

Company Registration No. 05104995

Northstar Ventures Limited

Annual Report and Financial Statements

For the year ended 31 March 2018



Northstar Ventures Limited

Annual report and financial statements 31 March 2018

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Northstar Ventures Limited

Annual report and financial statements 2018

Officers and professional advisers

Directors

Mr G White
Mr I Richards
Mr A D M Greig
Ms E R O'Rourke
Mr D M J Hickey

Company Secretary

Ms E R O'Rourke

Registered Office

5th Floor
Maybrook House
27-35 Grainger Street
Newcastle upon Tyne
NE1 5JE

Bankers

Barclays Bank plc
49/51 Northumberland Street
Newcastle upon Tyne
NE1 4BF

Auditor

RSM UK Audit LLP
Statutory Auditor
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

Northstar Ventures Limited

Directors' report

The directors present their annual report on the affairs of the company together with the audited financial statements and independent auditor's report for the year ended 31 March 2018.

Principal activities

The company is an authorised person for the purposes of the Financial Services and Markets Act 2000 and is regulated by the Financial Conduct Authority.

The company acts as a manager of early stage and social investment funds with over £100m of funds under management at 31 March 2018.

Review of developments and future prospects

During the year the £10.2m North East Social Investment Fund invested £1.1m into ten organisations.

The company worked closely with Accelerated Digital Ventures Limited, which has raised £150m from investors, and managed ADV ECF 1 L.P., an £85m fund, from 30 November 2016 to 31 January 2018. As well as the company managing the ADV ECF 1 L.P. fund, it provided investment and back office support to Accelerated Digital Ventures Limited.

The company has four further funds under management, which have now ceased investing. At the end of their investment phases, the £20.74m Finance for Business North East Proof of Concept Fund had invested £20.74m into 168 SMEs, the £34m Finance for Business North East Accelerator Fund had invested £34m into 84 SMEs, the North East Proof of Concept Fund had invested £12.6m into 191 SMEs and the North East Co Investment Fund had invested £30m into 40 SMEs.

On 9 April 2018 the company signed the fund management agreement to manage a new £27.2m fund, The North East (ERDF) Innovation Fund Limited Partnership. This fund is expected to be invested in 145 SMEs in a five year period to 31 March 2023 followed by a five year realisation period.

Principal risks and uncertainties

The directors consider that the key risks affecting the company are:

- **Recovery of Fund Raising Costs** - The company needs to continue to raise new funds to manage to secure its future in the medium to longer term. Significant start-up costs are incurred by an investment manager in pursuing an opportunity and raising a new fund. Normally such start-up costs are recovered by the investment manager from the fund. Therefore, until there is certainty that a proposed new fund can be raised investment managers face a risk that these start-up costs may be irrecoverable. The company mitigates this risk by undertaking initial market testing to ensure that significant fund-raising costs are only incurred when there is a high probability that a fund can be raised.
- **Employees** – Fund managers are very much “people businesses” and their performance depends largely on their employees. The resignation of key individuals and the inability to recruit people with the right experience and skills could adversely impact on results. The company mitigates this risk by paying competitive salaries and providing the opportunity for employees to progress within the organisation, aided by the funding of relevant training. This risk has also been mitigated by the change in control of the Company, which is now owned by its management with the majority of staff holding share options.
- **Regulatory compliance** – The company is authorised and regulated by the Financial Conduct Authority (FCA). Being FCA approved is required in order to manage the funds managed by the company. Compliance with FCA and other relevant regulations and laws is at the centre of all of the company's business processes.

Northstar Ventures Limited

Directors' report (continued)

Going concern

The financial position of the company is shown on page 8. The company has sufficient financial resources and the nature of the fund management contracts is such that the company has a set level of income for a fixed period of time. As a consequence, the directors believe the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Based on the company's forecasts and projections, and taking into account reasonable possible changes in trading performance, the directors are confident that the company has sufficient funding in place for the next twelve months and beyond to continue with its fund management activity.

As a consequence of the above, the directors believe the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the directors have adopted the going concern basis in preparing the annual report and financial statements.

Results and dividends

The results of the company for the period are set out in detail on page 7.

The directors do not recommend the payment of a dividend for the year ended 31 March 2018 (2017: £nil).

Directors and their interests

The directors who served during the year and subsequently were as follows:

Mr I Richards
Mr A D M Greig
Mr G White
Ms E R O'Rourke
Mr D M J Hickey

Directors' indemnities

The company has made qualifying third-party indemnity provisions for the benefit of its directors and remain in force at the date of this report.

Disabled employees

The company gives full and fair consideration to applications for employment by disabled persons, having regard to their respective aptitudes and abilities. The company's policy, where applicable, includes the continued employment of those who may become disabled during their employment.

Auditor

Each of the directors at the date of approval of this report separately confirms that:

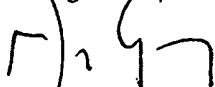
- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

During the year RSM UK Audit LLP were appointed as auditor in accordance with section 485 of the Companies Act 2006. A resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

The Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption. The directors have taken advantage of the small companies' exemption from preparing a strategic report.

Approved by the Board of Directors
and signed on behalf of the Board



A D M Greig
20 July 2018

Northstar Ventures Limited

Directors' responsibilities statement

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 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 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.

Independent auditor's report to the members of Northstar Ventures Limited

Opinion

We have audited the financial statements of Northstar Ventures Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Income and Retained Earnings, Balance sheet 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 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 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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.

Independent auditor's report to the members of Northstar Ventures Limited (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 exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

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.



Hugh Fairclough (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants

1 St James' Gate, Newcastle upon Tyne, NE1 4AD

23 July 2018

Northstar Ventures Limited

Statement of Income and Retained Earnings For the year ended 31 March 2018

	Notes	2018 £	2017 £
Turnover	2	2,540,880	2,355,449
Administrative expenses		(2,460,208)	(2,175,352)
Operating profit		80,672	180,097
Interest receivable	5	2,983	2,674
Profit before taxation	4	83,655	182,771
Tax on profit	6	(19,047)	(25,956)
Profit for the financial year and total comprehensive income	14	64,608	156,815
Retained earnings at the start of the year		1,457,151	1,300,336
Retained earnings at the end of the year		1,521,759	1,457,151

There are no items of comprehensive income for the current or previous financial year other than as stated in the profit and loss account. Accordingly no separate statement of comprehensive income has been presented.

There are no changes to equity other than as arising from the profit for the year, hence no separate statement of changes in equity is presented.

Northstar Ventures Limited

Balance sheet As at 31 March 2018

	Notes	£	2018 £	£	2017 £
Fixed assets					
Tangible fixed assets	8		13,760		23,782
Investments	7		200,009		200,009
			<u>213,769</u>		<u>223,791</u>
Current assets					
Debtors	9	157,449		69,306	
Investments	10	250,000		1,100,000	
Cash at bank and in hand		<u>1,156,207</u>		<u>492,236</u>	
			1,563,656		1,661,542
Creditors: amounts falling due within one year	11	<u>(191,522)</u>		<u>(365,656)</u>	
Net current assets			1,372,134		1,295,886
Provisions for liabilities and charges	12		<u>(4,144)</u>		<u>(2,526)</u>
Net assets			<u>1,581,759</u>		<u>1,517,151</u>
Capital and reserves					
Called-up share capital	14		60,000		60,000
Profit and loss account	14		<u>1,521,759</u>		<u>1,457,151</u>
Shareholder's funds			<u>1,581,759</u>		<u>1,517,151</u>

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

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

The financial statements of Northstar Ventures Limited, registered number 05104995, were approved by the board of directors and authorised for issue on 20 July 2018.

Signed on behalf of the Board of Directors



A DM Greig
Director
20 July 2018

Northstar Ventures Limited

Notes to the financial statements For the year ended 31 March 2018

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and previous year.

General information and basis of accounting

The financial statements have been prepared in accordance with the historical cost convention in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. 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.

Northstar Ventures Limited is a private company limited by shares registered in England and Wales and incorporated in the UK under the Companies Act. Its functional currency is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The address of the registered office is given on page 1.

Basis of preparation

The financial statements have been prepared on a going concern basis which assumes the company will continue in operational existence for the foreseeable future. The financial position of the company is shown on page 8. The company has sufficient financial resources and the nature of the fund management contracts is such that the company has a set level of income for a fixed period of time. As a consequence, the directors believe the company is well placed to manage its business risks successfully despite the current uncertain economic outlook. Based on the company's forecasts and projections, and taking into account reasonable possible changes in trading performance, the directors are confident that the company has sufficient funding in place for the next twelve months and beyond to continue with its fund management activity.

Fixed asset investments

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

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated so as to write off the cost of an asset over the useful economic life of that asset as follows:

Computer equipment	33% straight-line
Fixtures and fittings	50% straight-line

Cashflow statements

The company has taken advantage of the exemption available in FRS 102 Section 7 "Statement of Cashflows" not to disclose a cashflow statement and associated notes.

Turnover

Turnover is stated net of VAT and comprises fund management fees, monitoring fees, arrangement fees and other fees receivable during the year, based on an assessment of recoverability. Turnover is recognised as the related service is performed.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and the law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Northstar Ventures Limited

Notes to the financial statements (continued) For the year ended 31 March 2018

1. Accounting policies (continued)

Pension costs

Pension costs represent contributions to the staff defined contribution personal pension plan. Contributions to the defined contribution pension scheme are taken to the profit and loss account when they become payable.

Consolidation

The company qualifies for the small companies' regime and accordingly is not required to prepare group financial statements by virtue of the Companies Act 2006 s398 and s399.

Current asset investments

Cash deposits with banks in excess of seven days are disclosed as current asset investments.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

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.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Share-based payments

The company issues equity-settled share options and cash-settled share appreciation rights to certain employees of the company. Equity-settled share-based payment transactions are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the company's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Critical accounting judgements and key sources of estimation uncertainty

Due to the nature of the company there are no critical accounting policies or key sources of estimation or uncertainty that the directors have made in the process of applying the company's accounting policies.

Northstar Ventures Limited

Notes to the financial statements (continued) For the year ended 31 March 2018

2. Turnover

	2018 £	2017 £
Fund management fees	2,281,737	1,918,369
Monitoring and finance fees	259,143	437,080
	<u>2,540,880</u>	<u>2,355,449</u>

Turnover represents amounts derived from the provision of services which fall within the company's ordinary activities which arise in the United Kingdom. The turnover and pre-tax profit are wholly attributable to the company's principal activity.

3. Directors and employees

	2018 £	2017 £
Directors' emoluments		
Emoluments	441,234	518,539
Pension contributions	98,628	100,192
	<u>539,862</u>	<u>618,731</u>

The average number of persons employed by the company during the year, including directors, was:

	2018 No.	2017 No.
Staff and directors	<u>15</u>	<u>14</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2018 £	2017 £
Wages and salaries	1,020,934	1,075,505
Social security costs	129,194	114,599
Pension contributions	231,704	218,846
	<u>1,381,832</u>	<u>1,408,950</u>

4. Profit before taxation

	2018 £	2017 £
Profit on ordinary activities before taxation is stated after charging:		
Depreciation	17,360	14,665
Auditor's remuneration:		
- amounts payable for the audit of the company's financial statements	10,750	10,300
Loss/(profit) on sale of fixed assets	250	(630)
	<u>28,360</u>	<u>14,335</u>

Northstar Ventures Limited

Notes to the financial statements (continued) For the year ended 31 March 2018

5. Interest receivable

	2018 £	2017 £
Bank interest	2,983	2,674

6. Tax on profit on ordinary activities

	2018 £	2017 £
Current tax:		
- United Kingdom corporation tax on the profit for the year	21,429	34,300
- Adjustment in respect of previous years	-	(10,394)
Total current tax	21,429	23,906
Deferred tax:		
- Timing differences	(2,382)	5,480
- Adjustment in respect of previous periods	-	(2,733)
- Effects of change in tax rates	-	(697)
Total deferred tax	(2,382)	2,050
Total tax per income statement	19,047	25,956

The charge for the year can be reconciled to the profit per the income statement as follows:

	2018 £	2017 £
Profit on ordinary activities before tax	83,655	182,771
Tax on profit at standard UK tax rate of 19% (2017: 20%)	15,894	36,554
Effects of:		
- Expenses not deductible for tax purposes	1,177	3,226
- Tax rate changes	459	(697)
- Deferred tax not recognised	1,517	
- Adjustment in respect of previous years	-	(13,127)
Total tax charge for year	19,047	25,956

Finance Act No 2 2015, which was substantively enacted on 26 October 2015, included provisions to reduce the rate of corporation tax to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. Following this a further reduction was enacted by Finance Act 2016 whereby the main rate of corporation tax is now being reduced to 17% from 1 April 2020. Accordingly these rates have been applied when calculating deferred tax assets and liabilities as at 31 March 2018.

During the year commencing 1 April 2018, the net reversal of deferred tax assets and liabilities is expected to increase the corporation tax charge for the year by £2,500. This is primarily due to the reversal of the existing timing differences in relation to fixed assets.

Northstar Ventures Limited

Notes to the financial statements (continued) For the year ended 31 March 2018

6. Tax on profit on ordinary activities (continued)

There is no expiry date on timing difference, unused tax losses or other tax credits.

7. Investments held as fixed assets

	2018 £	2017 £
Shares in group undertakings	9	9
Other investments	200,000	200,000
	<u>200,009</u>	<u>200,009</u>

Details of subsidiary undertakings owned by the company which are registered in England and Wales are as follows:

Name	Share capital	Ownership	Activity
NSEI General Partner Limited	£1 ordinary	100%	General partner of venture capital partnership
North East Accelerator General Partner Limited	£1 ordinary	100%	General partner of venture capital partnership
North East Accelerator Carried Interest Partner Limited	£1 ordinary	100%	Carried interest vehicle of venture capital fund
NE Creative GP Limited	£1 ordinary	100%	General partner of carried interest vehicle of venture capital fund and creative investment holding company
Northstar Equity Investors Limited	£1 ordinary	100%	Carried interest vehicle of venture capital fund
Social GP Limited	£1 ordinary	100%	General partner of venture capital partnership
Innovation GP Limited	£1 ordinary	100%	General partner of venture capital partnership
Northstar Innovation Limited	£1 ordinary	100%	Investment partner of venture capital partnership
Northstar Subco Limited	£1 ordinary	100%	Dormant company

Northstar Innovation Limited was incorporated on 12 October 2016 and Innovation General Partner Limited was incorporated on 14 October 2016, being new subsidiaries required in relation to the new fund from April 2018, The North East (ERDF) Innovation Fund Limited Partnership.

The registered office address of all the above companies is 5th Floor, May brook House, and 27-35 Grainger Street, Newcastle upon Tyne, NE1 5JE.

Northstar Ventures Limited

Notes to the financial statements (continued) For the year ended 31 March 2018

7. Investments held as fixed assets (continued)

At 31 March 2018, the aggregates of capital and reserves and the profits of the above named companies are shown below:

	Profit £	Capital and reserves £
NSEI General Partner Limited	-	1
North East Accelerator General Partner Limited	-	1
North East Accelerator Carried Interest Partner Limited	-	1
NE Creative GP Limited	16,989	16,990
Northstar Equity Investors Limited	-	1
Social GP Limited	-	1
Innovation GP Limited	-	1
Northstar Innovation Limited	-	1
Northstar Subco Limited	-	1

Other investments comprise a very small minority shareholding in Accelerated Digital Ventures Limited. The registered office of this company is Electric Works, Concourse Way, Sheffield, S1 2BJ.

8. Tangible fixed assets

	Computer equipment £	Fixtures and fittings £	Total £
Cost			
At 1 April 2017	64,382	76,390	140,772
Additions	8,049	477	8,526
Disposals	(2,127)	-	(2,127)
At 31 March 2018	70,304	76,867	147,171
Depreciation			
At 1 April 2017	54,342	62,648	116,990
Charge in year	6,031	11,329	17,360
Disposals	(939)	-	(939)
At 31 March 2018	59,434	73,977	133,411
Net book value			
At 31 March 2018	10,870	2,890	13,760
At 31 March 2017	10,040	13,742	23,782

Northstar Ventures Limited

Notes to the financial statements (continued) For the year ended 31 March 2018

9. Debtors

	2018 £	2017 £
Trade debtors	44,705	400
Amounts owed from group undertakings	72,278	31,019
Prepayments and accrued income	24,693	31,753
Other debtors	15,773	6,134
	<u>157,449</u>	<u>69,306</u>

10. Current asset investments

	2018 £	2017 £
Cash deposits in excess of seven days	<u>250,000</u>	<u>1,100,000</u>

Cash is held on treasury deposit at Barclays Bank plc for periods of one to six months.

11. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	22,719	18,226
Corporation tax creditor	19,936	3,328
Other taxation and social security	97,829	206,324
Accruals and deferred income	31,973	55,162
Other creditors	19,065	22,616
Amounts owed to group undertakings	-	60,000
	<u>191,522</u>	<u>365,656</u>

12. Provisions

	2018 £	2017 £
Other (leasehold dilapidations)	4,000	-
Deferred tax (see note 13)	144	2,526
	<u>4,144</u>	<u>2,526</u>

Northstar Ventures Limited

Notes to the financial statements (continued) For the year ended 31 March 2018

13. Deferred tax

	2018 £	2017 £
Deferred tax liability/(asset)		
At 1 April 2017	2,526	476
Charge to profit and loss account	(2,382)	4,783
Adjustment in respect of prior years	-	(2,733)
At 31 March 2018	<u>144</u>	<u>2,526</u>

Deferred tax liability/(asset) comprises:

	2018 £	2017 £
Accelerated capital allowances	2,339	4,043
Short term timing differences - trading	(2,195)	(1,517)
At 31 March 2018	<u>144</u>	<u>2,526</u>

14. Called-up share capital and reserves

	2018 £	2017 £
Allotted, called-up and fully paid		
60,000 ordinary £1 shares	<u>60,000</u>	<u>60,000</u>

The profit and loss account represents cumulative profits and losses net of dividends paid and other adjustments.

15. Dividends

An interim dividend of £nil (2017: £nil) was paid during the year.

No final dividend (2017: £nil) was paid or proposed in the year.

16. Ultimate controlling party and related party transactions

At 31 March 2018, the parent company was Northstar Ventures Holdings Limited. The ultimate parent company is Northstar Ventures Group Limited. The registered address of the parent company is 5th Floor, Maybrook House, 27-35 Grainger Street, Newcastle upon Tyne, NE1 5JE.

At 31 March 2018 and in the opinion of the directors, the ultimate controlling parties are the directors and equal shareholders of Northstar Ventures Group Limited. These are Mr I Richards, Mr A D M Greig and Ms E R O'Rourke.

During the year the company donated £5,000 (2017: £40,000) to The Northstar Foundation.

The company has taken advantage of the exemptions available in Financial Reporting Standard 102 Section 33 'Related Party Disclosures', not to disclose transactions with entities that are part of the same group.

Northstar Ventures Limited

Notes to the financial statements (continued) For the year ended 31 March 2018

17. Share options

Northstar Ventures Limited has issued share options in its ultimate parent company, Northstar Ventures Group Limited, to employees. As a result of previous issues, plus lapsing of options to leavers during the current and previous year, at 31 March 2018 there are 296,666 options in issue, which are equity settled at an exercise price of 3 pence per share in the event of the sale or listing of the Company. The fair value of the options was determined based on the value of the Company and the exercise price of the options, and based on this nil was posted to the balance sheet or profit and loss account in the year.

	2018		2017	
	Number of share options	Weighted average exercise price (£)	Number of share options	Weighted average exercise price (£)
Outstanding at beginning of period	563,332	16,900	556,666	16,700
Granted during the period	-	-	40,000	1,200
Forfeited during the period	(266,666)	(8,000)	(33,334)	(1,000)
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the period	<u>296,666</u>	<u>8,900</u>	<u>563,332</u>	<u>16,900</u>
Exercisable at the end of the period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

17. Financial instruments

The carrying values of the Company's financial assets and liabilities are summarised by category below:

	2018 £	2017 £
Financial assets		
Debt instruments measured at amortised cost		
- Trade, group and other debtors (see note 9)	<u>132,756</u>	<u>37,553</u>
	<u>132,756</u>	<u>37,553</u>
Financial liabilities		
Measured at amortised cost		
- Trade and other creditors (see note 11)	<u>41,784</u>	<u>40,842</u>

18. Post balance sheet events

On 9 April 2018 the company signed the fund management agreement to manage a new £27.2m fund, The North East (ERDF) Innovation Fund Limited Partnership. This fund is expected to be invested in 145 SMEs in a five year period to 31 March 2023 followed by a five year realisation period.