

Advent Venture Partners LLP

**Annual Report and Consolidated Financial Statements
for the year ended 31 March 2016**

**Registered in England and Wales
Number: OC302716**

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Members' Report

The Members present their report and consolidated financial statements for the year ended 31 March 2016.

Principal activity and business review

The principal activity of Advent Venture Partners LLP ("the LLP") is the promotion of venture capital investment funds and the provision of venture capital investment management services in respect of such funds. The LLP is authorised to conduct investment business by the Financial Conduct Authority.

Principal subsidiaries

Details of principal subsidiaries and their activities are given in Notes 6 and 11.

Results and distributions

The results for the year are shown in the consolidated profit and loss account on page 7. The Members' distributions in the year ended 31 March 2016 amounted to £942,802 (2015: £949,175). The Group and LLP's balance sheet as detailed on page 9 and 10 show a satisfactory position with Members' interests amounting to £106,072 (2015: 429,530) and £77,812 (2015: £330,819) respectively.

Members' profit allocation

The Partnership Agreement dated 16 December 2002 (revised and updated 11th November 2008 and 1st April 2010), governs the policies for Members' drawings, subscriptions and repayment of Members' capital.

Members' profit and losses are allocated between them based on their respective profit share entitlement during the financial period as determined by the members. Drawings are paid monthly as working capital permits.

Business review

In the year under review the LLP provided investment management services to a venture capital fund and trustee in liquidation services to two further funds.

Investment management services:

Advent Private Equity Fund IV (APEF IV)

APEF IV has completed the tenth year of its initial ten-year term. The term has been extended for a one year period to 31st August 2016 with consent of the Limited Partners. Fees for the period were fixed at £750,000. It is anticipated that a further one-year extension will be agreed. The Fund has drawn down 100% of investors' commitments and has an unrealised portfolio of ten holdings. During the year, the Fund realised holdings in Agenus Inc and Uniqure B.V. and made a partial realization of FarFetch Ltd.

The members consider that the key performance indicators used to measure the performance of the LLP comprise the returns of the venture capital funds under management. The Members consider the performance returns of the funds for the year ended 31 March 2016 to be satisfactory.

Trustee in liquidation services:

Advent Private Equity Fund II (APEF II)

The liquidation of APEF II was completed on 31 December 2015 following a final distribution to Limited Partners.

Advent Private Equity Fund III (APEF III)

APEF III has been in liquidation since 9 February 2014 with the LLP acting as Trustee in Liquidation. Six holdings remain in the portfolio at 31 March 2016. No holdings were realised in the period. Fees for the first two years of the liquidation were fixed at £75,000 per annum.

Principal risks and uncertainties

The LLP derives the majority of its income from the management of venture capital funds, and this income is based upon the quantum of funds under management. Funds are legally committed by the investors in the Funds under the terms of the respective limited partnership agreements. The LLP can be dismissed by the investors on a 75% majority but would receive two year's fees as compensation. Fees derived from the venture capital funds decrease as the fund matures and at the present time there is no prospect of new funds being raised to supplement the existing income.

Going concern

The initial life of APEF IV terminated on 31st August 2015. The General Partner of APEF IV, Advent Management IV LP received consent from the Limited Partners for an extension of APEF IV's term for an additional one-year period to 31st August 2016 which will result in the LLP continuing to provide venture capital investment management services and receiving a fee for such services. It is anticipated that a further one-year extension will be requested to 31 August 2017. The General Partner is of the opinion that this additional extension will be granted following discussions with the Advisory Committee who have indicated support and the lack of indication from any Limited Partners that the APEF IV should be expeditiously terminated. APEF IV will exit its remaining investments within the next two to three years and therefore the financial statements have been prepared on a going concern basis. However, there can be no certainty of this at this stage and these conditions, along with other matters set forth in the notes to the financial statements, therefore indicate the existence of a material uncertainty which may cast significant doubt on the LLP's ability to continue as a going concern. As a result, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

Members

The profit sharing Members of the LLP during the year were as follows:

P.A. Baines*
M.S.A. Malik
F.P. Court
M.H Chalfen
S. Gabriel

L.I. Gabb*
R.B. Parekh
L. A. Gabb
M. Baines
J.C Parekh

*Designated Members

Members' interests

The interests of the Members in the LLP at 31 March 2016 and in the partnership capital of Advent Management II Limited Partnership ("AMIILP") which is the general partner of the Advent Private Equity Fund II partnerships, in the partnership capital of Advent Management III Limited Partnership ("AMIIILP") which is the general partner of the Advent Private Equity Fund III partnerships and in the partnership capital of Advent Management IV Limited Partnership ("AMIVLP") which is the general partner of the Advent Private Equity Fund IV partnership were as follows:

Capital contribution as at 31.03.16			
	AMIILP	AMIVLP	AVP LLP
	£	£	£
P.A. Baines	-	422	233,859
L.I. Gabb	226	175	140,627
M.S.A. Malik	452	422	269,267
F.P. Court	226	309	132,545
R.B. Parekh	245	422	312,702
M.H. Chalfen	-	232	116,627
L.A. Gabb	-	-	27,412
M. Baines	-	-	33,833
S. Gabriel	-	-	31,800

Disclosure of information to auditor

The members who held office at the date of approval of this members' report confirm that, so far as they are each aware, there is no relevant audit information of which the LLP's auditor is unaware; and each member has taken all the steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

Auditor

Pursuant to Section 485 of the Companies Act 2006, the auditor will be deemed to be appointed and KPMG LLP will therefore continue in office.

By order of the Members on 11 July 2016



P.A. Baines
Designated Member



L.I. Gabb
Designated Member

Statement of Members' Responsibilities in Respect of the Members' Report and the Financial Statements

The members are responsible for preparing the group and LLP financial statements in accordance with applicable law and regulations and have elected to prepare a Members' Report.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare group and LLP financial statements for each financial year. Under that law the members have elected to prepare both the group and LLP financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members 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 group and LLP and of the profit or loss of the group and LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and LLP will continue in business.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Advent Venture Partners LLP

We have audited the group and LLP financial statements ("the financial statements") of Advent Venture Partners LLP for the year ended 31 March 2016 set out on pages 7 to 21. 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the members of the limited liability partnership (LLP), as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement set out on page 4, the members 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 affairs of the group and of the LLP as at 31 March 2016 and of the loss of the group 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 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Emphasis of matter – Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1c to the financial statements concerning the LLP's ability to continue as a going concern. An underlying fund is due to terminate on 31 August 2016 and its continuation is dependent upon approval being granted for the extension that the General Partner intends to seek. This condition, along with the other matters explained in note 1c to the financial statements, indicates the existence of a material uncertainty which may cast significant doubt on the LLP's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the LLP were unable to continue as a going concern.

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 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the LLP's individual financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



Jonathan Martin (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

E14 5GL

11th July 2016

Consolidated Income Statement

For the year ended 31 March 2016

	Notes	2016 £	2015 £
Group turnover	2	809,758	1,125,692
Other operating expenses		(218,815)	(271,800)
Group operating profit	3	590,943	853,892
Income from other fixed asset investments	4	27,772	42,983
Other interest receivable and similar income		629	623
Profit for the year before Members' remuneration and profit shares		619,344	897,498
Members' remuneration charged as an expense	9	(942,802)	(949,175)
Loss on ordinary activities before taxation		(323,458)	(51,677)
Tax credit/(charge) on loss on ordinary activities	5	-	244
Loss for the year available for distribution amongst members		(323,458)	(51,433)

In respect of the loss for the year, there is no difference between the figures stated above and their historical cost equivalents.

The notes on pages 14 to 21 form part of these financial statements.

All profit and loss items in the above statement derive from continuing operations.

LLP Income Statement

For the year ended 31 March 2016

	Notes	2016 £	2015 £
Turnover	2	804,578	1,105,202
Expenses		<u>(218,449)</u>	<u>(260,683)</u>
Operating profit	3	586,129	844,519
Interest receivable and similar income		502	493
Investment income		70,000	-
Income from other fixed asset investments	4	<u>33,164</u>	<u>38,677</u>
Profit before Members' remuneration and profit share		689,795	883,689
Members' remuneration charged as an expense		<u>(942,802)</u>	<u>(949,175)</u>
Loss for the year available for distribution amongst members		<u>(253,007)</u>	<u>(65,486)</u>

In respect of the profit for the year, there is no difference between the figures stated above and their historical cost equivalents.

All profit and loss items in the above statement derive from continuing operations.

The notes on pages 14 to 21 form part of these financial statements.

Consolidated Statement of Financial Position

As at 31 March 2016

	Notes	2016 £	2015 £
Fixed assets			
Investments	6	18,492	30,911
		<u>18,492</u>	<u>30,911</u>
Current assets			
Debtors	7	22,349	144,603
Cash at bank and in hand		105,762	328,769
		<u>128,111</u>	<u>473,372</u>
Creditors: Amounts falling due within one year	8	(40,531)	(74,753)
Net current assets		<u>87,580</u>	<u>398,619</u>
Total assets less current liabilities		106,072	429,530
Net assets attributable to members		<u>106,072</u>	<u>429,530</u>
Represented by:			
Members' other interests			
Members capital classified as a equity under FRS 102		10,000	10,000
Others members' interests		-	-
Loans and other debts due to members			
Members' capital and other amounts		96,072	419,530
Total Members' Interests		<u>106,072</u>	<u>429,530</u>

These financial statements were approved by the Members on 11 July 2016 and signed on their behalf by:



P.A. BAINES
Designated Member



L.I. GABB
Designated Member

The notes on pages 14 to 21 form part of these financial statements.

LLP Statement of Financial Position

As at 31 March 2016

	Notes	2016 £	2015 £
Fixed assets			
Investments in subsidiary undertakings	6	17,916	17,916
Other investments	6	-	7,028
		<u>17,916</u>	<u>24,944</u>
Current assets			
Debtors	7	21,013	143,216
Cash at bank and in hand		78,299	236,084
		<u>99,312</u>	<u>379,300</u>
Current Liabilities			
Creditors: Amounts falling due within one year	8	<u>(39,416)</u>	<u>(73,425)</u>
Net current assets		<u>59,896</u>	<u>305,875</u>
Net assets attributable to members		<u>77,812</u>	<u>330,819</u>
Represented by:			
Members' other interests			
Members' capital classified as equity under FRS 102		10,000	10,000
Loans and other debts due to members			
Members' capital and other amounts		67,812	320,819
Total Members' Interests		<u>77,812</u>	<u>330,819</u>

These financial statements were approved by the Members on 11 July 2016 and signed on their behalf by:



P.A. BAINES
Designated Member



L.I. GABB
Designated Member

The notes on pages 14 to 21 form part of these financial statements.

Consolidated Reconciliation of Movement in Members' Interests

As at 31 March 2016

	Member' Other Interests				
	Members capital (classified as equity)	Other members' interests	Total	Loans and other debts due to members	Total Members' Interests
	£	£	£	£	£
At 1 April 2014	10,000	(2,957,079)	(2,947,079)	3,428,042	480,963
Members remuneration charged as an expense	-	-	-	949,175	949,175
Loss for the year	-	(51,433)	(51,433)	-	(51,433)
Members' interests after profit for the year	10,000	(3,008,512)	(2,998,512)	4,377,217	1,378,705
Allocated profits/(loss)	-	51,433	51,433	(51,433)	-
Drawings	-	-	-	(949,175)	(949,175)
Other movements	-	2,957,079	2,957,079	(2,957,079)	-
At 31 March 2015	10,000	-	10,000	419,530	429,530
At 1 April 2015	10,000	-	10,000	419,530	429,530
Members remuneration charged as an expense	-	-	-	942,802	942,802
Loss for the year	-	(323,458)	(323,458)	-	(323,458)
Members' interests after profit for the year	10,000	(323,458)	(313,458)	1,362,332	1,048,874
Allocated profits/(loss)	-	323,458	323,458	(323,458)	-
Drawings	-	-	-	(942,802)	(942,802)
Other movements	-	-	-	-	-
At 31 March 2016	10,000	-	10,000	96,072	106,072

The notes on pages 14 to 21 form part of these financial statements.

LLP Reconciliation of Movement in Members' Interests

As at 31 March 2016

	Member' Other Interests				
	Members capital (classified as equity))	Other members' interests	Total	Loans and other debts due to members	Total Members' Interests
	£	£	£	£	£
At 1 April 2014	10,000	-	10,000	386,305	396,305
Members remuneration charged	-	-	-	949,175	949,175
Loss for the year	-	(65,486)	(65,486)	-	(65,486)
Members' interests after profit for	10,000	(65,486)	(55,486)	1,335,480	1,279,994
Allocated profits/(loss)	-	65,486	65,486	(65,486)	-
Drawings	-	-	-	(949,175)	(949,175)
At 31 March 2015	10,000	-	10,000	320,819	330,819
At 1 April 2015	10,000	-	10,000	320,819	330,819
Members remuneration charged as an expense	-	-	-	942,802	942,802
Profit for the year available for division amongst members	-	(253,007)	(253,007)	-	(253,007)
Members' interests after profit for the year	10,000	(253,007)	(243,007)	1,263,621	1,020,614
Allocated profits/(loss)	-	253,007	253,007	(253,007)	-
Drawings	-	-	-	(942,802)	(942,802)
At 31 March 2016	10,000	-	10,000	67,812	77,812

The average number of members for the year to 31 March 2016 was 10 (2015: 10). The highest profit sharing member was allocated profits of £138,695 (2015: £189,677).

The notes on pages 14 to 21 form part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2016

	Notes	2016	2015
		£	£
Operating activities			
Net cash inflow from operating activities	9	683,422	988,783
Returns on investments and servicing of finance			
Interest received		629	623
Net cash inflow from operating activities and returns on investments and servicing of finance		<u>684,051</u>	<u>989,406</u>
Taxation			
Income tax		-	244
Capital expenditure and financial investment			
Net cash inflow before transactions with members		<u>684,051</u>	<u>989,650</u>
Transactions with Members and former Members			
Carry Profit received on investments		35,744	41,385
Payments to members		(942,802)	(949,175)
Net cash outflow from transaction with members		<u>(907,058)</u>	<u>(907,790)</u>
Increase/(Decrease) in cash		(223,007)	81,860
Cash and cash equivalents at 1 April 2015		<u>328,769</u>	<u>246,909</u>
Cash and cash equivalents at 31 March 2016		<u>105,762</u>	<u>328,769</u>

The notes on pages 14 to 21 form part of these financial statements.

Notes to the Financial Statements

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements:

a) Basis of preparation

Advent Venture Partners LLP is a Limited Liability Partnership and domiciled in the UK. The group and LLP accounts have been prepared in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Limited liability Partnerships Act 2000, under the historical cost convention and in accordance with the Statement of Recommended Practice ("SORP"), Accounting for Limited Liability Partnerships issued by the Consultative Committee of Accounting Bodies. The presentation currency of these accounts is sterling.

In the transition to FRS 102 from old UK GAAP, the LLP has made no measurement and recognition adjustments.

b) Consolidation

The financial statements consolidate the accounts of Advent Venture Partners LLP and all its subsidiary undertakings drawn up to their respective year ends.

The group includes certain subsidiaries that are the General Partners of venture capital limited partnerships. The nature of these limited partnerships is such that, although the General Partner has minimal economic interest in the limited partnership (less than 1%), they are under the control of the General Partner. The General Partners are therefore technically subsidiaries of the group as are the venture capital limited partnerships of which they are the General Partner.

The Members are of the opinion that to fully consolidate these limited partnerships in the financial statements of Advent Venture Partners LLP would mean that the accounts would not give a true and fair view. Therefore the group consolidates its attributable proportion of the assets and income from these limited partnership.

The effect of this departure from the requirements of the Companies Act 2006 is a decrease in profit of £21,414,000 (2015: £72,749,000) and a decrease in net assets of £167,984,000 (2015: £197,790,000).

The accounts of each subsidiary undertaking have been prepared to 31 March 2016 other than Advent Management II Limited and Advent Management III Limited, both of which have been prepared to 31 December 2015. All intra-group profits are eliminated on consolidation. These subsidiaries year ends are coterminous with the year ends of the underlying limited partnerships.

c) Going Concern

The initial life of APEF IV terminated on 31st August 2015. The General Partner of APEF IV, Advent Management IV LP received consent from the Limited Partners for an extension of APEF IV's term for an additional one-year period to 31st August 2016 which will result in the LLP continuing to provide venture capital investment

1. Accounting policies (continued)

management services and receiving a fee for such services. It is anticipated that a further one-year extension will be requested to 31 August 2017. The General Partner is of the opinion that this additional extension will be granted following discussions with the Advisory Committee who have indicated support and the lack of indication from any Limited Partners that the APEF IV should be expeditiously terminated. APEF IV will exit its remaining investments within the next two to three years and therefore the financial statements have been prepared on a going concern basis. However, there can be no certainty of this at this stage and these conditions, along with other matters set forth in the notes to the financial statements, therefore indicate the existence of a material uncertainty which may cast significant doubt on the LLP's ability to continue as a going concern. As a result, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

d) Turnover

Turnover comprises fees receivable for business advisory and investment management services and is accounted for net of value added tax. A substantial proportion of the group's income is received in the form of non-recourse loans by way of general partner share in limited partnerships. This loan is recognised as income in the period in which the investment management or other services are provided.

e) Taxation

The LLP itself does not pay tax on profits earned. The tax liability to any profits earned in the partnership is with the members. The tax included in the consolidated accounts is therefore only tax incurred in the group subsidiary companies.

e) Deferred taxation

FRS 102 has been adopted in these financial statements and a provision is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits in the future against which the asset can be offset. Deferred tax is measured on an undiscounted basis at the rates that are expected to apply in the periods in which the timing differences reverse.

f) Fixed Asset Investment

Investments are valued at cost less impairment.

g) Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction.

h) Financial instruments

Financial assets classified as loans and receivables are carried at amortised cost using the effective interest rate method, less impairment losses, if any. Financial liabilities are measured at amortised cost using effective interest rate.

i) Members' capital & FRS 102

The Members have adopted FRS 102. Based on the conditions of repayment of members' capital in the partnership deed, members' capital is classified as debt in accordance with FRS 102.

2. Turnover

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Management fees	785,053	1,095,174	779,872	1,074,684
Other Income	24,705	30,518	24,706	30,518
	<u>809,758</u>	<u>1,125,692</u>	<u>804,578</u>	<u>1,105,202</u>

3. Operating profit

Operating profit is stated after charging:

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Auditor's remuneration:				
Audit of financial statements pursuant to legislation	<u>20,000</u>	<u>17,500</u>	<u>20,000</u>	<u>17,500</u>
	<u>20,000</u>	<u>17,500</u>	<u>20,000</u>	<u>17,500</u>

4. Income from other fixed assets investments

The following gains and losses arose from Group's investing interests:

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
AVP's movement in unrealised loss in AMIILP	-	(2,709)	-	(2,709)
AVP's loss on disposal in AMIILP	(2,580)	-	(2,580)	-
GPIC's loss on disposal of investment in AMIILP	(4,716)	3,806	-	-
GPIC's movement in unrealised loss in AMIILP	(676)	500	-	-
Carried Interest realised on investment in AMIVLP	<u>35,744</u>	<u>41,386</u>	<u>35,744</u>	<u>41,386</u>
	<u>27,772</u>	<u>42,983</u>	<u>33,164</u>	<u>38,677</u>

5. Tax on loss on ordinary activities

	Group 2016 £	Group 2015 £
Current tax		
UK corporation tax on profit of the period at 20% (2015: 21%)	-	(244)
Tax credit on profit on ordinary activities	-	(244)

Factors affecting tax charge for the year:

	2016 £	2015 £
Consolidated profit on ordinary activities before tax	619,344	897,498
Corporation tax at 20% (2015: 21%)	123,869	188,475
Effects of:		
Brought forward losses utilised in year	(77,910)	(163)
Expenses not deductible for tax purposes	1,103	23
Prior year adjustment	-	(244)
Profits taxable on partners	(123,983)	(185,598)
Losses unutilised carried forward	120	189,063
Timing differences on GPS loan	223,925	174,890
Indexation allowance	(6,618)	-
Non taxable income	(140,506)	(366,690)
Tax (credit)/charge on loss on ordinary activities	-	(244)

Factors that may affect future tax charges:

The main UK corporation tax rate was unified with the small companies rate at 20% from 1 April 2015 and this will reduce the company's future current tax charge accordingly.

During the year the Group has not recognised a deferred tax asset as there are no taxable profits expected to be generated in future years for which the asset may be offset.

6. Investments

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Subsidiary undertakings (note 11)	17,102	17,102	17,916	17,916
Other unlisted investments	1,390	13,809	-	7,028
	<u>18,492</u>	<u>30,911</u>	<u>17,916</u>	<u>24,944</u>

In the group accounts, other unlisted investments for the current year represent the interest in Advent Private Equity GmbH and the interests of Advent GPIC Limited in Advent Management III Limited Partnership. These have not been consolidated on the grounds of materiality. Subsidiary undertakings of the LLP represent the LLP's holding in AMIILP.

a) Investment movements

Movements in investments for the group during the year are summarised as follows:

	Subsidiary undertaking £	Unlisted investments £	Total £
Net book value at 1 April 2015	17,102	13,809	30,911
Movements in the year:			
Net disposal of investment in AMIILP	-	(5,248)	(5,248)
Disposal of interest in AMIILP	-	(2,580)	(2,580)
Decrease in provision	-	(4,591)	(4,591)
Net book value at 31 March 2016	<u>17,102</u>	<u>1,390</u>	<u>18,492</u>

Movement in investments for the LLP during the year are summarised as follows:

	Subsidiary undertaking £	Unlisted investments £	Total £
Net book value at 1 April 2015	17,916	7,028	24,944
Disposal of investment in AMIILP	-	(7,028)	(7,028)
Net book value at 31 March 2016	<u>17,916</u>	<u>-</u>	<u>17,916</u>

7. Debtors

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Trade debtors	476	21,692	476	21,692
Other debtors	1,433	97,926	97	96,589
Prepayments and accrued income	17,077	13,469	17,077	13,469
VAT	3,363	11,516	3,363	11,466
	<u>22,349</u>	<u>144,603</u>	<u>21,013</u>	<u>143,216</u>

8. Creditors: amounts falling due within one year

	Group 2016 £	Group 2015 £	LLP 2016 £	LLP 2015 £
Trade and other creditors	7,565	27,210	6,845	25,997
Amounts owed to subsidiaries	556	2,550	161	3,665
Accruals and deferred income	32,410	43,763	32,410	43,763
Amounts owed to related parties	-	1,230	-	-
	<u>40,531</u>	<u>74,753</u>	<u>39,416</u>	<u>73,425</u>

9. Reconciliation of group operating profit to net cash inflow from operating activities

	Group 2016 £	Group 2015 £
Operating profit	590,943	853,892
Gain/(Loss) from other investments	5,125	(2,664)
Provision for diminution in value of other investments	(676)	3,209
Decrease in debtors	122,253	129,176
(Decrease)/Increase in creditors	(34,223)	5,170
Net cash inflow from operating activities	<u>683,422</u>	<u>988,783</u>

10. Other financial commitments

At 31 March 2016, Advent GPIC Limited, a wholly-owned subsidiary of Advent Venture Partners LLP, had an outstanding commitment in respect of undrawn loan commitments as a limited partner in Advent Management III Limited Partnership amounting to £750 (2015: £750).

11. Particulars of subsidiary undertakings

The following are the subsidiary undertakings at 31 March 2016.

Advent Management II Limited

General Partner of Advent Private Equity Fund II LP

A wholly owned subsidiary of Advent Venture Partners LLP (100%) Registered in Scotland	(Issued share capital of 2 £1 ordinary shares.)
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Advent Management III Limited

General Partner of Advent Private Equity Fund III LP

A wholly owned subsidiary of Advent Venture Partners LLP (100%) Registered in Scotland	(Issued share capital of 1 £1 ordinary shares.)
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Advent Management IV Limited

General Partner of Advent Private Equity Fund IV LP

A wholly owned subsidiary of Advent Venture Partners LLP (100%) Registered in Scotland	(Issued share capital of 1 £1 ordinary shares.)
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Advent Nominees Limited

Nominee Company

A wholly owned subsidiary of Advent Venture Partners LLP (100%) Registered in England	(Issued share capital of 2 £1 ordinary shares.)
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Advent GPIC Limited

Holder of investments in Venture Capital Funds

A wholly owned subsidiary of Advent Venture Partners LLP (100%) Registered in England	(Issued share capital of 1 £1 ordinary shares.)
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Advent Private Equity GmbH

Managing Limited Partner of German Venture Capital Fund

A wholly owned subsidiary of Advent
Venture Partners LLP (100%)
Registered in Germany

Advent Management III Limited Partnership ("AMIII LP")

A Scottish limited partnership whose principal place of business is at 50 Lothian Road, Festival Square, Edinburgh EH3 9BY and of which Advent Management III Limited is the general partner. A subsidiary undertaking of Advent Management III Limited by virtue of Section 1162 (2)(c)(i) of the Companies Act 2006.

Advent Private Equity Fund III 'A'

Advent Private Equity Fund III 'B'

Advent Private Equity Fund III 'C'

Advent Private Equity Fund III 'D'

Advent Private Equity Fund III 'Affiliates'

(the "APEF III partnerships")

11. Particulars of subsidiary undertakings (continued)

English limited partnerships whose principal place of business is at 158-160 North Gower Street, London NW1 2ND and of which AMIILP is in each case the general partner. Subsidiary undertakings of AMIILP by virtue of Section 1162(2)(c)(i) of the Companies Act 2006.

Advent Private Equity Fund III GmbH & Co 'KG'

A German limited partnership whose principal place of business is at Theresienstrasse 6, 80333 Munich, Germany, and of which the AMIILP is the managing limited partner. A subsidiary undertaking of AMIILP by virtue of Section 1162(2)(c)(i) of the Companies Act 2006.

Advent Management IV Limited Partnership ("AMIVLP")

A Scottish limited partnership whose principal place of business is at 50 Lothian Road, Festival Square, Edinburgh EH3 9BY and of which Advent Management IV Limited is the general partner. A subsidiary undertaking of Advent Management IV Limited by virtue of Section 1162 (2)(c)(i) of the Companies Act 2006.

Advent Private Equity Fund IV

English limited partnership whose principal place of business is at 158-160 North Gower Street, London NW1 2ND and of which AMIVLP is the general partner. Subsidiary undertaking of AMIVLP by virtue of Section 1162(2)(c)(i) of the Companies Act 2006.

12. Related party transactions

Advent Venture Partners holds an agreement with Advent LS Services Limited in respect to services provided by the company. The net charge to Advent Venture Partners LLP to 31 March 2016 was £57,500 (2015: £75,415).

Loans of £222,032 were made to partners of AMIVLP by those respective entities in the period. These partners are also members of the LLP.

13. Controlling Party

In the Members' opinion there is no ultimate controlling party.

14. Contingent liabilities and guarantees

The following entities which are wholly owned subsidiaries and that have been included in these consolidated accounts have taken the qualifying subsidiary exemption under S479A of the CA2006, releasing them from the requirement to have their statutory accounts audited. As prescribed under S479A of the CA2006 Advent Venture Partners LLP has therefore guaranteed all outstanding liabilities to which the subsidiary companies are subject as at 31 March 2016, until they are satisfied in full and note that the guarantee is enforceable against Advent Venture Partners LLP by any person to whom the subsidiary company is liable in respect of those liabilities. The total liabilities guaranteed by Advent Venture Partners LLP as at 31 March 2016 under this exemption amount to £770 (2014: £2,493).

Advent Management II Ltd
Advent Management III Ltd
Advent Management IV Ltd
Advent GPIC Ltd