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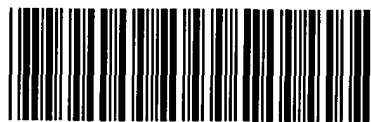
Registered number: 02454345

SPARK VENTURE MANAGEMENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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SPARK VENTURE MANAGEMENT LIMITED

COMPANY INFORMATION

Directors

A D N Betton
A D Duffy
C J Gee
J R Patel
T A Teichman

Company secretary

A D N Betton

Registered number

02454345

Registered office

62 Dean Street
London
England
W1D 4QF

Independent auditors

Nyman Libson Paul
Chartered Accountants & Registered Auditors
Regina House
124 Finchley Road
London
NW3 5JS

SPARK VENTURE MANAGEMENT LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Statement of income and retained earnings	5
Statement of financial position	6
Notes to the financial statements	7 - 12

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

The directors present their report and the financial statements for the year ended 31 March 2017.

Directors' responsibilities statement

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year were:

A D N Betton
A D Duffy
C J Gee
J R Patel
T A Teichman

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

SPARK VENTURE MANAGEMENT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2017**

Auditors

The auditors, Nyman Libson Paul, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 31 July 2017 and signed on its behalf.



A D N Betton
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SPARK VENTURE MANAGEMENT LIMITED

We have audited the financial statements of SPARK Venture Management Limited for the year ended 31 March 2017, which comprise the statement of income and retained earnings, the statement of financial position and the related notes. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 auditors' 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 Auditors

As explained more fully in the directors' responsibilities statement on page 1, 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 Ethical Standards for Auditors.

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 directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 March 2017 and of its profit or 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SPARK VENTURE MANAGEMENT
LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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 in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies' exemption from the requirement to prepare a strategic report.



Nyman Libson Paul

Chartered Accountants
Registered Auditors

Regina House
124 Finchley Road
London
NW3 5JS

31 July 2017

SPARK VENTURE MANAGEMENT LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2017

	2017 £	2016 £
Turnover	72,100	2,877,786
Gross profit	<u>72,100</u>	<u>2,877,786</u>
Administrative expenses	(226,610)	(628,963)
Other operating income	116,393	147,471
Operating (loss)/profit	<u>(38,117)</u>	<u>2,396,294</u>
Income from shares in group undertakings	-	98,000
Interest receivable and similar income	229	3,526
(Loss)/profit before tax	<u>(37,888)</u>	<u>2,497,820</u>
Tax on (loss)/profit	33,683	(449,400)
(Loss)/profit after tax	<u>(4,205)</u>	<u>2,048,420</u>
Retained earnings at the beginning of the year	16,056	926,140
	<u>16,056</u>	<u>926,140</u>
(Loss)/profit for the year	(4,205)	2,048,420
Dividends declared and paid	-	(2,958,504)
Retained earnings at the end of the year	<u>11,851</u>	<u>16,056</u>

The notes on pages 7 to 12 form part of these financial statements.

SPARK VENTURE MANAGEMENT LIMITED
REGISTERED NUMBER: 02454345

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	6	542	2,565
Investments	7	160	675
		<u>702</u>	<u>3,240</u>
Current assets			
Debtors: amounts falling due within one year	8	1,378,307	1,417,323
Cash at bank and in hand		118,542	331,643
		<u>1,496,849</u>	<u>1,748,966</u>
Creditors: amounts falling due within one year	9	(1,419,190)	(1,719,640)
Net current assets		<u>77,659</u>	<u>29,326</u>
Total assets less current liabilities		<u>78,361</u>	<u>32,566</u>
Net assets		<u><u>78,361</u></u>	<u><u>32,566</u></u>
Capital and reserves			
Called up share capital		66,510	16,510
Profit and loss account		11,851	16,056
		<u>78,361</u>	<u>32,566</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 July 2017.



A D N Betton
Director

The notes on pages 7 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. General information

Spark Venture Management Limited is a private company limited by shares and registered in England. The address of the registered office is 62 Dean Street, London, W1D 4QF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

The company's turnover derives from the management and operation of venture capital funds and the provision of management and advisory services to third parties. Revenue is recognised over the agreement for the provision of services.

Other operating income comprises recharges of salaries to group and associated companies.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	-	33% on cost
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised through the statement of income and retained earnings.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies (continued)**2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and from third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Investments in non-puttable ordinary shares are measured at cost less impairment.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of income and retained earnings.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including loans payable, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.9 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.10 Pensions**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies (continued)**2.11 Interest income**

Interest income is recognised through the statement of income and retained earnings using the effective interest method.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

There were no significant judgments and key sources of estimation uncertainty required in the preparation of these financial statements.

4. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>7,500</u>	<u>14,000</u>

5. Employees

The average monthly number of employees, including directors, during the year was 8 (2016 - 8).

SPARK VENTURE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

6. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 April 2016	53,254
Disposals	(46,277)
At 31 March 2017	<u>6,977</u>
Depreciation	
At 1 April 2016	50,689
Charge for the period on owned assets	2,023
Disposals	(46,277)
At 31 March 2017	<u>6,435</u>
Net book value	
At 31 March 2017	<u>542</u>
At 31 March 2016	<u>2,565</u>

7. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2016	675
Disposals	(515)
At 31 March 2017	<u>160</u>
Net book value	
At 31 March 2017	<u>160</u>

SPARK VENTURE MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

8. Debtors

	2017 £	2016 £
Trade debtors	16,594	28,359
Amounts owed by group undertakings	1,245,828	1,194,061
Amounts owed by joint ventures and associated undertakings	97,383	43,370
Other debtors	5,564	133,051
Prepayments and accrued income	7,013	6,828
Deferred taxation	5,925	11,654
	<u>1,378,307</u>	<u>1,417,323</u>

9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	28,801	1,175
Amounts owed to group undertakings	1,300,515	1,350,515
Corporation tax	10,502	219,365
Other taxation and social security	1,442	40,096
Other creditors	37,698	88,489
Accruals and deferred income	40,232	20,000
	<u>1,419,190</u>	<u>1,719,640</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

10. Related party transactions

At the reporting date T A Teichman, a director of the company, was owed £36,771 (2016: £81,392) by the company.

The company owns 20% of Spark China Limited. During the year the company recharged payroll costs to Spark China Limited totalling £45,000 (2016: £60,318) and reversed a provision of £99,000 previously made against the amount due from Spark China Limited. At the reporting date Spark China Limited owed £97,382 (2016: £43,370) to the company.

The company is exempt from disclosing other related party transactions as they are with companies that are wholly owned within the group.