

REGISTERED NUMBER: 10360684 (England and Wales)

**Strategic Report, Report of the Directors and
Financial Statements for the period from 6 September 2016 to 31 December 2017
for
IP2IPO Portfolio (GP) Limited**



IP2IPO Portfolio (GP) Limited (Registered number: 10360684)

Contents of the Financial Statements

for the period from 6 September 2016 to 31 December 2017

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IP2IPO Portfolio (GP) Limited

Company Information

for the period from 6 September 2016 to 31 December 2017

DIRECTORS:

D G Baynes
A J Aubrey
G Smith
M C N Townend

SECRETARY:

IP2IPO Services Limited

REGISTERED OFFICE:

The Walbrook Building
25 Walbrook
London
EC4N 8AF

REGISTERED NUMBER:

10360684 (England and Wales)

INDEPENDENT AUDITOR:

KPMG LLP
Chartered Accountants
Registered Auditor
15 Canada Square
London
E14 5GL

IP2IPO Portfolio (GP) Limited (Registered number: 10360684)

Strategic Report

for the period from 6 September 2016 to 31 December 2017

The directors present their strategic report for the period from 6 September 2016 to 31 December 2017.

IP2IPO Portfolio (GP) Limited (the "Company") was incorporated on 6 September 2016 with the principal activity being the management of IP2IPO Portfolio LP (the "Partnership"), a limited partnership which funds the formation, building and development of spin-out companies specialising in the commercialisation of scientific innovations developed at leading universities and research institutions in the UK with a view to making a profit. The Company has assigned its parent company, Top Technology Ventures Limited to act as "Operator" and has appointed IP Group plc to advise on and manage the investments of the Partnership.

REVIEW OF BUSINESS AND PRINCIPAL ACTIVITIES

Revenues in the period to 31 December 2017 reflect the General Partner's Share receivable by the Company, as a first charge on net income and net capital gains, in respect of its role as general partner to the Partnership. Costs in the period reflect administrative costs incurred.

The results of the Company for the period are set out on page 7.

The Company's total comprehensive income for the period was £8,294. The directors do not propose a final dividend for the current period.

STRATEGY

The Company's business plan is to continue to act as the general partner of the Partnership.

KEY PERFORMANCE INDICATORS

Given the nature of the business, the Company's directors are of the opinion that analysis using financial or other KPIs is not necessary for an understanding of the development, performance or position of the business.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is exposed to a variety of financial and operational risks that arise in the course of its business. These risks include regulatory risk, non-compliance with the limited partnership agreement with IP2IPO Portfolio LP and liquidity risk. The principal risks and uncertainties are integrated with the principal risks and uncertainties of the larger group and are not managed separately. For more details on these risks and how they are managed please refer to pages 46-53 of IP Group plc's 2017 annual report and accounts.

FUTURE OUTLOOK

The directors believe that the Company will operate satisfactorily for the foreseeable future.

ON BEHALF OF THE BOARD:


.....
G Smith - Director

Date: 05-06-2018

IP2IPO Portfolio (GP) Limited (Registered number: 10360684)

Report of the Directors

for the period from 6 September 2016 to 31 December 2017

The directors present their report with the financial statements of the company for the period from 6 September 2016 to 31 December 2017.

INCORPORATION

The Company was incorporated on 6 September 2016.

REVIEW OF BUSINESS

The Directors' Report should be read in conjunction with the Strategic Report on page 2 (which is incorporated in this Directors' Report by reference), which together, include information about the company's business, its financial performance during the period, and likely developments in the future.

EVENTS SINCE THE END OF THE PERIOD

Information relating to events since the end of the period is given in the notes to the financial statements.

DIRECTORS

The directors who have held office during the period from 6 September 2016 to the date of this report are as follows:

D G Baynes - appointed 6 September 2016
A J Aubrey - appointed 6 September 2016
G Smith - appointed 6 September 2016
M C N Townend - appointed 6 September 2016

CHARITABLE AND POLITICAL DONATIONS

No charitable or political donations have been made in the period.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, 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), including FRS 101 *Reduced Disclosure Framework*.

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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

IP2IPO Portfolio (GP) Limited (Registered number: 10360684)

Report of the Directors

for the period from 6 September 2016 to 31 December 2017

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS


So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director 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 auditors are aware of that information.

AUDITOR

The auditor KPMG LLP is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
G Smith - Director

Date: 05-06-2018

Independent Auditor's Report to the Members of IP2IPO Portfolio (GP) Limited

Opinion

We have audited the financial statements of IP2IPO Portfolio (GP) Limited ("the company") for the period from 6 September to 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

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

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Independent Auditor's Report to the Members of IP2IPO Portfolio (GP) Limited (continued)

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

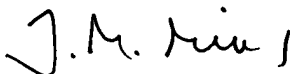
Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

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.



Jonathan Mills (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

6 June 2018

IP2IPO Portfolio (GP) Limited (Registered number: 10360684)

Statement of Comprehensive Income
for the period from 6 September 2016 to 31 December 2017

	Notes	£
TURNOVER		13,333
Administrative expenses		<u>(4,250)</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION	3	9,083
Tax on profit	4	<u>(789)</u>
PROFIT FOR THE FINANCIAL PERIOD		8,294
OTHER COMPREHENSIVE INCOME		<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>8,294</u></u>

The notes on pages 10 to 12 form part of these financial statements

IP2IPO Portfolio (GP) Limited (Registered number: 10360684)

Statement of Financial Position

31 December 2017

	Notes	£	£
CURRENT ASSETS			
Debtors	5		13,334
CREDITORS			
Amounts falling due within one year	6		<u>4,250</u>
NET CURRENT ASSETS			<u>9,084</u>
CREDITORS			
Amounts falling due after more than one year	7		<u>(789)</u>
TOTAL ASSETS			<u>8,295</u>
CAPITAL AND RESERVES			
Called up share capital	8		1
Retained earnings			<u>8,294</u>
SHAREHOLDERS' FUNDS			<u>8,295</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 5 June 2018 and were signed on its behalf by:



.....
G Smith - Director

IP2IPO Portfolio (GP) Limited (Registered number: 10360684)

Statement of Changes in Equity

for the period from 6 September 2016 to 31 December 2017

	Called up share capital £	Retained earnings £	Total equity £
Changes in equity			
Profit for the period	-	8,294	8,294
Total comprehensive income	-	8,294	8,294
Issue of share capital	1	-	1
Total transactions with owners, recognised directly in equity	1	-	1
Balance at 31 December 2017	<u>1</u>	<u>8,294</u>	<u>8,295</u>

The notes on pages 10 to 12 form part of these financial statements

IP2IPO Portfolio (GP) Limited (Registered number: 10360684)

Notes to the Financial Statements

for the period from 6 September 2016 to 31 December 2017

1. STATUTORY INFORMATION

IP2IPO Portfolio (GP) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on page 1.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparation

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements. These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 issued in December 2016 and effectively immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures: a Cash Flow Statement and related notes; disclosures in respect of capital management; the effects of new but not yet effective IFRSs; and disclosures of transactions with a management entity that provides key management personnel services to the Company.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The financial statements have been prepared on a going concern basis as the Company's parent undertaking, Top Technology Ventures Limited, has confirmed its intention to continue its financial support of the Company so as to ensure it is able to meet its liabilities as they fall due for at least a period of twelve months from the date of approval of these financial statements.

Turnover

Turnover reflects the General Partners' Share received by the Company, as a first charge on partnership profits, in respect of its role as general partner to IP2IPO Portfolio LP.

Taxation

The charge for taxation is based on the profit for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax

Provision is made in full for deferred tax liabilities that arise from timing differences where transactions or events, that result in an obligation to pay more tax in the future, have occurred by the balance sheet date. Deferred tax assets are only recognised to the extent that it is considered more likely than not that they will be recoverable. Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are not discounted.

Related party transactions

In accordance with IAS 24 "Related Parties Disclosures", the Company discloses details of material transactions between the reporting entity and related parties. However, transactions between the Company and other Group companies have not been disclosed in accordance with the exemption in IAS 24 paragraph 16.

IP2IPO Portfolio (GP) Limited (Registered number: 10360684)

Notes to the Financial Statements - continued
for the period from 6 September 2016 to 31 December 2017

3. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging:

Auditors' remuneration	£ <u>1,750</u>
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4. TAXATION

Analysis of tax expense

Current tax

United Kingdom corporation tax of 19.43%	-
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Deferred tax

Originating and reversal of timing differences	<u>789</u>
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Tax expense	<u>789</u>
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Factors affecting the tax expense

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below:

Profit before income tax	£ <u>9,083</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.43%	1,765
Effects of:	
Income not taxable for tax purposes	(863)
Adjust closing deferred tax to average rate of 19.43%	<u>(113)</u>
Tax expense	<u>789</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Other debtors	£ <u>13,334</u>
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6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Accruals and deferred income	£ <u>4,250</u>
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7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Deferred tax liability	£ <u>789</u>
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IP2IPO Portfolio (GP) Limited (Registered number: 10360684)

Notes to the Financial Statements - continued
for the period from 6 September 2016 to 31 December 2017

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	£
Number:	Class:		
1	Ordinary	1	<u>1</u>

The Company has one class of ordinary shares which carry equal voting rights, equal rights to income and distributions of assets on liquidation or otherwise, and no right to fixed income.

9. IMMEDIATE AND ULTIMATE PARENT COMPANY

The immediate parent company is Top Technology Ventures Limited and the ultimate controlling party is considered to be IP Group plc. The immediate and ultimate parent companies were incorporated in the United Kingdom. The results of the company are consolidated in the group accounts of the ultimate parent company's financial statements. Copies of the ultimate parent company's financial statements may be obtained from the Secretary of IP Group plc, The Walbrook Building, 25 Walbrook, London, EC4N 8AF.

10. COMMITMENTS AND CONTINGENT LIABILITIES

There were no contingent liabilities or capital commitments at 31 December 2017.

11. SUBSEQUENT EVENTS

There have been no significant events subsequent to the period end.