

REGISTERED NUMBER: 05852196 (England and Wales)

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2016**
for
IP Venture Fund (GP) Limited



IP Venture Fund (GP) Limited (Registered number: 05852196)

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for the year ended 31 December 2016

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IP Venture Fund (GP) Limited

Company Information *for the year ended 31 December 2016*

DIRECTORS:

A J Aubrey
G Smith
M C N Townend
D G Baynes

SECRETARY:

IP2IPO Services Limited

REGISTERED OFFICE:

The Walbrook Building
25 Walbrook
London
EC4N 8AF

REGISTERED NUMBER:

05852196 (England and Wales)

INDEPENDENT AUDITORS:

KPMG LLP
Chartered Accountants
Registered Auditor
15 Canada Square
London
E14 5GL

IP Venture Fund (GP) Limited (Registered number: 05852196)

Strategic Report

for the year ended 31 December 2016

The directors present their strategic report for the year ended 31 December 2016.

IP Venture Fund (GP) Limited's (the "Company") principal activity is the management of the 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 2016 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 reflect the equivalent management fee charged to the Company by Top Technology Ventures Limited and other administrative costs.

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 (2015: £nil).

BUSINESS ENVIRONMENT

While the economic recovery continues globally, it remains fragile with uncertain times both economically and politically, particularly following events such as the UK's vote in favour of leaving the European Union and the outcome of the US presidential election. From an economic perspective, last year, the International Monetary Fund predicted global growth would slow to 3.1% in 2016 before recovering to 3.4% in 2017. The forecast had been revised down by 0.1 percentage point for 2016 and 2017. More recently, however, the World Bank predicted a moderate improvement in global economic growth in 2017. Its Global Economic Prospects report is forecasting 2.7% growth compared with the 2.3% seen last year. While there are currently considered to be limited short term effects on the Company given its operations and revenues being predominantly fixed, there is considerable uncertainty around the medium to long term implications for the UK economy and these may impact the Company in the future.

STRATEGY

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

KEY PERFORMANCE INDICATORS

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 larger group and are not managed separately. For more details on these risks and how they are managed please refer to pages 38 to 45 of IP Group plc's annual report and financial statements.

FUTURE OUTLOOK

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

ON BEHALF OF THE BOARD:



G Smith - Director

Date: 27/9/2017

IP Venture Fund (GP) Limited (Registered number: 05852196)

Report of the Directors
for the year ended 31 December 2016

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

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.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

A J Aubrey
G Smith
M C N Townend
D G Baynes

CHARITABLE AND POLITICAL CONTRIBUTIONS

During the year the Company made no charitable or political contributions

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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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.

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 its 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.


IP Venture Fund (GP) Limited (Registered number: 05852196)

Report of the Directors
for the year ended 31 December 2016

AUDITORS

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:


.....
G Smith - Director

Date: 27/9/17

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IP VENTURE FUND (GP) LIMITED

We have audited the financial statements of IP Venture Fund (GP) Limited for the year ended 31 December 2016 set out on pages 1 to 11. 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 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. 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.

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 2016 and of its profit 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 matters prescribed by the Companies Act 2006

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

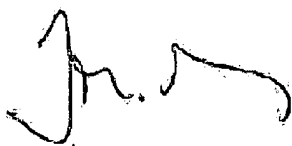
Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic and Directors' reports:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

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 (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants 15 Canada Square London
E14 5GL

Date: 29 September 2017

IP Venture Fund (GP) Limited (Registered number: 05852196)

Statement of Comprehensive Income
for the year ended 31 December 2016

	Notes	31/12/16 £	31/12/15 £
TURNOVER		420,794	451,880
Administrative expenses		<u>424,054</u>	<u>455,540</u>
OPERATING LOSS and LOSS BEFORE TAXATION	4	(3,260)	(3,660)
Tax on loss	5	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR		(3,260)	(3,660)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(3,260)</u>	<u>(3,660)</u>

The notes form part of these financial statements

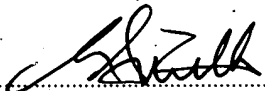
IP Venture Fund (GP) Limited (Registered number: 05852196)

Balance Sheet

31 December 2016

	Notes	£	31/12/16 £	£	31/12/15 £
CURRENT ASSETS					
Debtors	6		951,787		955,447
CREDITORS					
Amounts falling due within one year	7		3,260		3,660
NET CURRENT ASSETS			<u>948,527</u>		<u>951,787</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>948,527</u>		<u>951,787</u>
CAPITAL AND RESERVES					
Called up share capital	8		1		1
Retained earnings	9		948,526		951,786
SHAREHOLDERS' FUNDS			<u>948,527</u>		<u>951,787</u>

The financial statements were approved by the Board of Directors on 27/9/2017 and were signed on its behalf by:


G Smith - Director

The notes form part of these financial statements

IP Venture Fund (GP) Limited (Registered number: 05852196)

Statement of Changes in Equity
for the year ended 31 December 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015	1	955,446	955,447
Changes in equity			
Total comprehensive loss	-	(3,660)	(3,660)
Balance at 31 December 2015	<u>1</u>	<u>951,786</u>	<u>951,787</u>
Changes in equity			
Total comprehensive loss	-	(3,260)	(3,260)
Balance at 31 December 2016	<u><u>1</u></u>	<u><u>948,526</u></u>	<u><u>948,527</u></u>

The notes form part of these financial statements

IP Venture Fund (GP) Limited (Registered number: 05852196)

Notes to the Financial Statements for the year ended 31 December 2016

1. STATUTORY INFORMATION

IP Venture Fund (GP) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. 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. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 issued in December 2016 and effectively 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 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.

3. EMPLOYEES AND DIRECTORS

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 directly as directors of IP Venture Fund (GP) Limited.

Other than directors, the Company had no employees during the year (2015: none).

4. LOSS BEFORE TAXATION

The loss before taxation is stated after charging:

	31/12/16	31/12/15
	£	£
Auditors' remuneration	1,840	1,800

IP Venture Fund (GP) Limited (Registered number: 05852196)

Notes to the Financial Statements - continued
for the year ended 31 December 2016

5. TAXATION

Analysis of tax expense

No liability to UK corporation tax arose for the year ended 31 December 2016 nor for the year ended 31 December 2015.

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31/12/16	31/12/15
	£	£
Loss before income tax	<u>(3,260)</u>	<u>(3,660)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20.250%)	(652)	(741)
Effects of:		
Non-taxable group income	(1,973)	(1,499)
Deferred tax not recognised	<u>2,625</u>	<u>2,240</u>
Tax expense	<u>-</u>	<u>-</u>

There is a potential deferred tax asset at 31 December 2016 of £427,662 (2015: £191,208), relating to losses of £1,713,835 (2015: £1,062,267), short term timing differences of £950,310 (2015: £nil) and capital losses of £1,752,136 (2015: £nil). 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.

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/16	31/12/15
	£	£
Amounts owed by group undertakings	741,389	955,447
Other debtors	<u>210,398</u>	<u>-</u>
	<u>951,787</u>	<u>955,447</u>

Amounts due from group undertakings are unsecured, interest free and have no fixed date of repayment.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/12/16	31/12/15
	£	£
Accruals and deferred income	<u>3,260</u>	<u>3,660</u>

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

IP Venture Fund (GP) Limited (Registered number: 05852196)

Notes to the Financial Statements - continued
for the year ended 31 December 2016

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	31/12/16	31/12/15
Number:	Class:		£	£
1	Ordinary	£1	<u>1</u>	<u>1</u>

9. RESERVES

	Retained earnings £
At 1 January 2016	951,786
Deficit for the year	<u>(3,260)</u>
At 31 December 2016	<u>948,526</u>

10. 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 2 above.

During the year ended 31 December 2016, £420,794 (2015: £451,880) was receivable from IPVF in the form of General Partner's Share. As at 31 December 2016, £210,398 was outstanding due from IP Venture Fund (2015: £nil).

11. IMMEDIATE AND ULTIMATE PARENT COMPANY

The immediate parent company is Top Technology Ventures Limited and the ultimate controlling party is considered to be IP Group plc. The immediate and ultimate parent companies were incorporated in the United Kingdom. The results of the company are consolidated in the group accounts of the ultimate parent company's financial statements. Copies of the ultimate parent company's financial statements may be obtained from the Secretary of IP Group plc, The Walbrook Building, 25 Walbrook, London, EC4N 8AF.