

IMPERIAL INNOVATIONS INVESTMENT MANAGEMENT LIMITED

Annual Report and Financial Statements
for the year ended 31 July 2013

Company Number 06552039

THURSDAY



A2M2L5TU

A08

28/11/2013

#361

COMPANIES HOUSE

Imperial Innovations Investment Management Limited

Contents

Company information	.	3
Directors' report	. .	4
Independent auditors' report	.	6
Profit and loss account	.	8
Balance sheet		9
Statement of changes in capital and reserves		10
Notes to the financial statements	.	11

Imperial Innovations Investment Management Limited

Company information

DIRECTORS	R Cummings N Pitchford
COMPANY SECRETARY	J Bowen 52 Princes Gate Exhibition Road London SW7 2PG
REGISTERED OFFICE	52 Princes Gate Exhibition Road London SW7 2PG
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Abacus House Castle Park Cambridge CB3 0AN
REGULATORY ADVISORS	Kinetic Partners LLP One London Wall Level 10 London EC2Y 5HB
SOLICITORS	Mayer Brown International LLP 201 Bishopsgate London EC2M 3AF

Imperial Innovations Investment Management Limited

Directors' report for the year ended 31 July 2013

The Directors submit their report and the audited financial statements for the year ended 31 July 2013

PRINCIPAL ACTIVITIES, REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Imperial Innovations Investment Management Limited's principal activity is that of an FCA regulated entity to carry out FCA regulated activities for the Imperial Innovations Group. Such activities include leading investment rounds and providing corporate finance advice to Imperial Innovations' portfolio companies.

During the year ended 31 July 2011, Imperial Innovations Investment Management Limited ("the Company") appointed Imperial Innovations Investments Limited to act as Appointed Representative. Imperial Innovations Investments Limited is a wholly owned subsidiary of Imperial Innovations Group plc. As Appointed Representative, Imperial Innovations Investments Limited received corporate finance fees of £283,000 during the year ended 31 July 2013 (2012: £917,581).

Further discussion of the principal activities, review of business and future developments in the context of the group (Imperial Innovations Group plc) as a whole, including the Company, is provided in the Chairman's Statement on page 3, the Chief Executive's Report on pages 6 to 11 and the Financial Report on pages 12 to 16 of Imperial Innovations Group plc's annual report, which does not form part of this report.

Additionally, the key performance indicators and the principal risks and uncertainties are discussed in the context of the group as a whole, including the Company, on pages 17 to 18 and pages 20 to 21 respectively of the Imperial Innovations Group plc's annual report, which does not form part of this report.

FINANCIAL RISK MANAGEMENT

Given the size of the Company, responsibility for monitoring financial risk management is in the hands of the Board. For these purposes, the Company has no financial instruments other than cash and short-term debtors and creditors. The majority of debtors are owed by Group undertakings and are therefore considered to constitute low financial risk.

RESULTS FOR THE YEAR AND DIVIDENDS

The profit and loss account for the year is set out on page 8. No dividends were declared or paid during the year (2012: Nil).

DIRECTORS

The directors of the Company who were in office during the year were as follows:

R. Cummings

N. Pitchford

J. Holden (resigned 10 October 2012)

COMPANY SECRETARY

The Company Secretary is J. Bowen

Imperial Innovations Investment Management Limited

Directors' report for the year ended 31 July 2013 (continued)

DIRECTORS' RESPONSIBILITY FOR PROVISION OF INFORMATION TO THE AUDITORS

So far as each of the directors is aware there is no relevant audit information of which the Company's auditors are unaware. Each director has taken all steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

STATEMENT OF 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including 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 judgements and accounting estimates that are reasonable and prudent,
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements, and
- prepare the financial statements on a 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By order of the Board



R Cummings

Director

Imperial Innovations Investment Management Limited

Independent auditors' report to the members of Imperial Innovations Investment Management Limited

We have audited the financial statements of Imperial Innovations Investment Management Limited for the year ended 31 July 2013 which comprise the profit and loss account, balances sheet and statement of changes in capital and reserves 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), including FRS 101 "Reduced Disclosure Framework".

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 July 2013 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Imperial Innovations Investment Management Limited

Independent auditors' report to the members of Imperial Innovations Investment Management Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in 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

Stuart Newman

Stuart Newman (Senior Statutory Auditor)

For and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Cambridge

18 November 2013

Imperial Innovations Investment Management Limited

Profit and loss account for the year ended 31 July 2013

	Note	2013 £	2012 £
Turnover	3	-	105,000
Cost of sales		-	-
Gross profit		-	105,000
Administrative expenses		(19,091)	(20,485)
Operating (loss)/profit before taxation	6	(19,091)	84,515
Tax on profit on ordinary activities	7	-	-
(Loss)/profit for the financial year	12, 13	(19,091)	84,515

The amounts included in the profit and loss account relate to continuing activities

Imperial Innovations Investment Management Limited

Balance sheet as at 31 July 2013

	Note	2013 £	2012 £
Current assets			
Debtors	9	650,964	668,975
Cash at bank and in hand		53,262	53,322
		<u>704,226</u>	<u>722,297</u>
Creditors: amounts falling due within one year	10	(1,020)	-
		<u>703,206</u>	<u>722,297</u>
Net current assets			
		703,206	722,297
Total assets less current liabilities		703,206	722,297
Net assets		<u>703,206</u>	<u>722,297</u>
Capital and reserves			
Called up share capital	11	50,002	50,002
Profit and loss account	12	653,204	672,295
Total shareholders' funds	13	<u>703,206</u>	<u>722,297</u>

The financial statements on pages 8 to 15 were approved by the Board of Directors on 18 November 2013 and were signed on its behalf by



R CUMMINGS

DIRECTOR

Registered Number 06552039

Imperial Innovations Investment Management Limited

Statement of changes in capital and reserves as at 31 July 2013

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 1 August 2011	50,002	587,780	637,782
Profit for the financial year	-	84,515	84,515
At 31 July 2012	50,002	672,295	722,297
Loss for the financial year	-	(19,091)	(19,091)
At 31 July 2013	50,002	653,204	703,206

Imperial Innovations Investment Management Limited

Notes to the financial statements for the year ended 31 July 2013

1. ACCOUNTING POLICIES

BASIS OF PREPARATION

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

These are the first financial statements of the Company prepared in accordance with FRS 101. The Company has elected to early adopt FRS 101. The Company's date of transition to FRS 101 is 1 August 2011. The Company has notified its shareholders in writing about, and they do not object to, the use of the disclosure exemptions used by the Company in these financial statements.

FRS 101 sets out amendments to EU-adopted IFRS that are necessary to achieve compliance with the Act and related Regulations. The impact of these amendments to the Company's previously adopted accounting policies was not material on the shareholders' equity as at the date of transition and as at 31 July 2012 and on the profit or loss for the year ended 31 July 2012. Details of impact of FRS 101 adoption on previously reported UK GAAP results are provided in Note 16.

The Financial Statements have been prepared on a going concern basis and under the historical cost convention.

A summary of the more important Company accounting policies, which have been consistently applied except where noted, is set out below.

TURNOVER

Turnover, which excludes value added tax, represents income generated by the Company from Corporate finance fees. Corporate finance fees are generally earned as a fixed percentage of total funds raised and recognised at the time the related transaction is successfully concluded.

DEFERRED TAX

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted.

Imperial Innovations Investment Management Limited

Notes to the financial statements for the year ended 31 July 2013

(continued)

1. ACCOUNTING POLICIES - continued

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

2. SUMMARY OF DISCLOSURE EXEMPTIONS ADOPTED

The Company has taken advantage of the disclosure exemptions in FRS 101 which provide that where equivalent disclosures are available in Consolidated Financial Statements, individual financial statements do not need to comply with certain disclosure requirements of the following standards:

- IAS 1 – Presentation of Financial Statements
- IAS 7 – Cash Flow Statement
- IAS 24 – Related Party Disclosures
- IFRS 7 – Financial Instruments

Consolidated financial statements of Imperial Innovations Group plc in which the Company's balances have been consolidated can be obtained from the Company Secretary, Imperial Innovations Group plc, 52 Princes Gate, Exhibition Road, London, SW7 2PG.

3. TURNOVER

For the year ended 31 July 2012, the Company's turnover and profit was derived from its principal activity, within the United Kingdom. For management purposes, the Company is organised into one business segment encompassing FCA regulated activities, which principally involves leading investment rounds and providing corporate finance advice to Imperial Innovations' portfolio companies. The Company operates exclusively in the United Kingdom and therefore no additional disclosures are given.

4. DIRECTORS' EMOLUMENTS

None of the directors received any emoluments during the year (2012: Nil).

5. EMPLOYEE INFORMATION

There were no employees during the year (2012: Nil).

Imperial Innovations Investment Management Limited

Notes to the financial statements for the year ended 31 July 2013 (continued)

6. OPERATING (LOSS)/ PROFIT BEFORE TAXATION

	2013	2012
	£	£
Auditors' remuneration in respect of audit services	-	-

Auditors' remuneration of £4,000 (2012 £4,000) is borne at the Group level by Imperial Innovations Group plc and is fully disclosed in those financial statements, which are publicly available

7. TAX ON (LOSS)/ PROFIT ON ORDINARY ACTIVITIES

Analysis of charge in the year	2013	2012
	£	£
United Kingdom corporation tax at 23.67% (2012 25.33%)	-	-
Total current tax	-	-

The tax for the year is different to the standard effective rate of corporation tax in the UK for the year ended 31 July 2013 of 23.67% (2012 25.33%). The differences are explained below

	2013	2012
	£	£
(Loss)/ profit on ordinary activities before taxation	(19,091)	84,515
(Loss)/ Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.67% (2012 25.33%)	(4,519)	21,408
Effects of:		
Current year movement in losses	4,519	-
Group relief surrendered	-	(21,408)
Total current tax charge	-	-

The standard rate of Corporation Tax in the UK changed from 24% to 23% with effect from 1 April 2013. Accordingly, the Company's profits for this accounting period are taxed at an effective rate of 23.67% (2012 25.33%).

A number of changes to the UK corporation tax system were announced in the March 2012 UK Budget statement. Certain of these tax changes, including the reduction in the main rate of corporation to 23% from 1 April 2013, were substantively enacted in the Finance Act 2012 in July 2012.

Further changes to the UK Corporation Tax system were substantively enacted as part of the Finance Bill 2013 on 3 July 2013. These include reductions to the main rate to reduce the rate to 21% from 1 April 2014 and 20% from 1 April 2015. These changes are not anticipated to have a material impact on the Company's financial statements in future periods.

8. DEFERRED TAXATION

At the balance sheet date the Company had no deferred tax assets or liabilities (2012 £nil).

Imperial Innovations Investment Management Limited

Notes to the financial statements for the year ended 31 July 2013

(continued)

9. DEBTORS

Amounts falling due within one year:	2013	2012
	£	£
Amounts owed by Group undertakings	650,283	666,604
Prepayments	681	2,371
	<u>650,964</u>	<u>668,975</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013	2012
	£	£
Sundry creditors	<u>1,020</u>	<u>-</u>

11. CALLED UP SHARE CAPITAL

	2013	2012
	£	£
Authorised 10,000,000 (2012 10,000,000) ordinary shares of £1 each	<u>10,000,000</u>	<u>10,000,000</u>
Allotted and fully paid 50,002 (2012 50,002) ordinary shares of £1 each	<u>50,002</u>	<u>50,002</u>

12. PROFIT AND LOSS ACCOUNT

	£
As at 1 August 2012	672,295
Loss for the financial year	<u>(19,091)</u>
As at 31 July 2013	<u>653,204</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013	2012
	£	£
Opening shareholders' funds	722,297	637,782
(Loss)/profit for the financial year	<u>(19,091)</u>	<u>84,515</u>
Closing shareholders' funds	<u>703,206</u>	<u>722,297</u>

Imperial Innovations Investment Management Limited

Notes to the financial statements for the year ended 31 July 2013

(continued)

14. PARENT UNDERTAKING

The immediate and ultimate parent undertaking and the controlling party is Imperial Innovations Group plc, a company incorporated in England and Wales. Imperial Innovations Group plc is the parent undertaking of both the largest and the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements for Imperial Innovations Group plc may be obtained from the Company Secretary, Imperial Innovations Group plc, 52 Princes Gate, Exhibition Road, London, SW7 2PG.

15. RELATED PARTY TRANSACTIONS

During the year ended 31 July 2011, Imperial Innovations Investment Management Limited appointed Imperial Innovations Investments Limited to act as Appointed Representative. Imperial Innovations Investments Limited is a wholly owned subsidiary of Imperial Innovations Group plc. As Appointed Representative, Imperial Innovations Investments Limited received corporate finance fees of £283,000 during the year ended 31 July 2013 (2012: £917,581).

The Company has taken advantage of the exemption available under FRS 101, not to disclose transactions and balances with wholly owned subsidiaries. Details of the Group's related party transactions are provided in the Consolidated Financial statements of the Imperial Innovations Group plc.

16. IMPACT OF FRS 101 ADOPTION

There was no impact of FRS 101 adoption on balances reported as at 31 July 2012.