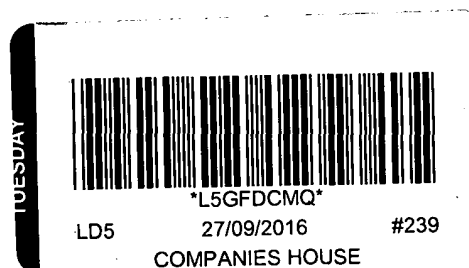


**IP Venture Fund (GP) Limited**  
Report and Financial Statements  
Year ended 31 December 2015



Registered number: 05852196

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

### **Report and financial statements for the year ended 31 December 2015**

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#### **Directors**

A Aubrey  
G Smith  
M Townend  
D Baynes

#### **Secretary and registered office**

A Leach  
  
24 Cornhill  
London  
EC3V 3ND

#### **Company number**

05852196

#### **Independent Auditor**

KPMG LLP  
15 Canada Square  
London  
E14 5GL

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

### **Strategic Report for the year ended 31 December 2015**

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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.

#### **Results and Performance**

Revenues in the year to 31 December 2015 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.

The profit and loss account is set out on page 6 and shows the loss for the year. The directors do not recommend the payment of a dividend (2014: £nil).

#### **Business environment**

While the economic recovery continues globally, it remains fragile with the prospect of rising interest rates in the US coupled with an economic slowdown in China contributing to uncertainty. The International Monetary Fund is currently forecasting the world economy will grow modestly in 2016, by circa 3% comparable to that seen in 2015. Recent forecasts for the UK economy, meanwhile, point to GDP growth of 1-2% over the next couple of years although these may be impacted by the "leave" outcome of the UK's recent referendum on its continued inclusion in the EU. While there are currently considered to be limited short term effects on the Company given its operations, there is considerable uncertainty around the medium to long term implications for the UK economy and these may impact the Company in the future.

However, the overall environment is considered to currently have limited impact on the Company due to its revenues being predominately based on a fixed percentage of the balances drawn-down by IPVF from its Limited Partners.

#### **Strategy**

The Group's business plan is to continue to act as the general partner to IPVF.

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

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


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

The Company is exposed to a variety of financial and operational risks that arise in the course of its business. These risks include regulatory risk, non-compliance with the limited partnership agreement with IPVF and liquidity risk. The principal risks and uncertainties are integrated with the principal risks and uncertainties of the group and are not managed separately. For more details on these risks and how they are managed please refer to pages 34 to 41 of IP Group plc's 2015 Annual Report and financial statements.

#### **Future outlook**

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

ON BEHALF OF THE BOARD

  
.....  
Greg Smith  
Director  
21 September 2016

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

### **Directors' Report for the year ended 31 December 2015**

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The directors present their report together with the audited financial statements for the year ended 31 December 2015.

#### **Business review and future developments**

The Directors' Report should be read in conjunction with the Strategic Report on page 2 (which is incorporated in this Directors' Report by reference), which together, include information about the company's business, its financial performance during the year, and likely developments in the future.

#### **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  
D Baynes  
G Smith  
M Townend

#### **Directors' responsibilities**

The directors are responsible for preparing the Strategic Report, 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 Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). 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.

#### **Going concern**

The Company has adequate financial resources and as a consequence, the Directors believe that the Company is well placed to manage its business risks successfully and to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements.

**IP Venture Fund (GP) Limited**

**Directors' Report for the year ended 31 December 2015**

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**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 KPMG 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

21 September 2016

## **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 2015. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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

### **Respective responsibilities of directors and auditor**

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

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

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

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

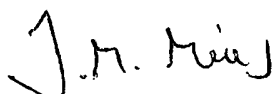
### **Opinion on other matter prescribed by the Companies Act 2006**

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

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Jonathan Mills**  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL  
21 September 2016

**IP Venture Fund (GP) Limited**

**Profit and loss account for the year ended 31 December 2015**

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	Note	2015 £	2014 £
Turnover	1	451,880	457,937
Administrative expenses		(455,540)	(461,297)
<b>Loss from ordinary activities before taxation</b>		<b>(3,660)</b>	<b>(3,360)</b>
Tax credit on loss from ordinary activities	4	-	783,460
<b>(Loss)/profit from ordinary activities after taxation</b>	9,10	<b>(3,660)</b>	<b>780,100</b>

There were no recognised gains or losses for 2015 or 2014 other than those included in the profit and loss account as described above.

All the above activities were continuing operations in the current and preceding year.

The notes on pages 8 to 12 form part of these financial statements.

**IP Venture Fund (GP) Limited**  
**Registered number: 05852196**  
**Balance sheet as at 31 December 2015**

	Note	2015 £	2014 £
<b>Current assets</b>			
Debtors	5	<u>955,447</u>	958,922
		<b>955,447</b>	958,922
Creditors: Amounts falling due within one year	6	<u>(3,660)</u>	(3,475)
Net current assets		<b>951,787</b>	955,447
Provisions for liabilities	7	-	-
<b>Net assets</b>		<u><b>951,787</b></u>	955,447
<b>Capital and reserves</b>			
Share capital	8	1	1
Profit and loss reserve	9	<u>951,786</u>	955,446
<b>Shareholder's funds</b>	10	<u><b>951,787</b></u>	955,447

The notes on page 8 to 12 form part of these financial statements.

These financial statements were approved by the Board of directors and authorised for issue on 21 September 2016 and were signed on its behalf by:



**Greg Smith**  
**Director**



## **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 Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 and effective immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In the transition to FRS 101, the Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101. The transition to FRS 101 has had no effect on the reported financial position and financial performance of the Company.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures: a Cash Flow Statement and related notes; disclosures in respect of capital management; the effects of new but not yet effective IFRSs; and disclosures of transactions with a management entity that provides key management personnel services to the company.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next 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**

In accordance with IAS 24 "Related Parties Disclosures", the Company discloses details of material transactions between the reporting entity and related parties. However, transactions between the Company and other Group companies have not been disclosed in accordance with the exemption in IAS 24 paragraph 16.

## 2. AUDITOR'S REMUNERATION

	2015 £	2014 £
<b>Professional services:</b>		
Fees payable to Company auditor for the audit of the financial statements	1,800	1,750

## 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 (2014: nil).

## 4. TAXATION

	2015 £	2014 £
<i>Current tax</i>		
Group relief	-	-
Adjustment in respect of previous periods - group relief	-	(156,811)
Total current tax	-	(156,811)
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	(509,845)
Adjustments in respect of prior periods	-	(116,804)
Effect of rate change on closing asset	-	-
Total deferred tax	-	(626,649)
Tax on loss on ordinary activities	-	(783,460)

The tax assessed for the year is different from the standard rate of corporation tax in the UK of 20.3% (2014: 21.5%). Factors affecting the current tax charge for the year are explained overleaf.

## IP Venture Fund (GP) Limited

### Notes to the financial statements for the year ended 31 December 2015

	2015 £	2014 £
Loss on ordinary activities before tax	(3,660)	(3,360)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.3% (2014: 21.5%)	(741)	(722)
Effects of:		
Non-taxable group income	(1,499)	(98,425)
Amounts (charged)/credited directly to equity or otherwise transferred	-	(1,265)
(Over) provision in respect of previous years	-	(156,811)
Adjustments to tax in respect of previous periods – deferred tax	-	(116,804)
Deferred tax not recognised	2,240	(409,433)
Total tax charge/(credit) for the year	-	(783,460)

There is a potential deferred tax asset at 31 December 2015 of £191,208 (2014: £210,241) relating to losses of £1,062,267 (2014: £1,051,203). This asset has not been recognised in the financial statements due to current uncertainties surrounding the reversal of the underlying timing differences. The deferred tax asset would be recovered if there were future taxable profits from which the reversal of the underlying timing differences could be deducted.

#### 5. DEBTORS

	2015 £	2014 £
Amounts due from group undertakings	955,447	958,922
	<u>955,447</u>	<u>958,922</u>

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

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

	2015 £	2014 £
Accruals	3,660	3,475
	<u>3,660</u>	<u>3,475</u>

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

**IP Venture Fund (GP) Limited**

**Notes to the financial statements for the year ended 31 December 2015**

**7. PROVISIONS FOR LIABILITIES**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Deferred taxation		
At 1 January	-	626,649
Charged to the profit and loss account (note 4)	-	(626,649)
At 31 December	-	-

**8. SHARE CAPITAL**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Authorised		
100 ordinary shares of £1 each	<b>100</b>	100
Allotted, called up and fully paid		
1 ordinary share of £1	<b>1</b>	1

**9. RESERVES**

	<b>Profit and loss account £</b>
At 1 January 2015	955,446
Loss for the year	(3,660)
At 31 December 2015	<b>951,786</b>

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

	<b>£</b>
At 1 January 2015	955,447
Loss for the year	(3,660)
At 31 December 2015	<b>951,787</b>

**11. RELATED PARTY TRANSACTIONS**

The IPVF 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 2015, £451,880 was receivable from IPVF in the form of General Partner's Share (2014: £457,937). As at 31 December 2015, £nil was receivable from IP Venture Fund (2014: £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 the 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.