

Company Registration No. 4436318 (England and Wales)

ADVANTAGE GROWTH FUND (GENERAL PARTNER) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017



ADVANTAGE GROWTH FUND (GENERAL PARTNER) LIMITED

COMPANY INFORMATION

Directors	A D Stott R V Wood
Company number	4436318
Registered office	Cavendish House 39-41 Waterloo Street Birmingham B2 5PP
Auditor	Baldwins Audit Services Limited Churchill House 59 Lichfield Street Walsall West Midlands WS4 2BX

ADVANTAGE GROWTH FUND (GENERAL PARTNER) LIMITED

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ADVANTAGE GROWTH FUND (GENERAL PARTNER) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The directors present their annual report and financial statements for the year ended 30 September 2017.

Principal activities

The company is the General Partner to Advantage Growth Fund Limited Partnership, formed to provide venture capital investment to small and medium sized businesses based in the West Midlands. Under the partnership agreement the company has certain responsibilities as the General Partner which it carries out by entering into a management agreement with its parent company, Midven Limited. Under the management agreement the company has appointed Midven Limited as Fund Manager to Advantage Growth Fund Limited Partnership.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A D Stott
R V Wood

Results and dividends

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

Following a restructuring, Baldwins (Derby) Limited ceased as auditors on 31 October 2016. Baldwins Audit Services Limited were appointed as auditor on 1 November 2016 and are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

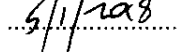
This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



A D Stott

Director



ADVANTAGE GROWTH FUND (GENERAL PARTNER) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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 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;
- 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.

ADVANTAGE GROWTH FUND (GENERAL PARTNER) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ADVANTAGE GROWTH FUND (GENERAL PARTNER) LIMITED

Opinion

We have audited the financial statements of Advantage Growth Fund (General Partner) Limited (the 'company') for the year ended 30 September 2017 set out on pages 5 to 9. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 30 September 2017 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 our 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.

ADVANTAGE GROWTH FUND (GENERAL PARTNER) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ADVANTAGE GROWTH FUND (GENERAL PARTNER) LIMITED

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 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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.



Steven Potter (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services Limited

5 JANUARY 2018

Chartered Accountants
Statutory Auditor

Churchill House
59 Lichfield Street
Walsall
West Midlands
WS4 2BX

ADVANTAGE GROWTH FUND (GENERAL PARTNER) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	2017 £	2016 £
Advance share of profits and other expenses payable by Advantage Growth Fund Limited Partnership		79,583	19,997
Administrative expenses		(79,613)	(19,997)
Loss before taxation		<u>(30)</u>	<u>-</u>
Taxation		-	-
Loss for the financial year		<u><u>(30)</u></u>	<u><u>-</u></u>

ADVANTAGE GROWTH FUND (GENERAL PARTNER) LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Investments	2		4		4
Current assets					
Debtors	3	62,504		62,504	
Cash at bank and in hand		744		774	
		<u>63,248</u>		<u>63,278</u>	
Creditors: amounts falling due within one year	4	<u>(63,000)</u>		<u>(63,000)</u>	
Net current assets			248		278
Total assets less current liabilities			<u>252</u>		<u>282</u>
Capital and reserves					
Called up share capital	5		1		1
Profit and loss reserves			251		281
Total equity			<u>252</u>		<u>282</u>

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 of directors and authorised for issue on 3/1/2018 and are signed on its behalf by:


A D Stott
Director

Company Registration No. 4436318

ADVANTAGE GROWTH FUND (GENERAL PARTNER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

Company information

Advantage Growth Fund (General Partner) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Cavendish House, 39-41 Waterloo Street, Birmingham, B2 5PP.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents the advance share of profits and other expenses payable by Advantage Growth Fund Limited Partnership.

1.3 Fixed asset investments

Fixed asset investments representing investment in the partnership capital of venture capital funds are stated at cost.

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.5 Financial instruments

The company only has basic financial instruments.

Financial instruments are recognised in the company's Balance Sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

ADVANTAGE GROWTH FUND (GENERAL PARTNER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies are initially recognised at transaction price.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account.

2 Fixed asset investments

	2017 £	2016 £
Investments	4	4
	==	==

Movements in fixed asset investments

	Partnership Capital £
Cost or valuation	
At 1 October 2016 & 30 September 2017	4
	—
Carrying amount	
At 30 September 2017	4
	==
At 30 September 2016	4
	==

ADVANTAGE GROWTH FUND (GENERAL PARTNER) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

3 Debtors	2017	2016
	£	£
Amounts falling due within one year:		
Amounts due from group undertakings	62,504	62,504
	<u> </u>	<u> </u>
4 Creditors: amounts falling due within one year	2017	2016
	£	£
Amounts due to group undertakings	63,000	63,000
	<u> </u>	<u> </u>
5 Called up share capital	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1 each	1	1
	<u> </u>	<u> </u>
6 Parent company		

The smallest group into which the company is consolidated is its immediate parent undertaking Midven Limited, a company incorporated in England and Wales and whose registered office is Cavendish House, 39-41 Waterloo Street, Birmingham, B2 5PP. The largest group into which the company is consolidated is its ultimate parent undertaking Midven Holdings Limited, a company incorporated in England and Wales. Both sets of consolidated accounts are publicly available from Companies House.

Advantage Growth Fund

(Limited Partnership: Registered Number LP 8457)

Annual Report and Accounts

31 December 2016

THESE DOCUMENTS
ACCOMPANY
THE ACCOUNTS
FROM
04436318

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COMPANIES HOUSE

Managed by Midven

Midven is authorised & regulated by the Financial Conduct Authority

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Advisors

Fund Manager

Midven Limited
Cavendish House
39-41 Waterloo Street
Birmingham
B2 5PP

General Partner

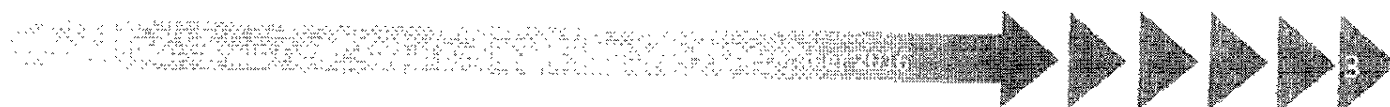
Advantage Growth Fund (General Partner) Limited
Cavendish House
39-41 Waterloo Street
Birmingham
B2 5PP

Legal Advisors

Eversheds
115 Colmore Row
Birmingham
B3 3AL

Auditor

RSM UK Audit LLP
St Philips Point
Temple Row
Birmingham
B2 5AF



Report of the General Partner

Principal activities

The Advantage Growth Fund is a Limited Partnership formed in December 2002 to make venture capital investments in small and medium sized enterprises located in the West Midlands. The Fund closed for new investments in December 2008, although it retained the ability to follow its existing investments until December 2016. On 20 December 2016 Midven Limited took on the role of liquidating trustee with a view to realising the remainder of the portfolio over the next two years.

As at 31 December 2016 the Fund had made investments into 46 companies and continued to have an interest in 8 companies, the 5 largest investments by value, being:

Five Largest Venture Capital Investments (by value):



Silver Lining Solutions Limited

Cost	£862,466
Valuation	£862,466
Basis of Valuation	Cost
Equity Held	13.23%
Business	Skills optimisation software for the call centre market
History	Early stage investment in December 2004, led by Midven
Income in year	None



21 Net

Cost	£1,248,754
Valuation	£624,377
Basis of Valuation	50% provision
Equity Held	3.74%
Business	Providers of internet access to train users
History	Start-up investment in 2004, led by Midven
Income in year	None



Phasor Limited

Cost	£616,946
Valuation	£616,946
Basis of Valuation	Cost
Equity Held	2.4%
Business	Development of phased array antennas
History	Start-up investment in 2006, led by Midven
Income in year	None



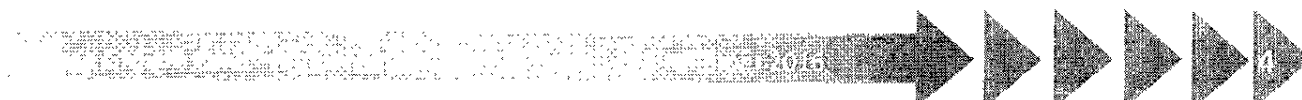
Quantum Risk Management Limited

Cost	£84,000
Valuation	£400,000
Basis of Valuation	Profit multiple
Equity Held	32%
Business	Health and safety consultancy
History	Start-up investment in 2003, led by Midven
Income in year	None



T@lecom Limited

Cost	£343,680
Valuation	£343,680
Basis of Valuation	Cost
Equity Held	26.73%
Business	Mobile data solutions
History	Start-up investment in 2003, led by Midven
Income in year	Capitalised interest of £6,707



Report of the General Partner (continued)

The General Partner (Advantage Growth Fund (General Partner) Limited) submits the report and accounts of the Limited Partnership for the year ended 31 December 2016. No investments were made during the year apart from unpaid interest of £6,707 due from T@lecom Ltd which was added to the amount owed under their loan.

The Fund made a net surplus of £1,225,533 in the year.

A distribution totalling £3,000,000 was made to the limited partners in the Fund during the year of which £1,800,000 was paid during the year and £1,200,000 was paid post year end.

Realisations to date:

During the year the Fund disposed of its interest in Allinea Ltd, Prolojik Ltd and Microvisk IP Ltd. The first of these, Allinea Ltd, generated a substantial profit.

The table below sets out the significant realisations for value achieved during the life of the Fund to date.

	Disposal Date	Equity	Cost of Investment	Capital and Income Received/Receivable	IRR	Cash Multiple	Exit Route
		%	£	£			
MVI Holdings	Oct 06	13.75%	250,000	726,883	92%	2.9	Trade Sale
Scriptswitch	Oct 09	23.75%	254,642	9,172,669	102%	36.0	Trade Sale
Dynamic Change	May 10	13.95%	100,000	790,018	38%	7.9	Trade Sale
Occam Systems	Nov 10	15.6%	291,664	367,163	5%	1.2	Buy-Out
Midland Industrial Glass	Dec 11	40%	200,000	1,418,424	46%	7.1	Buy-out
Clearview Systems	Jul 14	39.5%	518,942	698,441	6%	1.4	Buy-Out
Simworx	Jul 15	21.4%	347,982	565,683	8%	1.6	Secondary
E-motion Ventures	Jul 15	21.4%	122,351	128,618	1%	1.1	Secondary
Gemba	Jul 15	46.87%	497,030	521,775	1%	1.1	Trade Sale
Allinea	Dec 16	15.03%	127,209	2,790,739	54%	21.9	Trade Sale
Total			2,709,820	17,180,413			

Post Balance Sheet Events

On 24 February 2017 the Fund completed the disposal of Silver Lining Solutions Ltd. The proceeds received on 24 February totalled £915,220. Additional proceeds are expected to be received during the next 12 months.



Report of the General Partner (continued)

Statement of the General Partner's responsibilities

The following statements should be read in conjunction with the Auditor's Report regarding the respective responsibilities of the General Partner and the auditor set out on page 7.

The General Partner is required by the Partnership Agreement to prepare accounts for each financial year in accordance with applicable law and regulations. The General Partner has elected to prepare the financial statements in accordance with Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

The financial statements are required by law to give a true and fair view of the state of affairs of the Fund and of the surplus or deficit for that period.

The General Partner considers that in preparing these accounts, it has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates.

The General Partner has responsibility for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Partnership. It is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

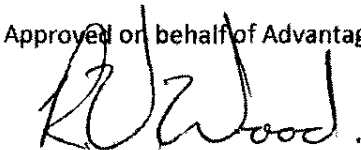
Statement of disclosure to auditor

The General Partner confirms, as far as it is aware, that there is no relevant audit information of which the Limited Partnership's auditor is unaware, and it has taken all the steps that it ought to have taken as General Partner in order to make itself aware of any relevant audit information and to establish that the Limited Partnership's auditor is aware of that information.

Auditor

RSM UK Audit LLP has indicated its willingness to continue in office as auditor to the Fund.

Approved on behalf of Advantage Growth Fund (General Partner) Limited by

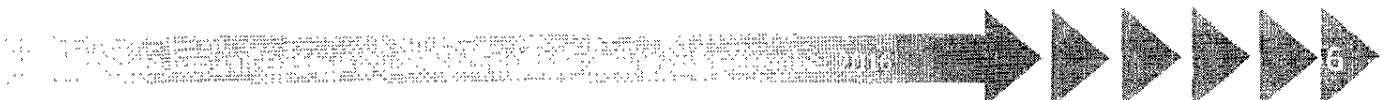


R Wood

Director

Advantage Growth Fund (General Partner) Limited

17 May 2017



Independent Auditors' Report to the Partners of Advantage Growth Fund

Opinion on financial statements

We have audited the financial statements on pages 9 to 17. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

give a true and fair view of the state of the qualifying partnership's affairs as at 31 December 2016 and of its surplus 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 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matters prescribed by the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008

In our opinion the information given in the Report of the General Partner for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Report of the General Partner has been prepared in accordance with applicable legal requirements.

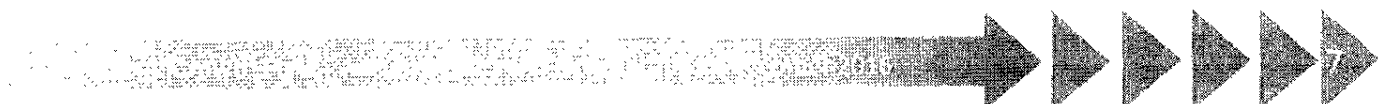
Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 as applied to qualifying partnerships 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 partners' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the partners were not entitled to take advantage of the small companies exemption as applied to qualifying partnerships under the Partnerships (Accounts) Regulations 2008 from the requirement to prepare a strategic report.

Respective responsibilities of the General Partner and auditor

As more fully explained in the Statement of the General Partner's Responsibilities on page 6, the General Partner is 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.



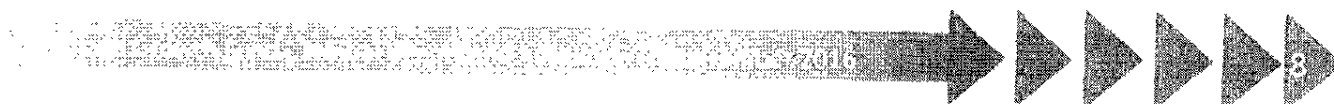
Independent Auditors' Report to the Partners of Advantage Growth Fund (continued)

This report is made solely to the qualifying partnership's partners, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to qualifying partnerships by The Partnerships (Accounts) Regulations 2008. Our audit work has been undertaken so that we might state to the qualifying partnership's partners 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 limited partnership and the qualifying partnership's partners as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

GARY MORETON (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
St Philips Point
Temple Row
Birmingham
B2 5AF

17 May 2017



Statement of Comprehensive Income

For the year ended 31 December 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Investment Income					
Dividend income		29,673		42,470	
Loan interest		8,793		90,040	
Income tax credits receivable		521		3,683	
Bank interest (including tax credits receivable)		177		249	
Miscellaneous income		77		-	
			39,241		136,442
Administrative Expenses					
Audit fee		13,000		11,000	
Bank charges		41		136	
Other professional and legal fees		-		1,000	
			(13,041)		(12,136)
Operating surplus			26,200		124,306
Surplus on disposal of investments	7		1,732,578		264,454
Fair value movement on investments	6		(533,245)		(396,492)
Surplus/(Deficit) for the Financial Year			1,225,533		(7,732)

The Fund's results for the year are derived from continuing operations.



Statement of Financial Position

at 31 December 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Investments	6		3,116,003		4,757,209
Current Assets					
Debtors	8	160,355		31,283	
Cash at bank		<u>1,268,730</u>		<u>333,123</u>	
		1,429,085		364,406	
Creditors: Amounts falling due within one year	9	(1,251,738)		(12,910)	
Net Current Assets			177,347		351,496
Net Assets Attributable to Partners			3,293,350		5,108,705
Partners' Other Interests					
Partners' capital classified as equity	14		2,000		2,000
Partners' loan classified as equity	14		5,955,841		6,712,532
Partners' return on investment in realised reserves	10		(2,980,491)		(2,751,965)
Partner's unrealised reserves	11		316,000		1,146,138
			3,293,350		5,108,705

Approved on behalf of Advantage Growth Fund (General Partner) Limited and authorised for issue


R Wood
Director

17 May 2017



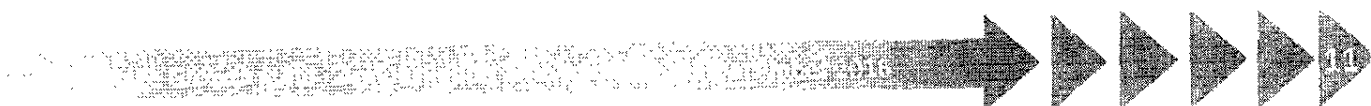
Statement of Cash Flows

at 31 December 2016

	Notes	Year to 31 December 2016 £	Year to 31 December 2015 £
Net cash from operating activities	12	<u>(70,751)</u>	<u>48,562</u>
Investing Activities			
Investment additions		-	(34)
Disposal proceeds		<u>2,847,246</u>	<u>1,219,529</u>
Net Cash From Investing Activities		2,847,246	1,219,495
Financing Activities			
Distribution to General Partner		(40,888)	(80,000)
Distribution to Limited Partners		<u>(1,800,000)</u>	<u>(1,320,000)</u>
Net increase/(decrease) in cash and cash equivalents		935,607	(131,943)
Cash and cash equivalents brought forward		333,123	465,066
Cash and Cash Equivalents Carried Forward		1,268,730	333,123

Statement of Changes in Equity

	Partners' Capital £	Partners' Loan £	Realised reserves £	Unrealised reserves £	Total £
Balance at 1 January 2015	2,000	8,032,532	(2,158,715)	640,620	6,516,437
Movement for the year	-	-	(513,250)	505,518	(7,732)
Advance share paid to the General Partner	-	-	(80,000)	-	(80,000)
Distribution in the year	-	<u>(1,320,000)</u>	-	-	<u>(1,320,000)</u>
Balance at 31 December 2015	2,000	6,712,532	(2,751,965)	1,146,138	5,108,705
Movement for the year	-	-	2,055,671	(830,138)	1,225,533
Advance share paid to the General Partner	-	-	(40,888)	-	(40,888)
Distribution in the year	-	(756,691)	(2,243,309)	-	(3,000,000)
Balance at 31 December 2016	2,000	5,955,841	(2,980,491)	316,000	3,293,350



Notes on the Accounts

31 December 2016

1. Entity Information

Advantage Growth Fund LP
Incorporated in England & Wales
Registration number: LP8457
Registered office address:
Cavendish House
39-41 Waterloo Street
Birmingham
B2 5PP

2. Basis of Preparation

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and the Companies Act 2006 as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain fixed asset investments as specified in the accounting policies below.

The financial statements are presented in Sterling (£).

3. Significant Judgements and Estimates

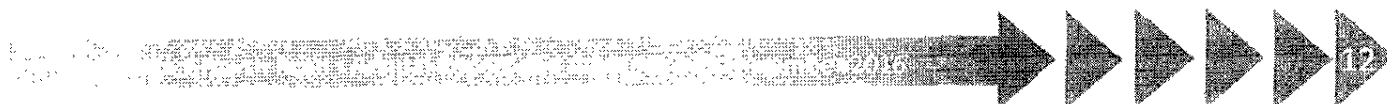
Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Valuation of fixed asset investments

Investments are stated at fair value and in accordance with International Private Equity and Venture Capital Valuation Guidelines.

Key assumptions concerning the future

The Liquidating Trustee is not constrained by any specific time limit to realise the remaining investments in the portfolio. The Limited Partnership therefore continues to adopt the going concern basis in preparing the financial statements.



Notes on the Accounts (continued)

31 December 2016

4. Principal Accounting Policies

Investments

Investments comprise investments in unquoted equity instruments which are measured at fair value. Changes in fair value are recognised in the Statement Of Comprehensive Income. Fair value is estimated in accordance with International Private Equity and Venture Capital Valuation Guidelines. Where the Fund holds more than 20% of the shares of the investment, it is not the Fund's policy to exercise significant or controlling influence over the investment and so the results and net assets of the investment are not incorporated into the Fund's accounts.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at transaction price.

Interest income and associated tax credits

Loan interest income from investments is accounted for on the accruals basis but only where such loan interest is received within one month after the end of the financial period. Interest accruing on convertible loans is accounted for at the time of conversion.

Dividend income

Dividend income from investments is accounted for on the receipts basis.

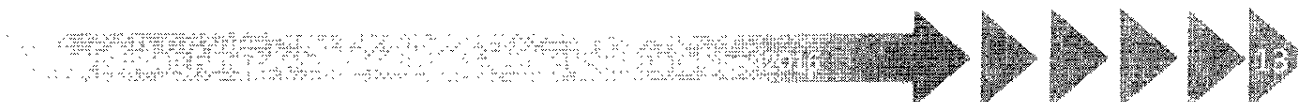
VAT

The partnership is not registered for VAT. It's costs are therefore shown inclusive of VAT as VAT cannot be recovered.

Financial Instruments

The Partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Partnership becomes a party to the contractual provisions of the instrument, and are offset only when the Partnership currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



Notes on the Accounts (continued)

31 December 2016

Financial assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in income or expenditure for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in income or expenditure.

Financial liabilities

Trade creditors

Trade creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

De-recognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party

5. Income tax credits receivable

The General Partner will be due a repayment from HMRC in relation to income tax, deducted by investee companies, from loan interest due to the Fund and from income tax deducted from bank interest.



Notes on the Accounts (continued)

31 December 2016

6. Investments

Valuation	Shares	Loans	Total
1 January 2016	3,948,811	808,398	4,757,209
Additions	-	6,707	6,707
Valuation changes	(533,245)	-	(533,245)
Disposals	(1,052,000)	(62,668)	(1,114,668)
At 31 December 2016	2,363,566	752,437	3,116,003

7. Surplus on Disposal of Investments

	Carrying value prior to disposal £	Proceeds of equity disposal £	Realised Gain/Loss £
Allinea Ltd	750,000	2,481,061	1,731,061
Prolojik Ltd	300,000	299,985	(15)
Microvisk IP Ltd	2,000	3,532	1,532
	1,052,000	2,784,578	1,732,578

8. Debtors

	2016 £	2015 £
Sale proceeds receivable	154,507	-
Amounts due from investee companies	-	13,215
Loan & bank interest tax credits to reclaim from HMRC	5,848	18,068
Total Debtors	160,355	31,283



Notes on the Accounts (continued)

31 December 2016

9. Creditors

	2016 £	2015 £
Distribution due to Limited Partner	1,200,000	-
Other creditors and accruals	51,738	12,910
Total Creditors	1,251,738	12,910

10. Realised Reserves

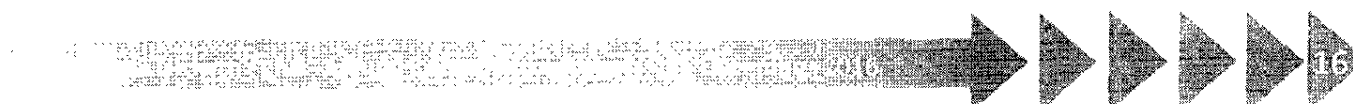
	2016 £	2015 £
At 1 January	(2,751,965)	(2,158,715)
Realised surplus/(deficit) for the financial year	2,014,783	(593,250)
Distribution	(2,243,309)	-
At 31 December	(2,980,491)	(2,751,965)

11. Unrealised Reserves

	2016 £	2015 £
At 1 January	1,146,138	640,620
Movement on unrealised reserves	(830,138)	505,518
At 31 December	316,000	1,146,138

12. Reconciliation of Operating Surplus to Net Cash Generated from Operations

	Year to 31 December 2016 £	Year to 31 December 2015 £
Operating surplus/(deficit) for the financial year	1,225,533	(7,732)
Non cash movements affecting operating surplus/(deficit)	(1,206,040)	56,739
Decrease/(Increase) in debtors	(129,072)	(1,405)
Increase in operating creditors and accruals	38,828	960
Net cash from operating activities	(70,751)	48,562



Notes on the Accounts (continued)

31 December 2016

13. Financial Instruments

	2016 £	2015 £
Financial Assets	1,429,085	364,406
Financial Liabilities	51,758	12,910

14. Capital

Name	Capital Contribution	Loan Contribution			Share of Realised Deficit	
	Committed and drawn down £	Committed £	Drawn down £	Repaid/Purchased £	Closing Balance £	£
Secretary of State Business, Energy & Industrial Strategy	600	5,999,400	5,999,400	(43,559)	5,955,841	(2,980,491)
European Investment Fund	400	3,999,600	3,999,600	(3,999,600)	-	-
The Royal Bank of Scotland plc	200	1,999,800	1,999,800	(1,999,800)	-	-
HSBC Enterprise Investment Company (UK) Limited	100	999,900	999,900	(999,900)	-	-
Midvest Limited	40	399,960	399,960	(399,960)	-	-
Aston University	12	119,988	119,988	(119,988)	-	-
University of Warwick	12	119,988	119,988	(119,988)	-	-
Birmingham City University	12	119,988	119,988	(119,988)	-	-
Alta Innovations Limited	12	119,988	119,988	(119,988)	-	-
Coventry University Enterprise Limited	12	119,988	119,988	(119,988)	-	-
Midvest (AGF) LP	200	-	-	-	-	-
Advantage Growth Fund (General Partner) Limited	4	-	-	-	-	-
Advantage Growth Fund CIV LP	396	-	-	-	-	-
Total	2,000	13,998,600	13,998,600	(8,042,759)	5,995,841	(2,980,471)

Realised losses and provisions against the carrying value of investments, disclosed as fair value movement on investments, are debited to the partners' capital accounts. The first six million pounds of losses are allocated to the Secretary of State for Business, Energy & Industrial Strategy.

