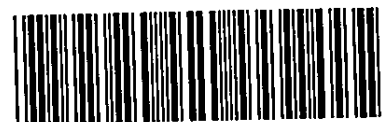


**E-Synergy Limited**  
Report And Financial Statements  
*31 December 2011*

Rees Pollock  
Chartered Accountants

WEDNESDAY



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COMPANIES HOUSE

## COMPANY INFORMATION

<b>Directors</b>	R A Armstrong P W E Downes R D Brockbank J S Miller M J Bowman
<b>Registered office</b>	8-12 New Bridge Street London EC4V 6AL
<b>Auditor</b>	Rees Pollock 35 New Bridge Street London EC4V 6BW
<b>Bankers</b>	Lloyds TSB Bank plc London WC2E 7JB
<b>Company number</b>	03865384

## **DIRECTORS' REPORT**

for the year ended 31 December 2011

The directors present their report and the financial statements for the year ended 31 December 2011

### **Principal activities**

The principal activity of the company during the year was that of management services to support the growth of new and early stage companies

### **Directors**

The directors who served during the year were

R A Armstrong

P W E Downes (appointed 3 May 2011)

R D Brockbank (appointed 31 December 2011)

J S Miller (appointed 31 December 2011)

Subsequent to the year end M J Bowman was appointed a director on 5 January 2012

### **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 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 judgments and estimates that are reasonable and prudent,
- 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.

### **Provision of information to auditor**

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

- so far as that director is aware there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

**DIRECTORS' REPORT**  
for the year ended 31 December 2011

**Auditor**

The auditor, Rees Pollock, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

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

This report was approved by the board on 14 March 2012 and signed on its behalf



R D Brockbank  
Director



# REESPOLLOCK

Chartered Accountants

35 New Bridge Street  
London EC4V 6BW  
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www.reespollock.co.uk

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF E-SYNERGY LIMITED

We have audited the financial statements of E-Synergy Limited for the year ended 31 December 2011, set out on pages 4 to 11. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 auditor

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. 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 Ethical Standards for Auditors.

### Scope of the audit of the financial statements

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

### Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Opinion on other matter prescribed by the Companies Act 2006

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

### 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, 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' exemption in preparing the Directors' report.

Simon Rees (Senior statutory auditor)  
for and on behalf of  
Rees Pollock (Statutory auditor)

26 March 2012

Partners: Simon Rees FCA CTA, Johnny Moulds FCA, Catherine Kimberlin FCA, Jonathan Munday FCA CTA,  
Chris Dunnick FCA, Chris Barnett ACA CTA, Phil Vipond ACA, Alex Macpherson ACA, Rees Pollock Limited

Registered to carry on audit work and regulated for a range of investment business activities by The Institute of Chartered Accountants in England and Wales  
VAT Registration No 524 9426 37

**PROFIT AND LOSS ACCOUNT**  
for the year ended 31 December 2011

	<b>Note</b>	<b>2011 £</b>	<b>2010 £</b>
<b>TURNOVER</b>	<b>1</b>	<b>1,605,668</b>	<b>1 655,983</b>
Administrative expenses		<u>(1,432,139)</u>	<u>(1,885,869)</u>
<b>OPERATING PROFIT/(LOSS)</b>	<b>2</b>	<b>173,529</b>	<b>(229,886)</b>
Interest receivable and similar income		-	4
Amounts written off investments		<u>-</u>	<u>(91,000)</u>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>173,529</b>	<b>(320,882)</b>
Tax on profit/(loss) on ordinary activities	<b>4</b>	<u>-</u>	<u>-</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	<b>13</b>	<u><b>173,529</b></u>	<u><b>(320,882)</b></u>

The notes on pages 6 to 11 form part of these financial statements

**BALANCE SHEET**  
as at 31 December 2011

	Note	£	2011 £	£	2010 £
<b>FIXED ASSETS</b>					
Tangible assets	5		14,715		17,448
Investments	6		158,302		158,302
			<u>173,017</u>		<u>175,750</u>
<b>CURRENT ASSETS</b>					
Debtors	7	258,233		402,412	
Cash at bank and in hand		144,387		125,826	
		<u>402,620</u>		<u>528,238</u>	
<b>CREDITORS</b> , amounts falling due within one year	8	(344,701)		(646,581)	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>57,919</u>		<u>(118,343)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>230,936</u>		<u>57,407</u>
<b>PROVISIONS FOR LIABILITIES</b>					
Other provisions	10		(50,700)		(50,700)
<b>NET ASSETS</b>			<u><u>180,236</u></u>		<u><u>6,707</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		137,576		137,576
Share premium account	13		571,702		571,702
Revaluation reserve	13		40,000		40,000
Profit and loss account	13		(569,042)		(742,571)
<b>SHAREHOLDERS' FUNDS</b>			<u><u>180,236</u></u>		<u><u>6,707</u></u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 March 2012

*R D Brockbank*

R D Brockbank  
Director

The notes on pages 6 to 11 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2011

**1 ACCOUNTING POLICIES**

**1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

**1.2 Going concern**

The directors have prepared budgets that show that the company will have sufficient resources to meet its liabilities as they fall due for a period of at least twelve months from the signing of these accounts. Consequently the directors believe that the going concern basis is appropriate and the accounts have been prepared under that assumption. No estimate has been prepared of the effect should this assumption prove to be incorrect.

**1.3 Consolidated accounts**

The company has taken advantage of the exemption available to small companies from producing consolidated accounts.

**1.4 Turnover**

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

**1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	over the life of the lease
Fixtures & fittings	-	over 5 years
Office equipment	-	over 3 years

**1.6 Deferred taxation**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.



**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2011

**1. ACCOUNTING POLICIES (continued)**

**1.7 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction

Exchange gains and losses are recognised in the profit and loss account

**1.8 Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

**1.9 Investments**

Investments held as fixed assets are shown at the Board's valuation

The valuations of investments are conducted by the Board. In valuing investments the Board applies guidelines issued by the British Venture Capital Association (BVCA). The following valuation methodology has been used in reaching the fair value of investments, all of which are in early stage companies

Investments are valued at cost, unless there has been a significant round of new equity finance in which case the investment is valued at the price paid by an independent third-party. Where subsequent events or changes to circumstances indicate that impairment may have occurred, the carrying value is reduced to reflect the estimated extent of impairment

All investments in portfolio companies are held as a means to benefit from increases in their marketable value and not as a medium through which the business of the company is carried out. Therefore in accordance with Financial Reporting Standard 9 'Associates and Joint Ventures', they are not accounted for as associates

**2 OPERATING PROFIT/(LOSS)**

The operating profit/(loss) is stated after charging

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets		
- owned by the company	11,305	14,387
Auditors' remuneration	4,500	4,500
Auditors' remuneration - non-audit	12,400	47,121
Pension costs	34,953	28,854
	<u>          </u>	<u>          </u>

The average number of full time equivalent employees including directors, during the year was as follows

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Number of full time equivalent administrative staff	14	15
	<u>          </u>	<u>          </u>

NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2011

3 DIRECTORS' REMUNERATION

	2011 £	2010 £
Aggregate emoluments	177,000	232,911

Included within the above are directors' consultancy fees of £165,000 (2010 £188,832), which were payable as detailed in note 14

4. TAXATION

	2011 £	2010 £
UK corporation tax charge on profit/loss for the year	-	-

Factors that may affect future tax charges

At the year end the company had unrelieved trading losses of £359,157 (2010 £463,222). The potential deferred tax asset (at 20%) of £71,831 (2010 £97,277) has not been recognised due to uncertainty over the timing of the asset's recovery.

5 TANGIBLE FIXED ASSETS

	Office equipment £	Fixtures & fittings £	Leasehold improvements £	Total £
<b>Cost or valuation</b>				
At 1 January 2011	52,100	34,676	28,038	114,814
Additions	10,015	90	-	10,105
Disposals	(1,672)	-	-	(1,672)
At 31 December 2011	60,443	34,766	28,038	123,247
<b>Depreciation</b>				
At 1 January 2011	40,198	29,130	28,038	97,366
Charge for the year	7,959	3,346	-	11,305
On disposals	(139)	-	-	(139)
At 31 December 2011	48,018	32,476	28,038	108,532
<b>Net book value</b>				
At 31 December 2011	12,425	2,290	-	14,715
At 31 December 2010	11,902	5,546	-	17,448

**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 December 2011

**6 FIXED ASSET INVESTMENTS**

	Shares in group undertakings £	Unlisted investments £	Investment in joint venture £	Total £
<b>Cost or valuation</b>				
At 1 January 2011 and 31 December 2011	999	309,583	7,500	318,082
<b>Impairment</b>				
At 1 January 2011 and 31 December 2011	-	159,780	-	159,780
<b>Net book value</b>				
At 31 December 2011	999	149,803	7,500	158,302
At 31 December 2010	999	149,803	7,500	158,302

The investment in joint venture represents the company's 50% non-controlling interest, acquired on 25 February 2010, in Rivers Capital Partners Limited, a company incorporated in the United Kingdom

**7 DEBTORS**

	2011 £	2010 £
Trade debtors	231,093	333,450
Other debtors	27,140	68,962
	<u>258,233</u>	<u>402,412</u>

**8. CREDITORS**

Amounts falling due within one year

	2011 £	2010 £
Trade creditors	41,521	127,318
Amounts owed to group undertakings	999	999
Amounts owed to participating interest	1	1
Social security and other taxes	166,163	27,525
Other creditors	136,017	490,738
	<u>344,701</u>	<u>646,581</u>

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2011

### 9 PENSION COMMITMENTS

The company makes contributions to employees' personal pension plans. Payments into these are charged to the profit and loss account as they arise. During the year £34,953 (2010: £28,854) was charged to the profit and loss account. No payments were outstanding at the year end.

### 10. PROVISIONS

	Provisions £
At 1 January 2011 and 31 December 2011	50,700

#### Provisions

Directors' fees of £50,700 which become payable when certain conditions relating to the company's performance are met, have been provided for at year end. The directors consider that it is sufficiently certain that these conditions will be met and therefore a liability has been recognised under Financial Reporting Standard No. 12 ('FRS 12').

### 11 RELATED PARTY TRANSACTIONS

During the year the company received £258,728 (2010: £293,822) in respect of management and advisory fees from the East Midlands Early Growth Fund Limited, an entity under common control, and £22,692 (2010: £49,000) in respect of management and advisory fees from Rivers Capital Partners Limited, a joint venture between E-Synergy Limited and Pario Au Limited.

At the year end, East Midlands Early Growth Fund Limited owed £14,907 (2010: owed £23,469) and £26,287 (2010: £54,656) was due from Rivers Capital Partners Limited.

### 12 SHARE CAPITAL

	2011 £	2010 £
<b>Allotted, called up and fully paid</b>		
137,576 Ordinary shares of £1 each	137,576	137,576

### 13 RESERVES

	Share premium account £	Revaluation reserve £	Profit and loss account £
At 1 January 2011	571,702	40,000	(742,571)
Profit for the year	-	-	173,529
At 31 December 2011	571,702	40,000	(569,042)

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NOTES TO THE FINANCIAL STATEMENTS  
for the year ended 31 December 2011

**14. DIRECTORS' BENEFITS ADVANCES, CREDIT AND GUARANTEES**

During the year the company engaged the services of, and incurred costs from, the following businesses

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Netstrike Limited	165,000	63,713

In each case the businesses are owned and run by directors who served in the year as follows

Netstrike Limited	R A Armstrong
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At the year end the following amounts were owed to/(due from) the above by the company

	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Netstrike Limited	(362)	28,148

**15. CONTROLLING PARTY**

J Moulton is the majority shareholder and thus the ultimate controlling party of the company