

**Quester Venture GP Limited**

Report and Accounts for the year ended 31 March 2014

*Quester*



Company Registration: SC 220736

## **Quester Venture GP Limited**

<b>CONTENTS</b>	<b>PAGE</b>
Report of the Directors	2
Directors' Responsibilities Statement	3
Independent Auditor's Report	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Accounts	7 - 10

### **DIRECTORS**

A D N Betton  
A B Carruthers  
C J Gee  
J R Patel (resigned 13/05/2014)  
T A Teichman  
M G Williams (resigned 11/07/2013)

### **SECRETARY**

A D N Betton

### **REGISTERED OFFICE**

16 Charlotte Square  
Edinburgh  
EH2 4DF

## Quester Venture GP Limited

### REPORT OF THE DIRECTORS

The directors present their report and audited financial statements of the Company for the year ended 31 March 2014.

### PRINCIPAL ACTIVITIES

The company acts as a general partner of Quester Venture GP Partnership. Quester Venture GP Partnership is a limited partnership, which itself is the general partner of Quester Venture Partnership, which carries on the business of venture capital investment.

The profit after taxation for the year amounted to £113,985 (2013: £73,433).

### DIRECTORS

The directors of the Company who served throughout the year and subsequently (except where noted), are shown on page 1.

### PROVISION OF INFORMATION TO AUDITOR

Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as each of the directors is aware, there is no relevant audit information of which the company's auditor is unaware; and
- (2) each of the directors has taken all the 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 auditor is aware of that information.

This statement is given and should be interpreted in accordance with the provision of S418 of the Companies Act 2006.

### SMALL COMPANY PROVISIONS

In preparing this report the directors have taken advantage of the small company exemptions in Part 15 of the Companies Act 2006.



By Order of the Board

A D N Betton

Director

30 December 2014

## **Quester Venture GP Limited**

### **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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom accounting standards and applicable law). 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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**Quester Venture GP Limited**

**INDEPENDENT AUDITOR'S REPORT**  
*to the members of Quester Venture GP Limited*

We have audited the financial statements of Quester Ventures GP Limited for the year ended 31 March 2014 which comprise the profit and loss account, the balance sheet 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).

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 statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its profit 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.

**Opinion on other matters 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; or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies' regime and to the exemption from the requirement to prepare a strategic report.

BDO LLP

**Nick Whitaker** (Senior statutory auditor)

for and on behalf of BDO LLP, Statutory Auditor

London, UK

30 December 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

**Quester Venture GP Limited**

**PROFIT AND LOSS ACCOUNT**  
*for the year ended 31 March 2014*

Notes	2014 £	2013 £
1 TURNOVER	337,500	604,750
Administrative expenses	(341,700)	(559,623)
2 (LOSS)/PROFIT ON OPERATING ACTIVITIES	(4,200)	45,127
Interest receivable and similar income	44	45
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(4,156)	45,172
4 Tax on (loss)/profit on ordinary activities	118,141	28,261
9 PROFIT FOR THE YEAR	113,985	73,433

The notes to these accounts form part of these financial statements.

All activities are derived from continuing operations.

There are no recognised gains or losses during the year other than as shown above. Consequently a statement of total recognised gains and losses has not been presented.

**Quester Venture GP Limited**

Reg. no. SC 220736

**BALANCE SHEET**

as at 31 March 2014

Notes	2014 £	2013 £
<b>CURRENT ASSETS</b>		
5 Debtors	1,761,944	1,693,693
Cash at bank and in hand	95,965	78,372
	<u>1,857,909</u>	<u>1,772,065</u>
6 CREDITORS: - amounts falling due within one year	(91,600)	(1,600)
<b>NET CURRENT ASSETS</b>	<u>1,766,309</u>	<u>1,770,465</u>
7 CREDITORS - amounts falling due after more than one year - deferred tax	(781,235)	(899,376)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>	<u>985,074</u>	<u>871,089</u>
<b>CAPITAL AND RESERVES</b>		
8 Called up share capital	10,000	10,000
9 Profit and loss account	975,074	861,089
10 Equity shareholders' funds	<u>985,074</u>	<u>871,089</u>

The notes to these accounts form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Directors on 30 December 2014, and signed on its behalf by:



A D N Betton

## **Quester Venture GP Limited**

### **NOTES TO THE ACCOUNTS for the year ended 31 March 2014**

#### **1 ACCOUNTING POLICIES**

The principal accounting policies are summarised below and have been applied consistently in the current and preceding year.

##### **(a) BASIS OF ACCOUNTING**

The financial statements are prepared under the historical cost convention and in accordance with applicable United Kingdom law and accounting standards.

##### **(b) TURNOVER**

Turnover represents the company's entitlement to priority profit share as general partner of Quester Venture Partnership (QVP) - a limited liability partnership established in 2002 to make investments in the technology and biomedical sectors. In the absence of profits within QVP, a sum equivalent to the company's entitlement is advanced to the company as an interest-free limited recourse loan. Such advances are treated as income in the company's accounts in accordance with Financial Reporting Standard 5, "Reporting the substance of transactions".

##### **(c) DEFERRED TAXATION**

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

##### **(d) CURRENT TAXATION**

Current tax is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantially enacted at the Balance Sheet date.

##### **(e) SUBSIDIARY UNDERTAKINGS - LIMITED PARTNERSHIPS**

The company acts as the general partner of Quester Venture GP Partnership which is the general partner of a venture capital fund, Quester Venture Partnership. Quester Venture GP Partnership and Quester Venture Partnership are limited partnerships which, by virtue of the role of the general partner, are deemed to be subsidiary undertakings of the company under the provisions of the Companies Act 2006.

However, as the company is itself a subsidiary undertaking of an immediate parent undertaking established under the law of a member state of the EU, it is exempt from the requirement to prepare group accounts. The company is included in consolidated financial statements prepared by its ultimate parent undertaking SPARK Ventures plc, which are drawn up to 31 March in the same financial year. These accounts therefore present information about Quester Venture GP Limited as an individual entity and not about its group.

##### **(f) GOING CONCERN**

At the date of approval of these financial statements, the Company was in a net asset and net current asset position. After considering the future plans and reasonable possible changes in trading performance of the Company, the directors have a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.



**Quester Venture GP Limited**

NOTES TO THE ACCOUNTS  
for the year ended 31 March 2014

**2 OPERATING (LOSS)/PROFIT**

Auditor's remuneration of £5,000 for the audit of the Company's annual accounts (2013: £5,000) has been borne by the parent company. The statutory auditor's remuneration disclosure has been made in the group accounts of SPARK Ventures plc, including statutory disclosures regarding provision of non-audit services.

**3 EMPLOYEES AND DIRECTORS**

In the current or prior years, the company had no employees and none of the directors received any remuneration from this company, nor had any interests in the share capital of the company.

**4 TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	2014	2013
	£	£
<b>(a) Tax charge comprises:</b>		
Current tax:		
UK corporation tax on profits for the period	-	-
Total current tax (note (b))	-	-
Deferred tax:		
Origination and reversal of timing differences	(118,141)	(28,261)
Tax of profit/(loss) on ordinary activities	(118,141)	(28,261)
<b>(b) Factors affecting tax charge for the year:</b>		
The tax assessed for the year is higher than the standard rate of corporation tax in the UK at 24%		
The differences are explained below:		
(Loss)/profit on ordinary activities before taxation	(4,156)	45,172
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK at 24%	(998)	10,841
Effects of:		
Losses created in the period	81,998	134,299
Revenues not subject to corporation tax in the year	(81,000)	(145,140)
Current tax charge for the period (note (a))	-	-
<b>PROVISION FOR DEFERRED TAX</b>	<b>2014</b>	<b>2013</b>
	£	£
Priority profit share	(1,957,348)	(1,957,348)
Losses	1,057,972	1,057,972
Provision for deferred tax liability	(899,376)	(899,376)
Provision at start of period	(899,376)	(927,637)
Deferred tax charge in profit and loss account for period (note (a))	118,141	28,261
Provision at end of period	(781,235)	(899,376)

Quester Venture GP Limited

NOTES TO THE ACCOUNTS  
for the year ended 31 March 2014

5	DEBTORS	2014 £	2013 £
	Amounts owed by group companies	1,761,942	1,693,691
	Other debtors	2	2
		<u>1,761,944</u>	<u>1,693,693</u>

Amount owed by group companies is interest free and repayable on demand.

6	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2014 £	2013 £
	Amounts owed to group companies	326	326
	Other creditors	1,274	1,274
	Trade creditors	90,000	-
		<u>91,600</u>	<u>1,600</u>

Amount owed to group companies is interest free and repayable on demand.

7	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2014 £	2013 £
	Deferred tax liability	781,235	899,376
		<u>781,235</u>	<u>899,376</u>

The deferred tax liability of £781,235 (2013: £899,376) arises from the receipt of interest free limited recourse loans paid in lieu of the company's entitlement to priority profit share from underlying limited partnerships and a deferred asset in respect of excess management expenses carried forward.

**Quester Venture GP Limited**

**NOTES TO THE ACCOUNTS**  
for the year ended 31 March 2014

**8 CALLED UP SHARE CAPITAL**

	Number of shares	Nominal value £
<b>Authorised, allotted, called up and fully paid: at 31 March 2013 and 31 March 2014</b>		
£1 "A" ordinary shares	1,000	1,000
£1 "B" ordinary shares	2,480	2,480
£1 Fixed rate preference shares	6,520	6,520
	<b>10,000</b>	<b>10,000</b>

The "A" ordinary shareholders are entitled to 80% of any dividend declared and the "B" ordinary shareholders are entitled to 20% of any dividend declared. The "B" ordinary shareholders are not entitled to vote at any general meeting.

The fixed rate preference shares of £1 each have a fixed dividend entitlement of 5% per annum of the nominal value per share payable annually on 31 December in each year. The preference shareholders are not entitled to vote at any general meeting. Holders of the fixed rate preference shares have waived their entitlement to the dividend due in the current and prior year

**9 PROFIT AND LOSS ACCOUNT**

	2014 £	2013 £
At 1 April	861,089	787,656
Retained profit for the year	113,985	73,433
At 31 March	<b>975,074</b>	<b>861,089</b>

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

	2014 £	2013 £
Opening shareholders' funds	871,089	797,656
Total recognised gains relating to the year	113,985	73,433
Closing shareholders' funds	<b>985,074</b>	<b>871,089</b>

**11 PARENT UNDERTAKING**

At the year end the ultimate parent company and controlling party of the company was SPARK Ventures plc, a company incorporated in Great Britain and registered in England and Wales. SPARK Ventures plc prepares group accounts and hence the company is exempt from the requirements to prepare consolidated accounts, and present a cash flow statement under FRS1. Copies of the group accounts are available from 5 St John's Lane, London .

The company is a wholly owned subsidiary of SPARK Ventures plc and has therefore taken advantage of the exemption in Financial Reporting Standard No 8 from disclosing transactions with related parties that are part of the SPARK Ventures plc group or investees of the group.