

Sussex Place Ventures Limited

Report and Financial Statements

Year ended 31 December 2019

Company Number 3610855

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Sussex Place Ventures Limited

Report of the directors for the year ended 31 December 2019

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

Results and dividends

The statement of income and retained earnings is set out on page 5 and shows the results for the year. The directors do not recommend the payment of a dividend (2018 - £nil).

Principal activities

Sussex Place Ventures Limited ('SPV' or 'the company') provides investment management services to venture capital funds and is authorised and regulated by the Financial Conduct Authority.

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 SPV. Under the partnership agreements of the funds, the general partners have appointed SPV as investment manager with control over investment decisions.

Review of the business

SPV's business is the management of the following venture capital funds: Combined London Colleges University Challenge LP ('CLCUC'), Regents Park Partners LP ('RPP'), Regents Park Partners II ECF LP ('RPP2') and Regents Park Special Purpose 1 LP ('RPSP').

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 two investments.

The RPP fund was created in 2007 and fundraising completed in 2008. Since then, SPV 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. SPV raised £5.7 million in the RPP fund from more than 40 investors. The fund currently has four investments in a variety of earlier stage businesses, appropriately-sized development capital deals and pre-IPO investments in more mature businesses alongside co-investors.

The RPP2 fund was created in 2014. SPV raised £30 million from more than 80 investors and the UK government. The fund currently has fourteen (2018 – sixteen) investments in a variety of earlier stage businesses, appropriately-sized development capital deals and pre-IPO investments in more mature businesses alongside co-investors.

The RPSP fund was created in 2018 when a number of LPs in other funds acquired the preferred shares of an investment disposed of by CLCUC. The fund raised £805k and currently has one investment.

The business has performed in line with expectations during the financial period under review and the directors are satisfied with the results achieved.

On 15 April, 2019, the company sub-divided its 5,000 ordinary shares into 15,000 ordinary shares of £0.3333 each; 100% of the equity held in the company was then acquired by management.

Principal risks

SPV's main financial risk is considered to be liquidity risk. SPV's policy in respect of liquidity risk is to maintain readily accessible bank deposit accounts to ensure that it has sufficient funds for operations. Cash deposits are held in current accounts.

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.

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

Sussex Place Ventures Limited

Report of the directors for the Year ended 31 December 2019 (*continued*)

Going concern

Subsequent to the reporting date, whilst the spread of Covid-19 may have impacted the carrying values of various investments held by the venture capital funds managed by the company, management has determined that there is sufficient cash held by those funds to pay its guaranteed income through to the end of 2021. Therefore, the directors believe the company will have sufficient funds to weather the impact of Covid-19 and continue as a going concern for the foreseeable future and continues to adopt the going concern basis in preparing the financial statements.

Directors

The directors of SPV during the year and to the date of this report were:

P Atherton
A Bates (resigned 2 September 2019)
R Gourlay
D Murray (resigned 15 April 2019)
D Thorp (resigned 3 September 2019)
J Brimacombe
M Murphy (resigned 17 September 2019)
S Randeree (resigned 17 September 2019)
B Terry

Directors' responsibilities

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 company's 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 company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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.

Auditor

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 auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

In preparing this directors' report, advantage has been taken of the small companies' exemption.

On behalf of the Board

DocuSigned by:

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R Gourlay
Director

Date: 7/20/2020

Sussex Place Ventures Limited

Report of the independent auditor

TO THE MEMBERS OF SUSSEX PLACE VENTURES LIMITED

Opinion

We have audited the financial statements of Sussex Place Ventures Limited ("the Company") for the year ended 31 December 2019 which comprise the Statement of Income and Retained Earnings, Statement of Financial Position and notes to the financial statements, 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 December 2019 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 Auditor's 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 UK, including the FRC'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.

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 auditor's 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.

Opinions 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.

Sussex Place Ventures Limited

Report of the independent auditor (*continued*)

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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, 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.

Auditor's 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 auditor's 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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 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.

BDO LLP

Eran Wieder (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London
Date 20 July 2020

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

Sussex Place Ventures Limited

Statement of Income and Retained Earnings for the year ended 31 December 2019

	Note	2019 £'000	2018 £'000
Turnover		624	679
Administrative expenses		<u>(703)</u>	<u>(627)</u>
Operating (loss)/profit		<u>(79)</u>	<u>52</u>
(Loss)/profit on ordinary activities before and after taxation and total comprehensive (loss)/profit for the financial period		<u>(79)</u>	<u>52</u>
 Retained earnings at the beginning of the year		 126	 74
(Loss)/profit for the year		<u>(79)</u>	<u>52</u>
Retained earnings at the end of the year		<u>47</u>	<u>126</u>

The notes on pages 7 to 10 form part of these financial statements.

Sussex Place Ventures Limited


Statement of Financial Position at 31 December 2019

Company number: 3610855	Note	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Current assets					
Debtors	4	27		33	
Cash at bank		105		168	
		132		201	
Creditors: amounts falling due within one year	5	(62)		(43)	
Net current assets			70		158
Creditors: amounts falling due after one year	6		(18)		(27)
Total assets less current liabilities			52		131
Capital and reserves					
Called up share capital	7		5		5
Profit and loss account			47		126
Shareholders' funds			52		131

The notes on pages 7 to 10 form part of these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board and authorised for issue on 7/20/2020

DocuSigned by:

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R Gourlay
 Director

Sussex Place Ventures Limited

Notes forming part of the financial statements for the year ended 31 December 2019

1 Accounting policies

Sussex Place Ventures Limited is a private limited company registered in England and Wales with company number 3610855 and with registered office 58-60 Fitzroy Street, London, England, W1T 5BU. Its principal activity is set out in the Directors' report.

The financial statements have been prepared in accordance with Section 1A of FRS 102, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland, and the Companies Act 2006. The presentational and functional currency of these financial statements are presented in Sterling (£) and are rounded to the nearest thousand.

Going concern

At 31 December 2019, the company's balance sheet showed a net asset position of £52,000 and a net current asset position of £70,000. Subsequent to the reporting date, whilst the spread of Covid-19 may have impacted the carrying values of various investments held by the venture capital funds managed by the company, management has determined that there is sufficient cash held by those funds to pay its guaranteed income through to the end of 2021. Therefore, the directors believe the company will have sufficient funds to weather the impact of Covid-19 and continue as a going concern for the foreseeable future and continues to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover comprises the value of services provided during the period in the normal course of business. Management fees are recognised in the statement of income and retained earnings in the period 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. All turnover arises from the conduct of investment management services and related corporate finance services solely within the United Kingdom.

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Operating leases

Operating lease annual rentals are charged to the statement of income and retained earnings on a straight-line basis over the term of the lease.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the SPV becomes party to the contractual provisions of the instrument.

Other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price and, subsequently at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Fund will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and short term deposits with an original maturity of three months or less.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities issued by SPV are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability. All creditor amounts falling due within one year represent basic financial liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Sussex Place Ventures Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

Taxation

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

Deferred taxation

Deferred tax balances are recognised in respect of all material 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 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.

2 Operating (loss)/profit has been arrived at after charging:

	2019 £'000	2018 £'000
Auditor's remuneration for audit services	11	10
Auditor's remuneration for other services	5	5
Operating leases	40	44
Directors' remuneration	340	402

Amounts paid in respect of the highest paid director were £136k (2018 - £161k).

During the year retirement benefits were accruing to nil directors (2018 – nil) in respect of defined contribution pension schemes. The value of the company's contributions paid to a defined contribution pension scheme in respect of the directors amounted to £nil (2018 - £nil).

3 Employees

The average number of employees in the year was 5 (2018 - 5).

4 Debtors

	2019 £'000	2018 £'000
Prepayments and accrued income	15	19
Other debtors	2	13
Amounts due from group undertakings	10	1
	27	33

All amounts fall due within one year.

5 Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Taxation and social security	29	22
Accruals and deferred income	32	19
Amounts due to group undertakings	1	2
	62	43

The loans from related undertakings are all unsecured, interest free and repayable on demand.

6 Creditors: amounts falling due after one year

	2019 £'000	2018 £'000
Deferred income	18	27

Sussex Place Ventures Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

7 Deferred tax

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

At the year end, there is unprovided deferred taxation asset of £200,000 (2017 - £120,000), relating to losses. The asset has not been recognised due to the uncertainty over its recoverability.

8 Share capital

At 1 January 2019, SPV had £5,000 of share capital represented by 5,000 allotted, called up and fully paid up ordinary shares of £1 each.

On 15 April, 2019, the company sub-divided its shares into 15,000 ordinary shares of £0.3333 each.

At 31 December 2019, SPV had £5,000 of share capital represented by 15,000 allotted, called up and fully paid up ordinary shares of £0.333 each.

9 Fixed asset investments in subsidiary undertakings

The following were subsidiary undertakings at the end of the period. In each case the company held 100% of the voting rights and ordinary capital at 31 December 2019 and each subsidiary had the same registered office as the company. At 1 January 2019 and 31 December 2019 the cost and net book value of these assets was £9.

Name	Nature of business
Sussex Place (General Partner) Limited	General partner of venture capital fund
Sussex Place II (General Partner) Limited	General partner of venture capital fund
Combined London Colleges (General Partner) Limited	General partner of venture capital fund
Sussex Place (Founder Partner) Limited	Founder partner of venture capital fund
Sussex Place Founder Partner II Limited	Founder partner of venture capital fund
Sussex Place General Partner II Limited	General partner of venture capital fund

10 Revenues from the partnerships and contingent liabilities

SPV's subsidiaries are general and founder 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.

At 31 December 2019 there were no contingent liabilities (2018 - £nil).

11 Related party transactions

SPV's subsidiaries are the general partners of venture capital funds Combined London Colleges University Challenge LP, Regents Park Partners LP, Regents Park Partners II ECF LP and Regents Park Special Purpose 1 LP. Income included in the profit and loss account for the period relating to management of these funds, which is payable to the company's subsidiaries and then paid up to the company under the terms of a management agreement, was as follows:

	2019 £'000	2018 £'000
Combined London Colleges University Challenge LP	27	127
Regents Park Partners LP	28	33
Regents Park Partners II ECF LP	555	600
Regents Park Special Purpose 1 LP	9	9

At 31 December 2019, Regent Park Partners II ECF LP had a balance owing of £9,800 (2018 - £nil) to the company.

As permitted under paragraph 33.1A of FRS102, transactions with the subsidiary undertakings disclosed in Note 8 have not been disclosed as they are wholly owned subsidiaries of the company.

Sussex Place Ventures Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (*continued*)

12 Commitments under operating leases

At 31 December 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £'000	2018 £'000
Not later than 1 year	13	44

13 Controlling party information

Up to 15 April 2019, the Company's immediate parent company was London Business School Anniversary Trust and the Company's ultimate controlling entity was London Business School. With effect from 15 April 2019, the Company has no controlling party and no entity prepares Consolidated financial statements that include the Company.

14 Subsequent events

Subsequent to the reporting date, the spread of Covid-19 may have impacted the carrying values of various investments held by the venture capital funds managed by the company and which will be the source of its future revenues.