

**IMPERIAL INNOVATIONS INVESTMENT MANAGEMENT LIMITED**  
**Annual Report and Financial Statements**  
**For the year ended 31 July 2010**



# Imperial Innovations Investment Management Limited

ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2010

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# Imperial Innovations Investment Management Limited

## COMPANY INFORMATION

### DIRECTORS

R Cummings  
J Holden

### SECRETARY

J Bowen  
52 Princes Gate  
Exhibition Road  
London SW7 2PG

### REGISTERED OFFICE

52 Princes Gate  
Exhibition Road  
London SW7 2PG

### AUDITORS

PricewaterhouseCoopers LLP  
Hay's Galleria  
1 Hay's Lane  
London SE1 2RD

### REGULATORY ADVISORS

Kinetic Partners LLP  
One London Wall  
Level 10  
London EC2Y 5HB

### SOLICITORS

Mayer Brown International LLP  
201 Bishopsgate  
London EC3A 8EP

# **Imperial Innovations Investment Management Limited**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2010**

The Directors submit their report and the financial statements for the year ended 31 July 2010

### **PRINCIPAL ACTIVITIES, REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

Imperial Innovations Investment Management Limited's principal activity is that of an FSA regulated entity to carry out FSA regulated activities for the Imperial Innovations Group. Such activities include leading investment rounds and providing corporate finance advice to Imperial Innovations' portfolio companies.

Further discussion of the principal activities, 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 3, the Chief Executive's Review on pages 4 to 7 and the Financial Report on pages 8 to 11 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 12 to 13 and page 15 respectively of the 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.

### **RESULTS FOR THE YEAR**

The Profit and Loss Account for the year is set out on page 8. No dividends were declared or paid during the year (2009 Nil).

### **DIRECTORS**

The Directors of the Company in office at, and since, the year end were as follows:

R. Cummings  
J. Holden

### **COMPANY SECRETARY**

The Company Secretary is J. Bowen.

### **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 Directors 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 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# **Imperial Innovations Investment Management Limited**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2010 (continued)**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)**

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.

### **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.

By order of the Board



**J BOWEN**

**COMPANY SECRETARY**

# **Imperial Innovations Investment Management Limited**

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IMPERIAL INNOVATIONS INVESTMENT MANAGEMENT LIMITED**

We have audited the financial statements of Imperial Innovations Investment Management Limited for the year ended 31 July 2010 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)

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As explained more fully in the Statement of Directors' Responsibilities set out on pages 4 and 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 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 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.

### **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.

### **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 July 2010 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 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)

### 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



Mark Pugh (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

18 November 2010

# Imperial Innovations Investment Management Limited

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JULY 2010

	Notes	Year ended 31 July 2010 £	16 month period ended 31 July 2009 £
Turnover	2	360,000	220,533
Cost of sales		-	-
<b>Gross profit</b>		<b>360,000</b>	<b>220,533</b>
Administrative expenses		(22,453)	(18,858)
<b>Operating profit</b>	5	<b>337,547</b>	<b>201,675</b>
Interest receivable and similar income		-	390
<b>Profit on ordinary activities before taxation</b>		<b>337,547</b>	<b>202,065</b>
Tax on profit on ordinary activities	6	-	-
<b>Profit for the financial year / period</b>	10, 11	<b>337,547</b>	<b>202,065</b>

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

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

There is no difference between the profit on ordinary activities before taxation and the profit for the financial year / period as stated above, and their historical cost equivalents



# Imperial Innovations Investment Management Limited

## BALANCE SHEET AS AT 31 JULY 2010

Company Number 06552039

	Notes	31 July 2010 £	31 July 2009 £
Current Assets			
Debtors	7	626,241	258,639
Cash at bank and in hand		47,507	47,627
		<b>673,748</b>	<b>306,266</b>
Creditors amounts falling due within one year	8	(84,134)	(54,199)
<b>Net current assets</b>		<b>589,614</b>	<b>252,067</b>
Total assets less current liabilities		589,614	252,067
<b>Net assets</b>		<b>589,614</b>	<b>252,067</b>
Capital and Reserves			
Called up share capital	9	50,002	50,002
Profit and loss account	10	539,612	202,065
<b>Total shareholders' funds</b>	<b>11</b>	<b>589,614</b>	<b>252,067</b>

The financial statements on pages 8 to 12 were approved by the Board of Directors on 15 November 2010 and were signed on its behalf by



R CUMMINGS

DIRECTOR

DATE 16.11.10

# Imperial Innovations Investment Management Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2010

### 1 ACCOUNTING POLICIES

#### **BASIS OF PREPARATION**

The Financial Statements have been prepared under the historical cost convention in accordance with applicable United Kingdom accounting standards and the Companies Act 2006. A summary of the more important Company accounting policies, which have been reviewed by the Board of Directors in accordance with Financial Reporting Standard ("FRS") 18, "Accounting policies", and which have been consistently applied, is set out below.

The comparative figures cover the 16 month period from 1 April 2008 to 31 July 2009.

#### **CASH FLOW STATEMENT**

The Company is a wholly owned subsidiary of Imperial Innovations Group plc. The cash flows of the Company are included in the consolidated group cash flow statement of Imperial Innovations Group plc. Consequently, the Company is exempt under the terms of FRS No 1 (revised), "Cash flow statements", from publishing a cash flow statement.

#### **TURNOVER**

Turnover, which excludes value added tax, represents income generated by the Company from Corporate finance fees. Corporate finance fees are generally earned as a fixed percentage of total funds raised and recognised at the time the related transaction is successfully concluded.

#### **DEFERRED TAX**

Deferred tax is recognised in respect of all timing 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 differences can be deducted.

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 tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

### 2 TURNOVER

For the year ended 31 July 2010, the Company's turnover and profit was derived from its principal activity, within the United Kingdom. For management purposes, the Company is organised into one business segment encompassing FSA regulated activities, which principally involves leading investment rounds and providing corporate finance advice to Imperial Innovations' portfolio companies. The Company operates exclusively in the United Kingdom and therefore no additional disclosures are given.

### 3 DIRECTORS' EMOLUMENTS

None of the directors received any emoluments during the year (2009 Nil).

### 4 EMPLOYEE INFORMATION

There were no employees during the year (2009 Nil).

### 5. OPERATING PROFIT

	Year ended 31 July 2010	16 month period to 31 July 2009
	£	£
Auditors' remuneration in respect of audit services	-	-

Auditors' remuneration is borne at the Group level by Imperial Innovations Group plc and is fully disclosed in note 9 of those accounts, which are publicly available.

# Imperial Innovations Investment Management Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2010 (continued)

### 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of charge in the year	Year ended	16 month period to
	31 July 2010	31 July 2009
	£	£
United Kingdom corporation tax at 28%	-	-
Total current tax	-	-

	Year ended	16 month period to
	31 July 2010	31 July 2009
	£	£
Profit on ordinary activities before taxation	337,547	202,065
Profit on ordinary activities multiplied by the standard rate of corporation tax of 28% (2009 28%)	94,513	56,578
Effects of Group relief surrendered	(94,513)	(56,578)
Total current tax charge	-	-

#### Deferred taxation

At the balance sheet date the Company had no deferred tax assets or liabilities

### 7 DEBTORS

Amounts falling due within one year	2010	2009
	£	£
Amounts owed by Group undertakings	624,112	253,613
Prepayments	2,129	5,026
	626,241	258,639

### 8 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010	2009
	£	£
Amounts due to Group undertakings	84,134	54,199

### 9 CALLED UP SHARE CAPITAL

	2010	2009
	£	£
Authorised 10,000,000 ordinary shares of £1 each	10,000,000	10,000,000
Allotted, called up and fully paid 50,002 ordinary shares of £1 each	50,002	50,002

# Imperial Innovations Investment Management Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2010 (continued)

### 10 RESERVES

	Profit and loss account £
As at 1 August 2009	202,065
Profit for the financial year	337,547
As at 31 July 2010	539,612

### 11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010 £	2009 £
Opening shareholders' funds	252,067	-
Profit for the financial year / period	337,547	202,065
Proceeds from issue of ordinary share capital	-	50,002
Closing shareholders' funds	589,614	252,067

### 12 PARENT UNDERTAKING

The ultimate parent organisation is Imperial College by virtue of its shareholding in Imperial Innovations Group plc

Consolidated financial statements for Imperial Innovations Group plc, the intermediate parent company, may be obtained from the Company Secretary, Imperial Innovations Group plc, 52 Princes Gate, Exhibition Road, London, SW7 2PG

### 13 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption under FRS 8 not to disclose transactions or balances with entities that are part of the Imperial Innovations group plc