

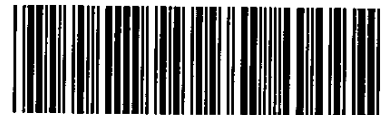
**Sussex Place Ventures Limited**

Report and Financial Statements

Year Ended

31 July 2011

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**Sussex Place Ventures Limited**

**Annual report and financial statements for the year ended 31 July 2011**

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**Registered office**

18-20 Huntsworth Mews, London, NW1 6DD

**Company number**

3610855

**Auditors**

BDO LLP, Emerald House, East Street, Epsom, Surrey, KT17 1HS

**Bankers**

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

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## **Sussex Place Ventures Limited**

### **Directors**

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**D Thorp** (Chairman) Partner ISIS Equity Partners, manager of the market leading Baronsmead VCTs, Chairman of the AIC VCT Forum Twenty years with 3i Group, Chairman Unipalm, UK's 1st ISP, 1992-95 (London Stock Exchange Company of the year, 1995) Chairman British Venture Capital Association (2000-01) London Business School UK Regional Advisory Board and alumnus MSc 1971

**P D Atherton** Founder Queensgate Instruments sold to SDL for in excess of \$200m Imperial College Innovations (NED) Executive chairman, Infinitesima, C2V BV, Nexeon, Midaz Former Governor of London Business School, UK Regional Advisory Board and alumnus MBA 1989

**A J Bates** Adjunct Professor of Entrepreneurship, London Business School Chairman of London Technology Network Founder of Datapaq 1985 through to exit Founder of London Business School Entrepreneurial courses 1986

**I M Laing** Principal investor Oxford Asymmetry sold to Evotec for more than £300m, investor in Oxford Semiconductor and founder of Milton Park Science Park, Oxford Chairman SQW Ltd (Oxford Innovation) (2005-date) Former Deputy Chair of Governors of London Business School and alumnus MSc 1971

**M C Williams** Adjunct Professor of Entrepreneurship, London Business School CEO Bailey Newspaper Group sold to Southern Newspapers Former investment executive at 3i Group and Robert Fleming Investment Bank Entrepreneurship course leader (1996-date) and alumnus MBA 1990

**R I Gourlay** (Managing Director) Investment Manager Top Technology Ventures Limited (1996 - 2004), Financial Times journalist, latterly writing about venture capital and growing businesses (1986 - 1996), graduate recruit Citibank

**C Gailly de Taurines** Managing Director Capital & Marketing Group, the independent placement agency He was previously European Head of the Real Estate Private Funds Group of Donaldson, Lufkin and Jenrette (now Credit Suisse) and is an alumnus of the London Business School

## **Sussex Place Ventures Limited**

### **Report of the directors for the year ended 31 July 2011**

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The directors present their report together with the audited financial statements for the year ended 31 July 2011

#### **Results and dividends**

The consolidated profit and loss account is set out on page 7 and shows the loss for the year

The directors do not recommend the payment of a dividend (2010 - £nil)

#### **Principal activities**

The Group provides investment management services to venture capital funds

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 Sussex Place Ventures Limited. Under the partnership agreements of the funds, the general partners have appointed Sussex Place Ventures Limited as investment manager with control over investment decisions.

#### **Review of the business and future developments**

The business of the Company is to manage the following venture capital funds: Combined London Colleges University Challenge LP ('CLCUC') and Regents Park Partners LP ('RPP').

The business has performed in line with expectations during the financial year under review and is well placed at the year end with a healthy cash position. The directors are satisfied with the results achieved by the Group during the year.

In comparison to 2010, turnover fell by 8% to £324,086 as a result of the loss of directors fees on RPP owned investments which now go directly to RPP. This was more than offset by an 8% reduction in administrative costs to £346,335, achieved through the implementation of certain cost control measures. In addition, interest income increased to £1,396 from £939 in 2010. The overall result was that losses after taxation reduced by 7% to £20,853.

The CLCUC fund was created in 1999 for the purpose of facilitating the commercial exploitation of academic research discoveries in the non-life science departments of the limited partner university colleges. A total of £4m was raised in the CLCUC fund, £3m of which was provided by The Office of Science and Technology as an award to the limited partner university colleges. The fund currently has seven separate investments.

The RPP fund was created in 2007, with the fundraising completed in 2008. Since then, Sussex Place Ventures Limited has leveraged the experience, knowledge and industry connections of London Business School's alumni for the benefit of the investors in this fund. Once the fund has returned to limited partners a sum equal to their commitments, further distributions (fund profit) will be shared with the London Business School Anniversary Trust Company.

## **Sussex Place Ventures Limited**

### **Report of the directors for the year ended 31 July 2011 (*Continued*)**

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#### **Review of the business and future developments (*continued*)**

The Company has raised £5.66million in the RPP fund from more than 40 investors. The fund, which currently has six separate investments, invests in a variety of earlier stage businesses, appropriately-sized development capital deals and pre-IPO investments in more mature businesses alongside co-investors.

Sussex Place Ventures Limited expects to raise further venture capital funds leveraging the knowledge and experience of the London Business School alumni for the benefit of investors, the portfolio companies and the Business School.

#### **Principal risks and uncertainties**

##### ***Market place***

The market for raising venture capital funds continues to evolve. The Board meets regularly to discuss and evaluate how the Company can best position itself in order to raise a new fund and leverage value from its connections with the London Business School. The Board ensures that there is regular communication with the existing investors in the funds.

##### ***Financial instruments***

Working capital requirements are met principally out of retained profits. In addition, trade debtors and trade creditors arise directly from the Group's operations. The Group does not enter into any hedging arrangements.

The Group's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers and by monitoring payments against contractual agreements. At the balance sheet date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

The Group's policy in respect of liquidity risk is to maintain readily accessible bank deposit accounts to ensure that the Group has sufficient funds for operations. The cash deposits are held in a mixture of short-term treasury deposits and current accounts.

#### **Directors**

The directors of the Company during the year were

D Thorp  
A J Bates  
M C Williams  
P D Atherton  
I M Laing  
R I Gourlay  
C Gailly de Taurines

## **Sussex Place Ventures Limited**

### **Report of the directors for the year ended 31 July 2011 (*Continued*)**

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#### **Directors' responsibilities**

The directors are responsible for preparing the annual 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 Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Group and Company and of the profit or loss of the Group and Company for that period.

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

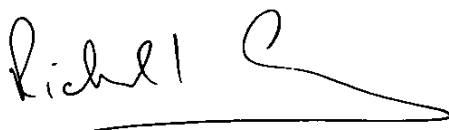
- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 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.

#### **Auditors**

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

#### **On behalf of the Board**



R I Gourlay  
**Director**

17 November 2011

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## **Sussex Place Ventures Limited**

### **Report of the independent auditors**

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#### **Independent auditor's report to the members of Sussex Place Ventures Limited**

We have audited the financial statements of Sussex Place Ventures Limited for the year ended 31 July 2011 which comprise the consolidated and company profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

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

As explained more fully in the statement of directors' responsibilities, 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 Auditing Practices Board's (APB's) Ethical Standards for Auditors.

#### *Scope of the audit of the financial statements*

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

#### *Opinion on financial statements*

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 July 2011 and of the group's and the parent company's 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 matters prescribed by the Companies Act 2006*

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Sussex Place Ventures Limited**

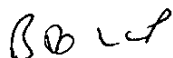
**Report of the independent auditors (*Continued*)**

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*Matters on which we are required to report by exception*

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Andrew Stickland (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Epsom  
United Kingdom

21 November 2011

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)



**Sussex Place Ventures Limited**

**Consolidated profit and loss account for the year ended 31 July 2011**

	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
<b>Turnover</b>	2	<b>324,086</b>	352,077
Administrative expenses		<b>(346,335)</b>	(375,527)
<b>Operating loss</b>	3	<b>(22,249)</b>	(23,450)
Interest receivable		<b>1,396</b>	939
<b>Loss on ordinary activities before and after taxation</b>	13	<b>(20,853)</b>	(22,511)

All amounts relate to continuing activities

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

The notes on pages 12 to 21 form part of these financial statements

**Sussex Place Ventures Limited**

**Company profit and loss account for the year ended 31 July 2011**

	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
<b>Turnover</b>	2	<b>324,086</b>	352,077
Administrative expenses		<b>(346,335)</b>	(375,527)
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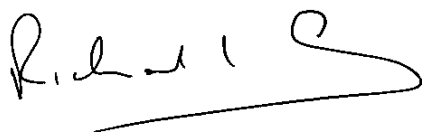
**Sussex Place Ventures Limited**

**Consolidated balance sheet at 31 July 2011**

	Note	2011 £	2011 £	2010 £	2010 £
<b>Fixed assets</b>					
Tangible assets	7		420		789
<b>Current assets</b>					
Investments	9	1,540		1,893	
Debtors	10	134,574		13,289	
Cash at bank		307,363		300,032	
		443,477		315,214	
<b>Creditors: amounts falling due within one year</b>	11	257,672		108,925	
<b>Net current assets</b>			185,805		206,289
<b>Total assets less current liabilities</b>			186,225		207,078
<b>Capital and reserves</b>					
Called up share capital	12	5,000		5,000	
Profit and loss account	13	181,221		202,074	
<b>Shareholders' funds</b>	14		186,221		207,074
<b>Minority interests</b>			4		4
			186,225		207,078

The financial statements were approved by the Board and authorised for issue on 17 November 2011

R I Gourlay  
Director

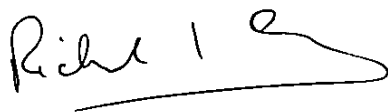


The notes on pages 12 to 21 form part of these financial statements

## Company balance sheet at 31 July 2011

	Note	2011 £	2011 £	2010 £	2010 £
<b>Fixed assets</b>					
Tangible assets	7		420		789
Investments in subsidiaries	8		7		7
			<u>427</u>		<u>796</u>
<b>Current assets</b>					
Investments	9	1,540		1,893	
Debtors	10	134,574		13,264	
Cash at bank		230,142		247,722	
		<u>366,256</u>		<u>262,879</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>182,945</u>		<u>59,084</u>	
<b>Net current assets</b>			<u>183,311</u>		<u>203,795</u>
<b>Total assets less current liabilities</b>			<u>183,738</u>		<u>204,591</u>
<b>Capital and reserves</b>					
Called up share capital	12		5,000		5,000
Profit and loss account	13		178,738		199,591
<b>Shareholders' funds</b>	14		<u>183,738</u>		<u>204,591</u>

The financial statements were approved by the Board and authorised for issue on 17 November 2011



R I Gourlay  
Director

The notes on pages 12 to 21 form part of these financial statements

**Sussex Place Ventures Limited**

**Consolidated cash flow statement for the year ended 31 July 2011**

	Note	2011 £	2011 £	2010 £	2010 £
<b>Net cash inflow from operating activities</b>	17		<b>3,422</b>		<b>28,607</b>
<b>Returns on investment and servicing of finance</b>					
Interest received			<b>1,396</b>		<b>939</b>
<b>Capital expenditure and financial investment</b>					
Purchase of tangible fixed assets			-		(692)
<b>Cash inflow before use of liquid resources and financing</b>			<b>4,818</b>		<b>28,854</b>
<b>Management of liquid resources</b>					
Increase in short term deposits		(200,000)		-	
Sale of current asset investments		<b>2,514</b>		<b>3,144</b>	
			<b>(197,487)</b>		<b>3,144</b>
<b>(Decrease)/increase in cash</b>	18		<b>(192,669)</b>		<b>31,998</b>

The notes on pages 12 to 21 form part of these financial statements.

## Sussex Place Ventures Limited

### Notes forming part of the financial statements for the year ended 31 July 2011

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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 of its subsidiary undertakings as at 31 July 2011 using the acquisition method of accounting.

##### *Turnover*

Turnover comprises the value (excluding value added tax) of services provided during the year 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. The limited partnerships revenue is recognised in the profit and loss account in the year to which its guaranteed receipt relates. Directors' fees are recognised upon provision of directors' services and time. Arrangement fees are recognised when the relevant transaction is completed, in accordance with the underlying agreement.

##### *Depreciation*

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

Office equipment – 33⅓% per annum straight line

##### *Valuation of investments*

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

##### *Taxation*

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 taxation*

Deferred tax balances are recognised in respect of all material timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the Company anticipates to make sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

## Sussex Place Ventures Limited

### Notes forming part of the financial statements for the year ended 31 July 2011 (*Continued*)

#### 1 Accounting policies (*continued*)

##### *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.

##### *Pensions*

The Company made payments to a certain employee's individual personal pension plan during the year. These payments are charged to the profit and loss account in the year in which they become payable.

##### *Operating leases*

Operating lease annual rentals are charged to the profit and loss account on a straight-line basis over the term of the lease.

##### *Liquid resources*

For the purposes of the cash flow statement, liquid resources are defined as short term deposits.

#### 2 Turnover

##### **Group and Company**

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

#### 3 Operating loss

##### **Group and Company**

	2011 £	2010 £
This has been arrived at after charging/(crediting)		
Depreciation	369	259
Fees payable to the Company's auditor for the audit of the Company's annual accounts	6,250	6,000
Fees payable to the Company's auditor for other services		
- the audit of the Company's subsidiaries	3,350	3,250
- corporation tax compliance services	1,725	-
Hire of other assets – operating leases	12,000	12,000
Profit on sale of current asset investments	(2,160)	(1,880)

## Sussex Place Ventures Limited

### Notes forming part of the financial statements for the year ended 31 July 2011 (*Continued*)

#### 4 Staff costs

##### Group and Company

	2011 £	2010 £
Employee costs (including directors) consist of		
Wages and salaries	243,338	232,833
Social security costs	29,653	26,207
Other pension costs	-	40,500
	<u>272,991</u>	<u>299,540</u>

The average number of persons (including directors) employed by the Company and Group during the year was as follows

	2011 Number	2010 Number
Investment advice and analysis	2	2
Administration	1	1
	<u>3</u>	<u>3</u>

#### 5 Directors' remuneration

##### Group and Company

	2011 £	2010 £
Directors' emoluments	150,000	130,000
Payments to director's personal pension plan	-	40,500
	<u>150,000</u>	<u>170,500</u>

Directors' remuneration for the year ended 31 July 2010 included the annual bonuses for 2010 and 2009, which were both approved during that year.

In addition to the above, during the year ended 31 July 2010, F Bailey & Sons Limited, a company of which M Williams is a director, made a charge of £3,000 for the services of M Williams. No such amounts were charged during the current year.

Sussex Place (Founder Partner) Limited is a limited partner in Regents Park Partners LP and Combined London Colleges University Challenge 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 have been assigned to AJ Bates and M Williams. Its share in Regents Park Partners LP has been assigned to R I Gourlay, J Brimacombe, N Trillk and M Urqhart.



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**Sussex Place Ventures Limited****Notes forming part of the financial statements for the year ended 31 July 2011 (Continued)**

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**6 Taxation on loss on ordinary activities****Group and Company**

No taxation is payable due to the losses arising during the year

The tax assessed for the period is different from the standard rate of corporation tax in the UK  
The differences are explained below

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before taxation	<b>(20,853)</b>	<b>(22,511)</b>
	<hr/>	<hr/>
Expected tax credit at a standard rate of UK corporation tax of 27.3% (2010: 28%)	<b>(5,700)</b>	<b>(6,303)</b>
Effects of Increase in losses carried forward	<b>5,700</b>	<b>6,303</b>
	<hr/>	<hr/>
Current tax charge	<b>-</b>	<b>-</b>
	<hr/>	<hr/>

At 31 July 2011, the Group and Company had taxable losses of approximately £80,000 (2010 - £60,000) available for utilisation in future periods. A deferred tax asset has not been included within these financial statements due to the uncertainty over the timing of its recoverability.

## Sussex Place Ventures Limited

Notes forming part of the financial statements for the year ended 31 July 2011 (*Continued*)

### 7 Tangible assets

#### Group and Company

	Office equipment £
<i>Cost</i>	
At 1 August 2010 and 31 July 2011	42,353
<i>Depreciation</i>	
At 1 August 2010	41,564
Provided in the year	369
At 31 July 2011	41,933
<i>Net book value</i>	
At 31 July 2011	420
At 31 July 2010	789

### 8 Fixed asset investments

#### Company

	Subsidiary undertakings £
<i>Cost and net book value</i>	
At 1 August 2010 and 31 July 2011	7

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

Name	Proportion of voting rights and ordinary share capital held	Nature of business
Sussex Place (General Partner) Limited	100%	General partner of venture capital fund
Sussex Place II (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%	Founder partner of venture capital fund

## Sussex Place Ventures Limited

### Notes forming part of the financial statements for the year ended 31 July 2011 (*Continued*)

#### 9 Current asset investments

##### Group and Company

The Company holds 40,557 (2010 49,874) ordinary 5p shares in Bamboo Investments (Isle of Man) PLC at a subscription price of 5p per share. The investment is held at cost in the balance sheet.

#### 10 Debtors

	2011 £	2010 £
<b>Group</b>		
Trade debtors	127,756	1,580
Prepayments and accrued income	6,255	11,658
Other debtors	563	51
	<u>134,574</u>	<u>13,289</u>
<b>Company</b>		
Trade debtors	12,187	1,580
Prepayments and accrued income	6,255	6,082
Amounts due from Group undertakings	115,569	5,551
Other debtors	563	51
	<u>134,572</u>	<u>13,264</u>

All amounts fall due for payment within one year

**Sussex Place Ventures Limited**

**Notes forming part of the financial statements for the year ended 31 July 2011 (*Continued*)**

**11 Creditors: amounts falling due within one year**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Group</b>		
Other taxation and social security	9,454	10,898
Other creditors	78,282	50,123
Accruals and deferred income	169,936	47,904
	<u>257,672</u>	<u>108,925</u>
<b>Company</b>		
Other taxation and social security	9,454	10,898
Other creditors	2,897	-
Accruals and deferred income	169,936	47,904
Amounts due to Group undertakings	658	282
	<u>182,945</u>	<u>59,084</u>

**12 Share capital**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<i>Allotted, called up and fully paid up</i>		
5,000 ordinary shares of £1 each	5,000	5,000
	<u>5,000</u>	<u>5,000</u>

**13 Profit and loss account**

	<b>Group</b>	<b>Company</b>
	<b>£</b>	<b>£</b>
As at 1 August 2010	202,074	199,591
Loss for the year	(20,853)	(20,853)
	<u>181,221</u>	<u>178,738</u>
As at 31 July 2011	<u>181,221</u>	<u>178,738</u>

## Sussex Place Ventures Limited

### Notes forming part of the financial statements for the year ended 31 July 2011 *(Continued)*

#### 14 Reconciliation of movements in shareholders' funds

	Group 2011 £	Group 2010 £	Company 2011 £	Company 2010 £
Loss for the year	(20,853)	(22,511)	(20,853)	(22,511)
Opening shareholders' funds	207,074	229,585	204,591	227,102
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Closing shareholders' funds	186,221	207,074	183,738	204,591
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

#### 15 Revenues from the partnerships 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 partnerships, but do not otherwise participate in partnership assets. If, upon the winding up of a 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.

#### 16 Commitments under operating leases

The Group and Company had annual commitments under non-cancellable operating leases as set out below:

	2011 £	2010 £
Operating leases which expire		
Within one year	12,000	12,000
	<u>          </u>	<u>          </u>

#### 17 Reconciliation of operating loss to net cash flow from operating activities

	2011 £	2010 £
Operating loss	(22,249)	(23,450)
Depreciation	369	259
Profit on sale of current asset investments	(2,160)	(1,880)
(Increase)/decrease in debtors	(121,284)	4,200
Increase in creditors	148,746	49,478
	<u>          </u>	<u>          </u>
Net cash inflow from operating activities	3,422	28,607
	<u>          </u>	<u>          </u>

**Sussex Place Ventures Limited**

**Notes forming part of the financial statements for the year ended 31 July 2011 (Continued)**

**18 Reconciliation of net cash flow to movement in net funds**

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
(Decrease)/increase in cash in the year	<b>(192,669)</b>	31,998
Cash inflow from changes in liquid resources	<b>200,000</b>	-
	<hr/>	<hr/>
Movement in net funds resulting from cash flows	<b>7,331</b>	31,998
Opening net funds	<b>300,032</b>	268,034
	<hr/>	<hr/>
Closing net funds	<b>307,363</b>	300,032
	<hr/>	<hr/>

**19 Analysis of net funds**

	<b>At 1 August 2010 £</b>	<b>Cash flow £</b>	<b>At 31 July 2011 £</b>
Cash at bank and in hand	300,032	(192,669)	<b>107,363</b>
Short term deposits	-	200,000	<b>200,000</b>
	<hr/>	<hr/>	<hr/>
Total	<b>300,032</b>	<b>7,331</b>	<b>307,363</b>
	<hr/>	<hr/>	<hr/>

## Sussex Place Ventures Limited

### Notes forming part of the financial statements for the year ended 31 July 2011 (*Continued*)

#### 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 members of the Group headed by London Business School on the grounds that 100% of the voting rights in the Company are controlled within that group and the Company is included in consolidated financial statements

The Company's subsidiaries are the general partners of venture capital funds Combined London Colleges University Challenge LP and Regents Park Partners LP and, for part of the prior year, Sussex Place Partners 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 non-recourse loans which will be satisfied by allocation against the companies' share of future income of the partnerships, was as follows

	2011 £	2010 £
Combined London Colleges University Challenge LP	137,308	131,018
Regents Park Partners LP	186,778	178,224
Sussex Place Partners LP	-	34,146

Included within group debtors and creditors are the following net amounts due from/(payable to) each fund at 31 July 2011

	2011 £	2010 £
Combined London Colleges University Challenge LP	68,523	5,576
Regents Park Partners LP	46,784	-

Also included within group creditors at 31 July 2011 is an amount of £75,000 (2010 - £50,000) which was received from Regents Park Partners LP in relation to advanced investment commitment consideration

#### 21 Ultimate parent company

At 31 July 2011 the Company's immediate parent company was London Business School Anniversary Trust. Consolidated financial statements are not prepared by London Business School Anniversary Trust. The Company's ultimate controlling entity was London Business School, whose consolidated financial statements may be obtained from the Finance Director, London Business School, Regent's Park, London NW1 4SA.