080	1,759
Issue of share capital	-	5,000
Opening shareholders' funds	14,080 6,759	6,759 -
Closing shareholders' funds	20,839	6,759

# SUSSEX PLACE INVESTMENT MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended 31 July 2000 (Continued)

## 15 Commitments under operating leases

As at 31 July 2000, the company had annual commitments under non-cancellable operating leases as set out below:

	2000 £	1999 £
Operating leases which expire:		
In two to five years	15,170	15,170

## 16 Revenues from the partnership and contingent liabilities

The subsidiaries of the company are general partners in limited partnerships operating as venture capital investment funds. They are entitled to a guaranteed income from the partnership, but do not otherwise participate in partnership assets. If, upon the winding up of the partnership, the liabilities of the partnership exceed the limited partners' outstanding capital and loans, the subsidiaries are liable for the shortfall of assets. The directors are of the opinion that no liability is likely to arise in this respect.

## 17 Reconciliation of operating profit to net cash inflow from operating activities

	2000 £	1999 £
Operating profit	17,633	2,199
Depreciation	7,477	-
Increase in debtors	(87,714)	(32,160)
Increase in creditors	59,067	59,858
	(3,537)	29,897

## 18 Analysis of changes in financing

	2000 £	1999 £
At 31 July 1999	5,000	-
Issue of share capital	-	5,000
At 31 July 2000	5,000	5,000

# SUSSEX PLACE INVESTMENT MANAGEMENT LIMITED

Notes forming part of the financial statements for the year ended 31 July 2000 (Continued)

## 19 Reconciliation of net cash flow to movement in net funds

	2000 £	1999 £
(Decrease)/increase in cash in the year	(24,823)	34,901
Net funds brought forward	34,901	-
	<hr/>	<hr/>
Net funds carried forward	10,078	34,901
	<hr/>	<hr/>

## 20 Related party transactions

The company has taken advantage of the exemption under Financial Reporting Standard No 8, 'Related Party Transactions', not to disclose transactions with other group companies.

Balances with group companies at 31 July 2000 were:

	2000 £	1999 £
Amounts owed to group undertakings:		
Sussex Place (General Partner) Limited	7,146	1,269
Combined London Colleges (General Partner) Limited	291	1,942
Sussex Place (Founder Partner) Limited	2	2
Sussex Place II (General Partner) Limited	2	-
	<hr/>	<hr/>
	7,441	3,213
	<hr/>	<hr/>

The company's subsidiaries are the general partners of venture capital funds, Sussex Place Partners LP and Combined London Colleges University Challenge LP. Income included in the consolidated profit and loss account for the year relating to participation in these funds, which is in the form of a non-recourse loan which will be satisfied by allocation against the companies' share of future income of the partnerships, was as follows:

	2000 £	1999 £
Sussex Place Partners II LP	-	-
Sussex Place Partners LP	46,633	18,914
Combined London Colleges LP	99,501	3,333
	<hr/>	<hr/>

Amounts owed by/(owed to) the funds at 31 July 2000 were as follows:

	2000 £	1999 £
Sussex Place Partners LP	440	(2,000)
Combined London Colleges LP	1,287	(2,131)
Sussex Place Partners II LP	74,747	-
	<hr/>	<hr/>