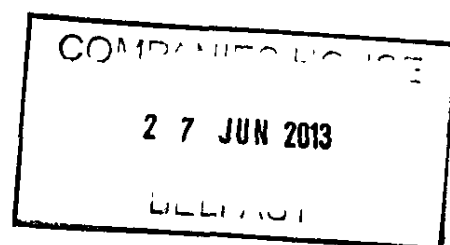


Clarendon Fund Managers Limited

Financial statements

Year ended 31 August 2012

Company registration No 03525474



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Clarendon Fund Managers Limited

Directors' Report and financial statements

<i>Contents</i>	<i>Page</i>
Directors and other information	1
Directors' Report	2
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	4
Independent auditors' report	5
Profit and loss account	7
Balance sheet	8
Cash flow statement	9
Notes forming part of the financial statements	10

Clarendon Fund Managers Limited

Directors and other information

Directors	Philip S Cammerman Alan Mawson Neil Simms
Secretary	Anthony N Fiducia
Bankers	Bank of Ireland Belfast City Branch Belfast BT1 2BA
Solicitors	Bryan Cave 88 Wood Street London EC2V 7QS
Auditors	KPMG Chartered Accountants Stokes House 17/25 College Square East Belfast BT1 6DH
Registered office	Bryan Cave 88 Wood Street London EC2V 7QS
Registered in England number	03525474

Clarendon Fund Managers Limited

Directors' report

The Directors have pleasure in submitting their Annual Report together with the audited financial statements of the Company for the year ended 31 August 2012

Business review

The principal activity of the Company is the management of venture capital funds. There were no significant changes to the principal activity during the year, although the Company was appointed manager of an additional fund in the final quarter of the prior year. The Directors do not plan any significant changes in the principal activity within the foreseeable future.

Results

Details of the results for the year are set out in the profit and loss account on page 7 and related notes. The Directors do not recommend the payment of a final dividend on the ordinary shares (2011: £nil).

Policy and practice on payment of creditors

We are committed to establishing mutually beneficial relationships with our suppliers and it is our policy to pay them within 30 days of the invoice date, or as otherwise agreed.

At the year end, there were 22 days (2011: 19 days) purchases in trade creditors.

Tangible fixed assets

The movement in tangible fixed assets is set out in note 6 to the financial statements.

Directors

The Directors at 31 August 2012 were as follows:

Alan Mawson
Philip S Cammerman
Neil Simms

Political and charitable contributions

The Company made no political or charitable contributions during the year (2011: £nil).

Disclosure of information to auditors

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 auditors are unaware, and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

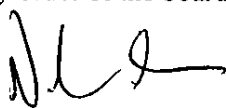
Clarendon Fund Managers Limited

Directors' report (*continued*)

Auditors

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG will therefore continue in office

By order of the board



Neil Simms
Director

19 December 2012

Clarendon Fund Managers 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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 judgments and 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, and
- 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 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.

On behalf of the Board



Neil Simms
Director

19 December 2012



KPMG
Chartered Accountants
Stokes House
17-25 College Square East
Belfast BT1 6DH
Northern Ireland

Independent auditors' report to the members of Clarendon Fund Managers Limited

We have audited the financial statements of Clarendon Fund Managers Limited for the year ended 31 August 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 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 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.

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 (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 August 2012 and of its profit 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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



KPMG
Chartered Accountants
Stokes House
17-25 College Square East
Belfast BT1 6DH
Northern Ireland

Independent auditors' report to the members of Clarendon Fund Managers Limited
(continued)

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

Jon D'Arcy (Senior Statutory Auditor)
for and on behalf of KPMG, Statutory Auditor
KPMG Chartered Accountants
Stokes House
17-25 College Square East
Belfast

19 December 2012

Clarendon Fund Managers Limited

Profit and loss account

Year ended 31 August 2012

	<i>Note</i>	2012 £	2011 £
Continuing operations			
Management fees receivable		450,100	357,811
Other income	2	19,087	19,435
Administrative expenses		(421,620)	(372,024)
		<hr/>	<hr/>
Profit on ordinary activities before taxation	3	47,567	5,222
Tax on profit on ordinary activities	5	(6,921)	-
		<hr/>	<hr/>
Profit for the financial year	12	40,646	5,222
		<hr/>	<hr/>

The Company has no recognised gains or losses other than those included above and therefore no separate statement of total recognised gains and losses has been presented

All activity has arisen from continuing operations

The notes on pages 10 to 19 form part of these financial statements

Clarendon Fund Managers Limited

Balance sheet As at 31 August 2012

	Note	£	2012 £	£	2011 £
Fixed assets					
Tangible assets	6	1,494		250	
Investments	7	4		4	
			1,498		254
Current assets					
Debtors	8	209,404		121,934	
Cash at bank		59,765		10,381	
			269,169		132,315
Creditors: amounts falling due within one year	9		(167,488)		(70,036)
Net current assets			101,681		62,279
Net assets			103,179		62,533
Capital and reserves					
Called up share capital	10		1,500		1,500
Capital redemption reserve	11		32,500		32,500
Profit and loss account	11		69,179		28,533
Total shareholders' funds	12		103,179		62,533

The financial statements were approved by the Board of Directors on the 19 December 2012



For and on behalf of
Clarendon Fund Managers Limited (Director)

Company registration number 03525474

The notes on pages 10 to 19 form part of these financial statements

Clarendon Fund Managers Limited

Cash flow statement Year ended 31 August 2012

	<i>Note</i>	2012 £	2011 £
Net cash inflow/(outflow) from operating activities	13(a)	49,384	(72,453)
		<hr/>	<hr/>
Increase/(decrease) in cash		49,384	(72,453)
		<hr/>	<hr/>
Reconciliation of net cash flow to movement in net funds			
		2012 £	2011 £
Increase/(decrease) in cash		49,384	(72,453)
		<hr/>	<hr/>
Movement in net funds	13(b)	49,384	(72,453)
		<hr/>	<hr/>
Net funds at 1 September		10,381	82,834
		<hr/>	<hr/>
Net funds at 31 August		59,765	10,381
		<hr/>	<hr/>

Clarendon Fund Managers Limited

Notes

(forming part of the financial statements)

1 Principal accounting policies

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

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards

Going concern

The Directors consider, having taken into account all information that could reasonably be expected to be available, that the Company will have sufficient cash-flow to enable it to meet its liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Company's financial statements

Consolidated financial statements

The Company has not prepared consolidated accounts due to the immaterial size of its interests in its subsidiary undertakings

Bank interest and dividends

Bank interest and dividends received from subsidiary undertakings are recognised on an accruals basis

Depreciation

Fixed assets are depreciated on a straight line basis over their useful economic lives as follows

Fixtures and fittings	-	33 % per annum
Office equipment	-	33 % per annum

Taxation

Corporation tax is calculated on the results of the period

Deferred tax is provided in respect of all timing differences that have originated but not reversed at the balance sheet date and is determined using the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse. Deferred tax assets are recognised only to the extent that they are expected to be recoverable

Investments

Investments are stated at cost less any provisions for impairments in value

Clarendon Fund Managers Limited

Notes (continued)

1 Principal accounting policies (continued)

Classification of financial instruments issued by the company

Following the adoption of FRS 25, financial instruments issued by the Company are treated as equity (ie forming part of shareholders' funds) only to the extent that they meet the following two conditions

- a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with other party under conditions that are potentially unfavourable to the Company, and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligations to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial statements for called up share capital and share premium account exclude amount in relation to those shares

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds, are dealt with as appropriations in the reconciliation of movements in shareholders' funds

Management fees and other income

Management fees and other income excludes value-added tax and represents the fair value of services delivered to customers in the accounting period. Services are deemed to have been delivered to customers when, and to the extent that the entity has met its obligations under its service contracts

2 Other income

	2012 £	2011 £
Custodian fees	19,087	19,435
	<hr/>	<hr/>
	19,087	19,435
	<hr/>	<hr/>

Clarendon Fund Managers Limited

Notes (continued)

3 Operating profit

This is stated after charging

	2012 £	2011 £
Auditors' remuneration - audit services	2,950	2,950
Depreciation	750	600
	<u> </u>	<u> </u>

4 Staff costs

(a) The aggregate payroll costs for the year were as follows

	2012 £	2011 £
Wages and salaries	154,327	125,262
Social security costs	13,690	13,700
Other pension costs	43,548	21,546
	<u> </u>	<u> </u>
	211,565	160,508
	<u> </u>	<u> </u>

The average number of persons employed by the company during the year was 3 (2011 3)

(b) Directors' emoluments

	2012 £	2011 £
Remuneration	81,000	56,873
Directors Consultancy Fee	116,000	94,446
	<u> </u>	<u> </u>
	197,000	151,319
	<u> </u>	<u> </u>

Retirement benefits were accrued on behalf of no directors under purchase money schemes (2011 £nil directors)

Clarendon Fund Managers Limited

Notes (continued)

5 Tax on profit on ordinary activities

	2012 £	2011 £
<i>(a) Analysis of tax charge in the year</i>		
<i>Current tax</i>		
Corporation tax	6,921	-
Adjustment in respect of prior year	-	-
	<u>6,921</u>	<u>-</u>
<i>Deferred tax</i>		
Deferred tax credit in current year	-	-
Deferred tax credit in respect of prior year	-	-
	<u>-</u>	<u>-</u>
Total tax charge	<u>6,921</u>	<u>-</u>

(b) Factors affecting tax charge for the year

The current tax charge for the period is higher than the standard rate of corporation tax in the UK
The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	47,567	5,222
Current tax at 20% (2011 at 20%)	9,513	1,044
Effects of		
Expenses not deductible for tax reasons	640	-
Capital allowances for period in excess of depreciation	(406)	120
Other timing differences	(7,481)	-
Other	4,655	(1,164)
Current tax charge for period	<u>6,921</u>	<u>-</u>

Clarendon Fund Managers Limited

Notes (continued)

6 Tangible assets

	<i>Office equipment</i> £	<i>Fixtures & fittings</i> £	<i>Total</i> £
Cost			
At 1 September 2011	24,947	6,834	31,781
Additions	1,994	-	1,994
At 31 August 2012	26,941	6,834	33,775
Depreciation			
At 1 September 2011	24,697	6,834	31,531
Charge for the year	750	-	750
At 31 August 2012	25,447	6,834	32,281
Net book value			
At 31 August 2012	1,494	-	1,494
At 31 August 2011	250	-	250

Clarendon Fund Managers Limited

Notes (continued)

7 Investments in subsidiary undertakings

	2012 £	2011 £
Investment in NI Venture Partners Limited	2	2
Investment in Clarendon Fund Nominees Limited	1	1
Investment in Nitech Venture Partners Limited	1	1
	<hr/>	<hr/>
	4	4
	<hr/>	<hr/>

The company holds 2 ordinary shares of £1 each in NI Venture Partners Limited. This represents the entire share capital of NI Venture Partners Limited, a company incorporated in the United Kingdom and whose principal activity is its role as General Partner in a venture capital limited partnership, the Viridian Growth Fund.

For the year ended 31 August 2012 and year ended 31 August 2011 NI Venture Partners Limited made neither a profit nor a loss and had net assets of £2.

The company holds 1 ordinary share of £1 in Clarendon Fund Nominees Limited. This represents the entire share capital of Clarendon Fund Nominees Limited, a company incorporated in the United Kingdom and whose principal activity is the provision of share certificate safe-keeping services.

For the year ended 31 August 2012 and year ended 31 August 2011 Clarendon Fund Nominees Limited made neither a profit nor a loss and had net assets of £1.

The company holds 1 ordinary share of £1 in Nitech Venture Partners Limited. This represents the entire share capital of Nitech Venture Partners Limited, a company incorporated in the United Kingdom and whose principal activity is its role as General Partner in a venture capital limited partnership, the Nitech Growth Fund.

For the year ended 31 August 2012 and period ended 31 August 2011 Nitech Venture Partners Limited made neither a profit nor a loss and had net assets of £1.

Viridian Growth Fund Limited Partnership and Nitech Growth Fund Limited Partnership are both deemed to be subsidiaries of the company due to its interest in NI Venture Partners Limited and Nitech Venture Partners Limited as set out above.

Clarendon Fund Managers Limited

Notes (continued)

8 Debtors: amounts falling due within one year

	2012 £	2011 £
Trade debtors	12,562	31,729
Amounts due from subsidiary undertakings	138,873	45,373
Other debtors	56,216	44,266
Deferred tax debtor	566	566
Other taxes and social security costs	1,187	-
	<u>209,404</u>	<u>121,934</u>

9 Creditors: amounts falling due within one year

	2012 £	2011 £
Trade creditors	6,347	1,281
Founder loan	50	50
Accruals and deferred income	105,834	17,416
Corporation tax liability	6,921	-
Other taxes and social security costs	-	2,953
Amounts due to subsidiary undertakings	48,336	48,336
	<u>167,488</u>	<u>70,036</u>

10 Share capital

	2012 £	2011 £
Allotted, issued and fully paid:		
1,500 A ordinary shares of £1 each	1,500	1,500
500 B ordinary shares of £1 each	-	-
	<u>1,500</u>	<u>1,500</u>
Shares classified as liabilities	-	-
Shares classified in shareholders' funds	1,500	1,500
	<u>1,500</u>	<u>1,500</u>

Clarendon Fund Managers Limited

Notes *(continued)*

11 Reserves

	Capital redemption reserve £	Profit & loss account £	Total £
At 1 September 2011	32,500	28,533	61,033
Profit for the financial year	-	40,646	40,646
	<hr/>	<hr/>	<hr/>
At 31 August 2012	32,500	69,179	101,679
	<hr/>	<hr/>	<hr/>

12 Reconciliation of movements in shareholders' funds

	2012 £	2011 £
Opening shareholders' funds	62,533	57,311
Profit for the financial year	40,646	5,222
	<hr/>	<hr/>
Closing shareholders' funds	103,179	62,533
	<hr/>	<hr/>

Clarendon Fund Managers Limited

Notes (continued)

13 Notes to the statement of cash flows

(a) Reconciliation of operating loss to net cash inflow from operating activities

	2012 £	2011 £
Operating profit/(loss)	40,646	5,222
Depreciation	750	600
(Increase)/decrease in debtors	(87,470)	(68,224)
Increase/(decrease) in creditors	97,452	(10,051)
Fixed asset additions	(1,994)	-
	<u>49,384</u>	<u>(72,453)</u>

(b) Analysis of changes in net debt

	<i>At 31 August 2011 £</i>	<i>Cash flow £</i>	<i>At 31 August 2012 £</i>
Cash at bank and in hand	10,381	49,384	59,765
Debt due within one year	-	-	-
Debt due after one year	-	-	-
	<u>10,381</u>	<u>49,384</u>	<u>59,765</u>

14 Contingent liabilities

There were no contingent liabilities at 31 August 2012 (2011 £nil)

Clarendon Fund Managers Limited

Notes (continued)

15 Related party transactions

During the year the company entered into the following transactions with subsidiary undertakings

	2012 £	2011 £
NI Venture Partners Limited Fees received and receivable	221,724	224,708
Clarendon Fund Nominees Limited Fees received and receivable	19,087	19,435
Nitech Venture Partners Limited Fees received and receivable	110,876	104,353

The fees paid by NI Venture Partners Limited relate to the management of the Viridian Growth Fund Limited Partnership. The fees paid by Nitech Venture Partners Limited relate to the management of the Nitech Growth Fund Limited Partnership.

The aggregate amounts receivable from and payable to subsidiary undertakings and other related parties at the balance sheet date were

	2012 £	2011 £
Clarendon Fund Nominees Limited Receivables within one year	24,894	19,087
Nitech Venture Partners Limited Receivable within one year	46,580	45,925
NI Venture Partners Limited Receivable within one year	69,134	(45,291)
Nitech Venture Partners Limited Payable within one year	-	(22,684)

These amounts are included within debtors (note 8) and creditors (note 9)

All dealings with fellow subsidiary undertakings and other related parties are in the ordinary course of business and on normal terms and conditions

16 Ultimate controlling party

The ultimate controlling party is deemed to be Dr Alan Mawson due to his beneficial interest in the share capital of the company