

**IP Venture Fund (GP) Limited**  
**Report and Financial Statements**  
**Year ended 31 December 2011**



Registered number 05852196

# **IP Venture Fund (GP) Limited**

## **Report and financial statements for the year ended 31 December 2011**

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### **Directors**

A Aubrey  
C Winward  
G Smith  
A Fielding  
M Townend

### **Secretary and registered office**

A Leach  
  
24 Cornhill  
London  
EC3V 3ND

### **Company number**

05852196

### **Independent Auditor**

BDO LLP, 55 Baker Street, London, W1U 7EU

## **IP Venture Fund (GP) Limited**

### **Report of the Directors for the year ended 31 December 2011**

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

#### **Business review and principal activities**

IP Venture Fund (GP) Limited's ('the Company') principal activity is the management of IP Venture Fund ("IPVF"), a venture capital limited partnership. The Company has assigned the management of IPVF to its parent company, Top Technology Ventures Limited.

Revenues in the year to 31 December 2011 reflect the General Partner's Share receivable by the Company, as a first charge on net income and net capital gains, in respect of its role as general partner to IPVF. Costs in the year primarily reflect the equivalent management fee charged to the Company by Top Technology Ventures Limited.

#### **Results and dividends**

The profit and loss account is set out on page 5 and shows the profit for the year. The directors do not recommend the payment of a dividend.

#### **Future outlook**

The directors believe the Company will operate satisfactorily for the foreseeable future.

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

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks and uncertainties of the group and are not managed separately. Accordingly, the principal risks and uncertainties of IP Group plc which include those of the Company are discussed in IP Group plc's annual report which does not form part of this report.

#### **Key performance indicators ("KPIs")**

Given the nature of the business, the Company's directors are of the opinion that analysis using financial or other KPI's is not necessary for an understanding of the development, performance or position of the business.

#### **Charitable and political contributions**

During the year the Company made no charitable or political contributions.

#### **Directors**

The directors of the Company during the year were

A Aubrey  
C Winward  
G Smith  
A Fielding  
M Townend

## **IP Venture Fund (GP) Limited**

### **Report of the Directors for the year ended 31 December 2011**

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#### **Directors' responsibilities**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the entity 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 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.

#### **Financial support**

The immediate parent company, Top Technology Ventures Limited, has confirmed its financial support to the company by providing funding to enable the company to meet its obligations as they fall due for a period of not less than twelve months from the date of approval of these financial statements. The directors have therefore prepared the financial statements on a going concern basis.

#### **Disclosure of information to auditor**

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

#### **Auditor**

The auditor BDO LLP is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

On behalf of the board



Greg Smith  
Director

28 September 2012

## Independent Auditor's Report To The Shareholder of IP Venture Fund (GP) Limited

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We have audited the financial statements of IP Venture Fund (GP) Limited for the year ended 31 December 2011 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### *Respective responsibilities of directors and auditor*

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

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

### *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 period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### *Opinion on other matters prescribed by the Companies Act 2006*

In our opinion the information given in the directors' report for the financial period 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.

*BDO LLP*

Neil Fung-On (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom  
28 September 2012

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

## IP Venture Fund (GP) Limited

### Profit and loss account for the year ended 31 December 2011

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	Note	2011 £	2010 £
Turnover		617,120	617,976
Administrative expenses	2	(618,975)	(619,841)
<b>Loss from ordinary activities before taxation</b>		<b>(1,855)</b>	<b>(1,865)</b>
Taxation on loss from ordinary activities	4	29,590	8,687
<b>Profit from ordinary activities after taxation</b>	9,10	<b>27,735</b>	<b>6,822</b>

All amounts are derived from continuing operations in the year

There are no recognised gains and losses other than those passing through the profit and loss account and therefore no separate statement of total recognised gains or losses has been presented

The loss on ordinary activities after taxation has been computed on the historical cost basis

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

**IP Venture Fund (GP) Limited**  
**Registered number: 05852196**  
**Balance sheet as at 31 December 2011**

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	Note	2011 £	2010 £
<b>Current assets</b>			
Debtors	5	<u>438,653</u>	<u>101,225</u>
		<b>438,653</b>	<b>101,225</b>
Creditors Amounts falling due within one year	6	<u>(8,210)</u>	<u>(6,355)</u>
Net current assets		<b>430,443</b>	<b>94,870</b>
Provisions for liabilities	7	<u>(406,327)</u>	<u>(98,489)</u>
<b>Net assets/(liabilities)</b>		<u><b>24,116</b></u>	<u><b>(3,619)</b></u>
<b>Capital and reserves</b>			
Share capital	8	<b>1</b>	<b>1</b>
Profit and loss reserve	9	<u><b>24,115</b></u>	<u><b>(3,620)</b></u>
<b>Shareholder's funds</b>	10	<u><b>24,116</b></u>	<u><b>(3,619)</b></u>

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

These financial statements were approved by the Board of directors and authorised for issue on 28 September 2012 and were signed on its behalf by



**Greg Smith**  
**Director**

## **IP Venture Fund (GP) Limited**

### **Notes to the financial statements for the year ended 31 December 2011**

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#### **1. ACCOUNTING POLICIES**

##### **Basis of preparation**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements. The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards and under the historical cost accounting rules and in accordance with the Companies Act 2006.

The financial statements have been prepared on a going concern basis as the Company's parent undertaking, Top Technology Ventures Limited, has confirmed its intention to continue its financial support of the Company so as to ensure it is able to meet its liabilities as they fall due for at least a period of twelve months after the date of approval of these financial statements.

##### **Turnover**

Turnover reflects the General Partner's Share received by the Company, as a first charge on partnership profits, in respect of its role as general partner to the IP Venture Fund limited partnership.

##### **Deferred taxation**

Provision is made in full for deferred tax liabilities that arise from timing differences where transactions or events, that result in an obligation to pay more tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised to the extent that it is considered more likely than not that they will be recoverable. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are not discounted.

##### **Related party transactions**

Under FRS8 – Related Party Disclosures, the Company discloses details of material transactions between the reporting entities and related parties. However, transactions between the Company and other group companies including transactions between associate and joint venture companies have not been disclosed in accordance with the exemption in Financial Reporting Standard 8 paragraph 3(c).

##### **Cash flow statement**

The Company has taken advantage of the exemption conferred upon it by FRS 1 "Cash Flow Statements" (Revised 1996) not to prepare a cash flow statement whereby the cash flows of the Company are incorporated into those of the ultimate parent undertaking and these financial statements are publicly available.

#### **2. AUDITOR'S REMUNERATION**

	2011 £	2010 £
<b>Professional services:</b>		
Fees payable to Company auditor for the audit of the financial statements	820	816
Fees payable for non-audit services	1,050	1,050



## IP Venture Fund (GP) Limited

### Notes to the financial statements for the year ended 31 December 2011

#### 3. DIRECTORS AND EMPLOYEES

The directors are remunerated for their services to other group companies within the group headed by the Company's ultimate parent, IP Group plc. No amounts were received by them as directors of IP Venture Fund (GP) Limited.

Other than directors, the Company had no staff or employees during the year.

#### 4. TAXATION

	2011 £	2010 £
<i>Current tax</i>		
Adjustments in respect of previous periods group relief	(175,139)	-
Group relief	(162,289)	-
Total current tax	(337,428)	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	151,777	(3,703)
Adjustments in respect of prior periods	172,314	(1,337)
Effect of rate change on closing asset	(16,253)	(3,647)
Total deferred tax	307,838	(8,687)
Tax on loss on ordinary activities	(29,590)	(8,687)

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 26% (2010 28%). Factors affecting the current tax charge for the year are explained below.

	2011 £	2010 £
Loss on ordinary activities before tax	(1,855)	(1,865)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2010 28%)	(482)	(522)
Effects of		
Expenses not deductible for tax purposes	-	(3,269)
Movement on unutilised tax losses	-	176,499
Over provision in respect of previous years	(175,139)	-
Other timing differences	(161,807)	-
Short term timing differences	-	(172,708)
Current tax credit for the year	(337,428)	-

# IP Venture Fund (GP) Limited

## Notes to the financial statements for the year ended 31 December 2011

### 5. DEBTORS

	2011 £	2010 £
Amounts due from group undertakings	438,653	101,225
	<u>438,653</u>	<u>101,225</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand

### 6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Amounts owed to group undertakings	6,340	4,490
Bank overdraft	-	15
Accruals	1,870	1,850
	<u>8,210</u>	<u>6,355</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand

### 7. PROVISIONS FOR LIABILITIES

	2011 £	2010 £
Deferred taxation		
At 1 January	98,489	107,176
Charged to the profit and loss account (note 4)	307,838	(8,687)
At 31 December	<u>406,327</u>	<u>98,489</u>

	2011 £	2010 £
Deferred tax is provided as follows		
Other timing differences	848,752	745,505
Unutilised losses	(442,425)	(647,016)
	<u>406,327</u>	<u>98,489</u>

### 8. SHARE CAPITAL

	2011 £	2010 £
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

## IP Venture Fund (GP) Limited

### Notes to the financial statements for the year ended 31 December 2011

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#### 9. RESERVES

	Profit and loss account £
At 1 January 2011	(3,620)
Profit for the year	27,735
At 31 December 2011	<u>24,115</u>

#### 10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	£
At 1 January 2011	(3,619)
Profit for the year	27,735
At 31 December 2011	<u>24,116</u>

#### 11. RELATED PARTY TRANSACTIONS

The IP Venture Fund limited partnership agreement provides that the Company shall act as general partner of the partnership and is entitled to General Partner's Share payments as described in note 1 above

During the year ended 31 December 2011, £617,120 was receivable from IP Venture Fund in the form of General Partner's Share (2010 £617,976) As at 31 December 2011, £nil was receivable from IP Venture Fund (2010 £nil)

#### 12. IMMEDIATE AND ULTIMATE PARENT COMPANY

The immediate parent company is Top Technology Ventures Limited and the ultimate parent company is IP Group plc The results of the Company are consolidated in the group accounts of both the immediate and ultimate parent company's financial statements The immediate and ultimate parent companies were incorporated in the United Kingdom Copies of the immediate and ultimate parent company's financial statements may be obtained from the Secretary of IP Group plc, 24 Cornhill, London EC3V 3ND