

IMPERIAL INNOVATIONS INVESTMENT
MANAGEMENT LIMITED
Annual Report and Financial Statements
for the year ended 31 July 2016

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Company Number 06552039

Imperial Innovations Investment Management Limited

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Imperial Innovations Investment Management Limited

Company information

DIRECTORS	R. Cummings N. Pitchford J. Edington
COMPANY SECRETARY	W. Rayner
REGISTERED OFFICE	52 Princes Gate Exhibition Road London SW7 2PG
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Abacus House Castle Park Cambridge CB3 0AN
REGULATORY ADVISORS	Kinetic Partners LLP One London Wall Level 10 London EC2Y 5HB
SOLICITORS	Mayer Brown International LLP 201 Bishopsgate London EC2M 3AF

Imperial Innovations Investment Management Limited

Directors' report for the year ended 31 July 2016

The Directors submit their report and the audited financial statements for the year ended 31 July 2016.

PRINCIPAL ACTIVITIES, REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Imperial Innovations Investment Management Limited's principal activity is that of an FCA regulated entity to carry out FCA regulated activities for the Imperial Innovations Group. Such activities include leading investment rounds and providing corporate finance advice to Imperial Innovations' portfolio companies. No change to this principal activity is currently envisaged.

During the year ended 31 July 2011, Imperial Innovations Investment Management Limited ("the Company") appointed Imperial Innovations Investments Limited to act as Appointed Representative. Imperial Innovations Investments Limited is a wholly owned subsidiary of Imperial Innovations Group plc. As Appointed Representative, Imperial Innovations Investments Limited received corporate finance fees of £400,331 during the year ended 31 July 2016 (2015: £429,155).

Further discussion of the review of business and future developments in the context of the group (Imperial Innovations Group plc) as a whole, including the Company, is provided in the Chairman's statement on page 5, the Chief Executive Officer's review on pages 26 to 31 and the Financial review on pages 56 to 59 of Imperial Innovations Group plc's annual report, which does not form part of this report.

Additionally, the key performance indicators and the principal risks and uncertainties are discussed in the context of the group as a whole, including the Company, on pages 60 to 61 and pages 62 to 67 of Imperial Innovations Group plc's annual report, which does not form part of this report.

FINANCIAL RISK MANAGEMENT

Given the size of the Company, responsibility for monitoring financial risk management is in the hands of the Board. For these purposes, the Company has no financial instruments other than cash and short-term debtors and creditors. The majority of debtors are owed by Group undertakings and are therefore considered to constitute low financial risk.

RESULTS FOR THE YEAR AND DIVIDENDS

The profit and loss account for the year is set out on page 10. No dividends were declared or paid during the year (2015: nil). The Directors do not recommend the payment of a final dividend (2015: nil).

DIRECTORS

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

R. Cummings

N. Pitchford

J. Edington

Imperial Innovations Investment Management Limited

Directors' report for the year ended 31 July 2016 (continued)

DIRECTORS' THIRD PARTY INDEMNITY PROVISIONS

The Company's directors are covered by a qualifying third party indemnity provision which has been in place for all the directors in Imperial Innovations Group plc during the whole year under review and up to the date of approval of the financial statements.

COMPANY SECRETARY

The Company Secretary is W. Rayner.

DIRECTORS' RESPONSIBILITY FOR PROVISION OF INFORMATION TO THE AUDITORS

So far as each of the directors is aware there is no relevant audit information of which the Company's auditors are unaware. Each director has taken all 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.

STATEMENT OF 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on a 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

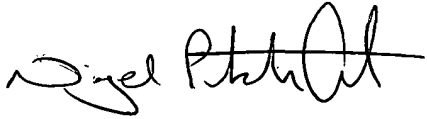
Imperial Innovations Investment Management Limited

Directors' report for the year ended 31 July 2016 (continued)

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

Approved by the Board and signed on behalf of the Board.

A handwritten signature in black ink, appearing to read 'Nigel Pitchford', written in a cursive style.

N. Pitchford

Director

14 November 2016

Imperial Innovations Investment Management Limited

Independent auditors' report to the members of Imperial Innovations Investment Management Limited

Report on the financial statements

Our opinion

In our opinion, Imperial Innovations Investment Management Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 July 2016 and of its 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.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 July 2016;
- the Profit and loss account for the year then ended;
- the Statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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.

Imperial Innovations Investment Management Limited

Independent auditors' report to the members of Imperial Innovations Investment Management Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Imperial Innovations Investment Management Limited

Independent auditors' report to the members of Imperial Innovations Investment Management Limited (continued)

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual 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.



Simon Ormiston (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cambridge
14 November 2016

Imperial Innovations Investment Management Limited

Profit and loss account for the year ended 31 July 2016

	Notes	2016 £	2015 £
Turnover	3	-	-
Cost of sales		-	-
Gross result		-	-
Administrative expenses		(19,479)	(18,741)
Loss on ordinary activities before taxation	6	(19,479)	(18,741)
Tax on loss on ordinary activities	7	-	-
Loss for the financial year	12	(19,479)	(18,741)

The amounts included in the profit and loss account relate to continuing activities.

The Company has no other recognised gains or losses in the current or prior year other than those included in the profit and loss account above and therefore no separate statement of other comprehensive income has been presented.

Imperial Innovations Investment Management Limited

Balance sheet as at 31 July 2016

	Notes	2016 £	2015 £
Current assets			
Debtors	9	624,115	624,115
Cash at bank and in hand		53,082	53,142
		<u>677,197</u>	<u>677,257</u>
Creditors: amounts falling due within one year	10	(29,950)	(10,531)
Net current assets		<u>647,247</u>	<u>666,726</u>
Total assets less current liabilities		647,247	666,726
Net assets		<u>647,247</u>	<u>666,726</u>
Capital and reserves			
Called up share capital	11	50,002	50,002
Profit and loss account	12	597,245	616,724
Total shareholders' funds		<u>647,247</u>	<u>666,726</u>

The financial statements on pages 10 to 17 were approved by the Board of Directors on 14 November 2016 and were signed on its behalf by:



N. PITCHFORD
DIRECTOR

Registered Number: 06552039

Imperial Innovations Investment Management Limited

Statement of changes in equity for the year ended 31 July 2016

	Called up share capital £	Profit and loss account £	Total shareholders' funds £
At 1 August 2014	50,002	635,465	685,467
Loss for the financial year	-	(18,741)	(18,741)
At 31 July 2015	50,002	616,724	666,726
Loss for the financial year	-	(19,479)	(19,479)
At 31 July 2016	50,002	597,245	647,247

Imperial Innovations Investment Management Limited

Notes to the financial statements for the year ended 31 July 2016

1. ACCOUNTING POLICIES

Imperial Innovations Investment Management Limited is a private company incorporated and domiciled in the United Kingdom.

BASIS OF PREPARATION

These financial statements have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualifying entity' as defined in the standard which addresses the financial reporting requirements and disclosure exemptions in the individual financial statements of qualifying entities that otherwise apply the recognition, measurement and disclosure requirements of EU-adopted IFRS.

The financial statements have been prepared on a going concern basis and under the historical cost convention. A summary of the more important Company accounting policies, which have been consistently applied, is set out below.

DEFERRED TAX

Deferred tax is recognised in respect of all temporary differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying temporary differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the temporary differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Imperial Innovations Investment Management Limited

Notes to the financial statements for the year ended 31 July 2016 (continued)

2.1 SUMMARY OF DISCLOSURE EXEMPTIONS ADOPTED

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- IAS 7, 'Statement of cash flows'
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 111 (cash flow statement information); and
 - 134-136 (capital management disclosures).
- Paragraph 30 and 31 of IAS 8, 'Accounting policies, change in accounting estimates and errors', (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued, but is not yet effective).

Consolidated financial statements of Imperial Innovations Group plc in which the Company's balances have been consolidated can be obtained from Company Secretary, Imperial Innovations Group plc, 52 Princes Gate, Exhibition Road, London SW7 2PG.

2.2 NEW AND AMENDED STANDARDS ADOPTED BY THE COMPANY

No new standards have been adopted by the company for the first time for the financial year beginning 1 August 2015.

3. TURNOVER

During the year there was no turnover (2015: nil). The Company appointed Imperial Innovations Investments Limited to act as its Appointed Representative during the year ended 31 July 2011. Since then Imperial Innovations Investments Limited is leading investment rounds and providing corporate finance advice to Imperial Innovations' portfolio companies. Therefore revenue is now recognised in the financial statements of Imperial Innovations Investments Limited.

Imperial Innovations Investment Management Limited

Notes to the financial statements for the year ended 31 July 2016

(continued)

4. DIRECTORS' EMOLUMENTS

The emoluments of the directors are paid by Imperial Innovations Limited, which makes no recharge to the company. The directors are also directors of a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly these financial statements include no details in respect of the directors. Directors' emoluments are disclosed in the annual report and financial statements of Imperial Innovations Group plc.

5. EMPLOYEE INFORMATION

There were no employees during the year (2015: None).

6. LOSS ON ORDINARY ACTIVITIES

	2016	2015
	£	£
Auditors' remuneration in respect of audit services	-	-

Auditors' remuneration of £4,120 (2015: £4,000) is borne at the Group level by Imperial Innovations Group plc and is fully disclosed in those financial statements, which are publicly available.

7. TAX ON LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

Analysis of charge in the year	2016	2015
	£	£
United Kingdom corporation tax at 20% (2015: 20.67%)	-	-
Total tax	-	-

The tax assessed for the year is different (2015: different) from that which arises through applying rate of 20% (2015: blended rate of 20.67%). The differences are explained below:

	2016	2015
	£	£
Loss on ordinary activities before taxation	(19,479)	(18,741)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015: 20.67%)	(3,896)	(3,874)
Effects of:		
Group relief surrendered	3,896	3,874
Total current tax charge	-	-

The standard rate of Corporation Tax in the UK changed from 21% to 20% with effect from 1 April 2015. Accordingly, the Company's profits for this accounting year are taxed at an effective rate of 20% (2015: 20.67%).

Imperial Innovations Investment Management Limited

Notes to the financial statements for the year ended 31 July 2016 (continued)

7. TAX ON LOSS ON ORDINARY ACTIVITIES (CONTINUED)

Changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 July 2015. These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 18% from 1 April 2020.

As these changes had not been substantively enacted at the balance sheet date, their effects are not included in these financial statements.

8. DEFERRED TAXATION

At the balance sheet date, the Company had no deferred tax assets or liabilities (2015: £nil).

9. DEBTORS

Amounts falling due within one year:	2016	2015
	£	£
Amounts owed by Group undertakings	624,115	624,115
	624,115	624,115

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Amounts due to Group undertakings	29,576	10,157
Sundry creditors	374	374
	29,950	10,531

11. CALLED UP SHARE CAPITAL

	2016	2015
	£	£
Authorised 10,000,000 (2015: 10,000,000) ordinary shares of £1 each	10,000,000	10,000,000
Allotted and fully paid 50,002 (2015: 50,002) ordinary shares of £1 each	50,002	50,002

12. PROFIT AND LOSS ACCOUNT

As at 1 August 2015	£
Loss for the financial year	616,724
As at 31 July 2016	597,245

Imperial Innovations Investment Management Limited

Notes to the financial statements for the year ended 31 July 2016 (continued)

13. PARENT UNDERTAKING

The immediate and ultimate parent undertaking and the controlling party is Imperial Innovations Group plc, a company incorporated in England and Wales. Imperial Innovations Group plc is the parent undertaking of both the largest and the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements for Imperial Innovations Group plc may be obtained from the Company Secretary, Imperial Innovations Group plc, 52 Princes Gate, Exhibition Road, London, SW7 2PG.

14. RELATED PARTY TRANSACTIONS

During the year ended 31 July 2011, Imperial Innovations Investment Management Limited appointed Imperial Innovations Investments Limited to act as Appointed Representative. Imperial Innovations Investments Limited is a wholly owned subsidiary of Imperial Innovations Group plc. As Appointed Representative, Imperial Innovations Investments Limited received corporate finance fees of £400,331 during the year ended 31 July 2016 (2015: £429,155).

The Company has taken advantage of the exemption available under FRS 101, not to disclose transactions and balances with wholly owned subsidiaries. Details of the Group's related party transactions are provided in the annual report and financial statements of the Imperial Innovations Group plc.