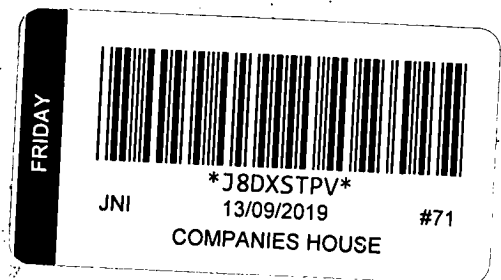


# NI GPI Limited

Directors' report and  
financial statements

Year ended 31 December 2018

*(Registered number: NI619065)*



# NI GPI Limited

## Directors' report and financial statements

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# NI GPI Limited

## Directors and other information

### Directors

Niall Olden  
Denise Sidhu  
Daniel McCaughan  
Andrew Graham (Appointed on 10 April 2019)

### Secretary

Denise Sidhu

### Registered office

The Soloist Building  
1 Lanyon Place  
Belfast  
Antrim  
BT1 3LP

### Independent auditor

KPMG  
Chartered Accountants  
90 South Mall  
Cork

### Bankers

Allied Irish Bank  
Western Road  
Cork

### Solicitors

LK Shields  
Solicitors  
39/40 Upper Mount Street  
Dublin 2

# NI GPI Limited

## Directors' report

The directors present their report and audited financial statements of NI GPI Limited for the year ended 31 December 2018.

### Principal activity, business review and future developments.

The company was incorporated on 25 June 2013. The company is the General Partner to The Bank of Ireland Kernel Capital Growth Fund (NI).

The directors do not foresee the principal activity changing in the foreseeable future.

### Risk assessment

The directors have undertaken a comprehensive assessment of the key risks facing the company. The key risks identified and the related controls over these risks are as follows:

#### *Market risk*

The industry in which the company operates is challenging, however all directors have a detailed knowledge and experience in the venture capital market.

#### *Liquidity risk*

The company's policy is to ensure that sufficient resources are available either from cash balances or cash flows to ensure all obligations can be met when they fall due.

### Results for the year

The result for the year is outlined on page 8.

### Proposed dividend

The directors do not recommend the payment of a dividend (2017: £Nil).

### Directors

The directors who held office during the year were as follows:

Niall Olden  
Denise Sidhu  
Daniel McCaughan

In accordance with the Articles of Association, the directors are not required to retire by rotation.

The directors and secretary who held office at 31 December 2018 had no interests, other than those shown below, in the shares of the company or other group companies:

Name	Name of Company	Description of shares	31 December 2018	31 December 2017
Niall Olden	Liberty Street Investments Limited	Ordinary	2,551	2,551

### Political contributions

The company made no political donations or incurred any political expenditure during the year (2017: £Nil).

# NI GPI Limited

## Directors' report *(continued)*

### Post balance sheet events

No events have occurred since the balance sheet date which require disclosure in or amendment to the financial statements.

### Brexit

In a referendum held on 23 June 2016, the electorate of the United Kingdom (UK) resolved to leave the European Union (EU). The negotiation of the UK's exit terms remains uncertain and may change during the withdrawal process. ~~Until the terms of the UK's exit from the EU are clearer, it is not possible to~~ determine the full impact that the UK's departure and/or any related matters may have on the Company and its investments.

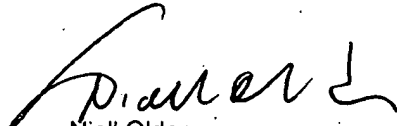
### Disclosure of information to the independent auditor

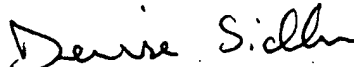
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's independent auditor is unaware, and each director has taken all the steps that ought to have been taken as a director in order to make aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Independent auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG will therefore continue in office.

On behalf of the board

  
Niall Olden  
Director

  
Denise Sidhu  
Director

14 August 2019

## NI GPI Limited

### Statement of directors' responsibilities in respect of the directors' report and the financial statements

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

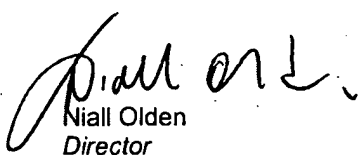
Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.


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 assets, liabilities and financial position of the company and of its profit or loss for that year. 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;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2006.

On behalf of the board

  
Niall Olden  
Director

  
Denise Sidhu  
Director



KPMG  
Audit  
85 South Mall  
Cork  
T12 A3XN  
Ireland

## Independent auditor's report to the Members of NI GPI Limited

### Report on the audit of the financial statements

#### **Opinion**

We have audited the financial statements of NI GPI Limited ("the company") for the year ended 31 December 2018 set out on pages 8 to 17, which comprise the profit and loss account and other comprehensive income, the balance sheet, the statement of changes in equity, the cash flow statement and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its result for the year then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly 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 ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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.

#### **We have nothing to report on going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

#### **Other information**

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.



KPMG  
Audit  
85 South Mall  
Cork  
T12 A3XN  
Ireland

## **Independent auditor's report to the Members of NI GPI Limited *(continued)***

### **Report on the audit of the financial statements *(continued)***

#### ***Other information (continued)***

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information:

- we have not identified material misstatements in the directors report;
- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2006.

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

Under the Companies Act 2006 we are required 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 take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in regard to these matters.

#### **Respective responsibilities and restrictions on use**

##### ***Responsibilities of directors for the financial statements***

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 they 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.





KPMG  
Audit  
85 South Mall  
Cork  
T12 A3XN  
Ireland

## Independent auditor's report to the Members of NI GPI Limited *(continued)*

### **Respective responsibilities and restrictions on use *(continued)***

#### ***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 fuller description of our responsibilities is provided on the FRC's website at:  
[www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)

#### ***The purpose of our audit work and to whom we owe our responsibilities***

Our 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.

Barrie O'Connell (Senior statutory auditor)  
for and on behalf of  
**KPMG**  
Chartered Accountants Statutory Auditor  
85 South Mall  
Cork  
Ireland

19 August 2019

# NI GPI Limited

## Profit and loss account and other comprehensive income for the year ended at 31 December 2018

	Note	2018 £	2017 £
Income	2	621,504	674,673
Other operating expenses	3	(650,370)	(669,660)
Fair value movement from investments	6	28,866	(3,533)
		<hr/>	<hr/>
Profit before taxation	4	-	1,480
Taxation credit	5	3,618	7,828
		<hr/>	<hr/>
Profit for the financial year		3,618	9,308
Other comprehensive income		-	-
		<hr/>	<hr/>
Total comprehensive income for the year		<u>3,618</u>	<u>9,308</u>

The company had no gains or losses in the financial year nor the preceding financial year other than those dealt with in the profit and loss account.

# NI GPI Limited

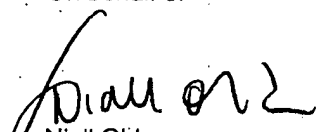
## Balance sheet

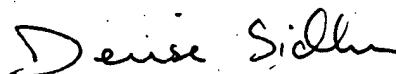
as at 31 December 2018

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Financial assets	6	84,001	43,141
<b>Current assets</b>			
Debtors	7	321,450	316,784
Cash at bank and in hand		5,318	167,378
		<u>326,768</u>	<u>484,162</u>
<b>Creditors: amounts falling due within one year</b>	8	<b>(87,838)</b>	<b>(209,038)</b>
		<u>238,930</u>	<u>275,124</u>
<b>Net current assets</b>		<b>238,930</b>	<b>275,124</b>
<b>Total assets less current liabilities</b>		<b>322,931</b>	<b>318,265</b>
Provision for liabilities and charges	9	(311,484)	(310,436)
		<u>11,447</u>	<u>7,829</u>
<b>Net assets</b>		<b>11,447</b>	<b>7,829</b>
<b>Capital and reserves</b>			
Called up share capital	10	1	1
Profit and loss account		11,446	7,828
		<u>11,447</u>	<u>7,829</u>
<b>Shareholders' funds/(deficit)</b>		<b>11,447</b>	<b>7,829</b>

The notes on pages 12 to 17 form an integral part of these financial statements.

On behalf of

  
Niall Olden  
Director

  
Denise Sidhu  
Director

# NI GPI Limited

## Statement of changes in equity for the year ended 31 December 2018

	Share capital £	Profit and loss £	Total £
<b>At 1 January 2017</b>	1	(1,480)	(1,479)
Profit for the year	-	9,308	9,308
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	-	7,828	7,829
<b>At 31 December 2017</b>	1	7,828	7,829
Profit for the year	-	3,618	3,618
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	-	3,618	3,618
<b>Balance at 31 December 2018</b>	1	11,446	11,447

The notes on pages 12 to 17 form an integral part of these financial statements.

# NI GPI Limited

## Cash flow statement

for the year ended 31 December 2018

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Profit/(loss) for the year		3,618	9,308
Adjustments for:			
Gain/loss on financial assets measured at fair value		(28,866)	3,533
		<u>(25,248)</u>	<u>12,841</u>
Increase in trade and other debtors	7	(4,666)	(55,249)
Increase in trade and other creditors	8	(121,200)	179,244
Increase in provisions	9	1,047	47,421
		<u>(150,067)</u>	<u>184,257</u>
<b>Net cash from operating activities</b>			
<b>Cash flows from investing activities</b>			
Purchase of investments	6	(11,993)	(21,750)
		<u>(11,993)</u>	<u>(21,750)</u>
<b>Net cash from investing activities</b>			
<b>Net cash from financing activities</b>			
		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		(162,060)	162,507
Cash and cash equivalents at the beginning of the year		167,378	4,871
		<u>5,318</u>	<u>167,378</u>
<b>Cash and cash equivalents at the end of the year</b>			

The notes on pages 12 to 17 form an integral part of these financial statements.

# NI GPI Limited

## Notes

*forming part of the financial statements*

### 1 Accounting policies

NI GPI Limited ("the company") is a private company incorporated, domiciled and registered in the UK. The registered number is NI619065 and the registered address is The Soloist Building, 1 Lanyon Place, Belfast, Antrim, BT1 3LP.

These financial statements were prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). The presentation and functional currency of these financial statements is Sterling.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.2 Basic financial instruments

##### *Investment in non-convertible preference and non-puttable ordinary shares*

Investments in non-convertible preference and non-puttable ordinary shares are measured initially at the transaction price. Transaction costs are recognised directly in the profit and loss account. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes in their fair value recognised in the profit and loss account.

Investments in subsidiary undertakings are measured at cost.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

##### *Trade and other debtors*

Trade and other debtors are recognised initially at the transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transactions costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest rate method less any impairment losses in the case of trade debtors.

#### 1.3 Income recognition

The company acts as the General Partner to The Bank of Ireland Kernel Capital Growth Fund (NI), ("the Partnership") and as such is entitled to a General Partner's share in accordance with the provisions of the Partnership Agreement. The company is entitled to draw down this amount as an advance, even if profits are not made, and such drawings are not repayable in the event that there are no subsequent profits; as such, this General Partner's share is recognised as income in the profit and loss account of the company (as General Partner).

#### 1.4 Investment in associate undertakings

An associate is an entity over which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Investments that are held as part of the company's investment portfolio are carried in the balance sheet at fair value even though the company may have significant influence over those companies, with changes in fair value recognised in the profit and loss account in the period of the change.

# NI GPI Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.5 Taxation

Current tax, is provided on the company's taxable profits, at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements. A net deferred tax asset is regarded as recoverable and therefore recognised 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 from which the future reversal of the underlying timing differences can be deducted.

2 Income	2018 £	2017 £
Rendering of services	621,504	674,673

The company's income represents the value of services provided during the year. All income was generated in Northern Ireland.

### 3 Operating expenses

Under the terms of a management agreement between Kernel Management Partners Limited, the company's ultimate parent undertaking, and the company, Kernel Management Partners Limited is entitled to receive from the company such fees as agreed by Kernel Management Partners Limited and the company. The amount paid by the company to Kernel Management Partners Limited for the year ended 31 December 2018 was £650,370 (2017: £669,641).

### 4 Statutory and other information

Auditor's remuneration is borne by the company's parent undertaking, Kernel Management Partners Limited.

Directors' emoluments in the year were £Nil (2017: £Nil). Details of directors' interests in shares of group companies is provided in the directors' report. The company had no employees in the current financial year.

# NI GPI Limited

## Notes (continued)

<b>5 Taxation</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Current tax</b>		
Consideration receivable from group company for tax losses surrendered	(4,666)	(55,249)
<b>Deferred tax</b>		
Current year deferred tax charge	1,058	55,876
Prior period adjustments	(10)	(8,455)
<b>Total tax credit on profit on ordinary activities</b>	<b>(3,618)</b>	<b>(7,828)</b>

### Factors affecting tax charge

The tax charge for the year is higher than the current charge that would result from applying the standard rate of Irish corporation tax to the profit on ordinary activities. The differences are reconciled below:

	<b>2018 £</b>	<b>2017 £</b>
Profit on ordinary activities before tax	-	1,480
Profit on ordinary activities multiplied by the standard rate of corporation tax of 12.5% (2017: 12.5%)	-	185
<b>Effect of:</b>		
Expenses not allowable for tax purposes	(3,608)	442
Group relief surrendered	4,666	55,249
Consideration receivable from group company for tax losses surrendered	(4,666)	(55,249)
Prior period adjustments	(10)	(8,455)
	<b>(3,618)</b>	<b>(6,348)</b>

<b>6 Financial fixed assets</b>	<b>2018 £</b>	<b>2017 £</b>
At the beginning of the year	43,141	24,924
Additions in year	11,994	21,750
Fair value movement on investments	28,866	(3,533)
<b>At the end of the year</b>	<b>84,001</b>	<b>43,141</b>

The company is the General Partner to The Bank of Ireland Kernel Capital Growth Fund (NI) and has made investments by way of a capital contribution of £2 (2017: £2) and loan commitments of £70,491 (2017: £58,498) to the fund.



# NI GPI Limited

## Notes (continued)

<b>7 Debtors</b>	<b>2018 £</b>	<b>2017 £</b>
Amounts due from parent undertaking	<b>320,438</b>	315,772
Amounts due from group company	<b>1,012</b>	1,012
	<hr/>	<hr/>
	<b>321,450</b>	<b>316,784</b>
	<hr/>	<hr/>

Amounts due from parent undertaking includes consideration receivable for tax losses surrendered to Kernel Management Partners Limited during the year amounting to £Nil (2017: £55,249).

<b>8 Creditors: amounts falling due within one year</b>	<b>2018 £</b>	<b>2017 £</b>
Amounts owed to parent undertaking	<b>87,838</b>	16,915
Amounts owed to group undertaking	-	192,123
	<hr/>	<hr/>
	<b>87,838</b>	<b>209,038</b>
	<hr/>	<hr/>

<b>9 Provision for liabilities and charges – deferred taxation</b>	<b>2018 £</b>	<b>2017 £</b>
At the beginning of the year	<b>310,436</b>	263,015
Charge for the year	<b>1,048</b>	47,421
	<hr/>	<hr/>
<b>At the end of the year</b>	<b>311,484</b>	<b>310,436</b>
	<hr/>	<hr/>

Deferred tax arises on temporary differences from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

<b>10 Share capital</b>	<b>2018 £</b>	<b>2017 £</b>
<b>Allotted, called up and fully paid</b>		
1 Ordinary Shares of £1.00 each	<b>1</b>	1
	<hr/>	<hr/>

# NI GPI Limited

## Notes (continued)

### 11 Ultimate parent undertaking and related party transactions

The company acts as General Partner to The Bank of Ireland Kernel Capital Growth Fund (NI). The General Partner Share receivable for the year was £621,504 (2017: £674,673).

The company is a wholly owned subsidiary of Kernel Management Partners Limited, a company incorporated in the Republic of Ireland, which provides investment management services to The Bank of Ireland Kernel Capital Growth Fund (NI).

Related-party-balances-existing-at-the-year-end-were-as-follows:

	2018 £	2017 £
Amounts due from Kernel Management Partners Limited	320,438	315,772
Amounts due from Kernel Seed Fund 2009 Limited	1,012	1,012
Amounts due to Kernel Management Partners Limited	87,838	209,038

Amounts due from Kernel Management Partners Limited include consideration receivable for tax losses surrendered to Kernel Management Partners Limited during the year amounting to £37,327 (2017: £55,249).

Amounts due from Kernel Seed Fund 2009 Limited are related to consideration receivable for tax losses surrendered by the company.

The management fee charged by Kernel Management Partners Limited to the company for the year ended 31 December 2018 was £650,370 (2017: £669,641), the amount paid was £650,370 (2017: £669,641).

The company is related to NI Venture Nominees Limited, which acts as Special Limited Partner to The Bank of Ireland Kernel Capital Growth Fund (NI).

### 12 Contingencies and commitments

The company has committed an amount of £150,000 to The Bank of Ireland Kernel Capital Growth Fund (NI). Total funds drawn down at 31 December 2018 amounted to £70,493, comprising £2 of capital commitments and £70,491 of loan commitments (2017: £58,500, comprising £2 of capital commitments and £58,498 of loan commitments).

# NI GPI Limited

## Notes *(continued)*

### 13 Financial risk management

#### **Risk management framework**

The company is invested in one financial instrument.

#### **Credit risk**

The company is subject to credit risk on its related party receivables and cash and deposits.

#### **Liquidity risk**

The funding policy of the company is to ensure that it has adequate funding to fund its operations.

#### **Price risk**

The valuation of unquoted investments depends upon a combination of market factors and the performance of the underlying asset.

#### **Foreign exchange risk**

The company is not exposed to currency risk on investments as all investments are denominated in Pound Sterling.

### 14 Post balance sheet events

No events have occurred since the balance sheet date which require disclosure in or amendment to the financial statements.

### 15 Approval of financial statements

The board of directors approved the financial statements on 14 August 2019.