

## **Pond Venture Partners Limited**

Report and Financial Statements

Year Ended

31 December 2015

Company Number 3383686



## **Pond Venture Partners Limited**

### **Company Information**

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<b>Directors</b>	C H Irving R H Irving
<b>Company secretary</b>	R H Irving
<b>Registered number</b>	3383686
<b>Registered office</b>	Wey Court West Union Road Farnham Surrey GU9 7PT
<b>Independent auditors</b>	BDO LLP 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA

# **Pond Venture Partners Limited**

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# **Pond Venture Partners Limited**

## **Group Strategic Report For the Year Ended 31 December 2015**

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### **Introduction**

The directors present their strategic report together with the audited financial statements for the year ended 31 December 2015. Pond Venture Partners Limited is a private limited company registered in England and Wales.

### **Business review**

Revenue of £282,930 (2014: £433,932) was generated from Pond III management fees. The consolidated profit for 2015 was £18,919 (2014: £17,506). Over the full fund cycle the company aims to break even.

The company's principal activity is that of the manager of venture capital funds and the company is regulated by the Financial Conduct Authority.

The company currently manages Pond III.

Pond III is a successful fund and there remains two portfolio companies which will be managed out to realisation.

Emefcy will be floated on the Australian stock market and the realisation will be considered post the lock-in period which is expected to be two years. The company has potential and we expect further returns to limited partners.

ACCO remains problematic with a high burn rate required to develop their technology. They still have delays in execution. We expect a new round to be concluded in Q1 2016. After this we shall be looking at exit opportunities.

The overheads of the Group have been reduced and the further extension of Pond III for one year will be considered early Q2 2016.

We are currently at our full complement of four full-time staff and one venture partner and do not expect any changes in 2016.

### **Principal risks and uncertainties**

The management company relies on funds under management to generate fees.

A potential risk area is the US Dollar and UK Sterling exchange rate. The operating company has a cost base of which approximately 30% of costs are USD denominated. The volatility of the exchange rates has a direct impact on our reserve position and the number of deals we can make. Where ever possible, we seek to hedge or fix our exchange exposures, however as the timing of investments is uncertain this is not always possible to do far in advance.

A possible risk is the credit risk that our Limited Partners (LP's) may pose. We have reviewed our LP base and had discussions with several of them. Based on our current understanding, it appears very unlikely that they will default on Pond III commitments and thus, we do not believe this is a significant risk at year end.

The primary risks for the portfolio companies under management are funding risk, technological risk and market risk caused by the current economic decline. We are actively working with each of the portfolio companies to manage and reduce these risks.

### **Financial key performance indicators**

The primary performance indicators are the Assets under management, the number of portfolio companies, successful exiting of investments and the valuation of portfolio companies.

Pond III is a 2005 vintage fund and has invested in fifteen companies to date, two of which we closed down, four of which have exited through a sale to management and seven were sold to private buyers. The portfolio is performing satisfactorily and the value of the investments at year end was greater than the cost of investments.

## Pond Venture Partners Limited

### Strategic report (continued)

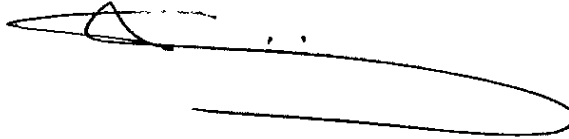
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#### Compliance

The company continues to remain fully compliant with the FCA in accordance with our Scope of Permission. We have no outstanding compliance issues to report on.

This report was approved by the board on *29 MARCH 2016* and signed on its behalf

**C H Irving**  
Director

A handwritten signature in black ink, consisting of a stylized 'C' followed by 'H' and 'I', with a long horizontal stroke extending to the right.

# **Pond Venture Partners Limited**

## **Directors' Report For the Year Ended 31 December 2015**

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The directors present their report and the financial statements for the year ended 31 December 2015

### **Directors' responsibilities statement**

The directors are responsible for preparing the Group 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 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 satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group 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 accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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.

### **Results and dividends**

The profit for the year, after taxation, amounted to £18,919 (2014 -£17,506)

The directors have not proposed a dividend in the current year (2014 - £nil)

### **Directors**

The directors who served during the year were:

C H Irving  
R H Irving

### **Future developments**

Future developments are included within the Business Review section of the Strategic Report

### **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 that director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- that 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 and the Group's auditors are aware of that information

# **Pond Venture Partners Limited**

## **Directors' Report For the Year Ended 31 December 2015**

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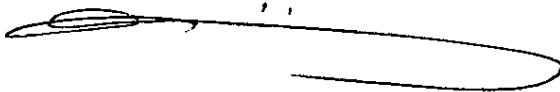
### **Post balance sheet events**

There have been no significant events affecting the Group since the year end

### **Auditors**

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on *29 March 2016* and signed on its behalf



**C H Irving**  
Director

# **Pond Venture Partners Limited**

## **Independent Auditors' Report to the Shareholders of Pond Venture Partners Limited**

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We have audited the financial statements of Pond Venture Partners Limited for the year ended 31 December 2015, set out on pages 7 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards 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, 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 Ethical Standards for Auditors.

### **Scope of the audit of the financial statement**

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 Group's and the parent 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 Group Strategic Report and 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 Group's and the parent Company's affairs as at 31 December 2015 and of the Group's 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



## Pond Venture Partners Limited

### Independent Auditors' Report to the Shareholders of Pond Venture Partners Limited

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#### 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent Company 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



David Eagle (Senior Statutory Auditor)

for and on behalf of

**BDO LLP**

Gatwick, UK

Date

29 March 2016

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

# Pond Venture Partners Limited

## Consolidated Statement of Comprehensive Income For the Year Ended 31 December 2015

	Note	2015 £	2014 £
Turnover		<u>282,930</u>	<u>433,932</u>
<b>Gross profit</b>		<b>282,930</b>	<b>433,932</b>
Administrative expenses		<u>(270,697)</u>	<u>(412,208)</u>
Foreign exchange income		<u>6,686</u>	<u>1,039</u>
<b>Operating profit</b>		<b>18,919</b>	<b>22,763</b>
Taxation on profit/(loss) on ordinary activities	8	<u>-</u>	<u>(5,257)</u>
<b>Profit for the financial year</b>		<u><b>18,919</b></u>	<u><b>17,506</b></u>
<b>Total comprehensive income for the year</b>		<u><b>18,919</b></u>	<u><b>17,506</b></u>
Owners of the parent Company		<u>18,919</u>	<u>17,506</u>
		<u><b>18,919</b></u>	<u><b>17,506</b></u>
Owners of the parent Company		<u>18,919</u>	<u>17,506</u>
		<u><b>18,919</b></u>	<u><b>17,506</b></u>

# Pond Venture Partners Limited

Registered number:3383686

## Consolidated Balance Sheet As at 31 December 2015

	Note	2015 £	2014 £
<b>Current assets</b>			
Debtors: Amounts falling due within one year	10	21,010	33,256
Cash at bank and in hand	11	99,700	222,601
		<u>120,710</u>	<u>255,857</u>
Creditors: Amounts falling due within one year	12	(2,891)	(156,957)
		<u>117,819</u>	<u>98,900</u>
<b>Net current assets</b>		<u>117,819</u>	<u>98,900</u>
<b>Total assets less current liabilities</b>		<u>117,819</u>	<u>98,900</u>
<b>Provisions for liabilities</b>			
		<u>117,819</u>	<u>98,900</u>
<b>Net assets excluding pension asset</b>		<u>117,819</u>	<u>98,900</u>
<b>Net assets</b>		<u>117,819</u>	<u>98,900</u>
<b>Capital and reserves</b>			
Called up share capital	15	25,000	25,000
Other reserves		45,402	45,402
Profit and loss account		47,417	28,498
<b>Equity attributable to owners of the parent Company</b>		<u>117,819</u>	<u>98,900</u>
		<u>117,819</u>	<u>98,900</u>

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

  
C H Irving  
Director

24 March 2016

The notes on pages 13 to 23 form part of these financial statements

# Pond Venture Partners Limited

Registered number:3383686

## Company Balance Sheet As at 31 December 2015

	Note		2015 £	2014 £
<b>Fixed assets</b>				
Investments	9		6	6
			<u>6</u>	<u>6</u>
<b>Current assets</b>				
Debtors Amounts falling due within one year	10	21,010	33,256	
Cash at bank and in hand	11	99,664	222,565	
		<u>120,674</u>	<u>255,821</u>	
Creditors Amounts falling due within one year	12	(2,893)	(212,789)	
			<u>117,781</u>	43,032
<b>Net current assets</b>			<u>117,787</u>	<u>43,038</u>
<b>Total assets less current liabilities</b>				
			<u>117,787</u>	<u>43,038</u>
<b>Net assets excluding pension asset</b>			<u>117,787</u>	<u>43,038</u>
<b>Net assets</b>			<u>117,787</u>	<u>43,038</u>
<b>Capital and reserves</b>				
Called up share capital	15	25,000	25,000	
Other reserves		45,402	45,402	
Profit and loss account		47,385	(27,364)	
			<u>117,787</u>	<u>43,038</u>

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

  
C H Irving  
Director

29 March 2016

## Pond Venture Partners Limited

### Consolidated Statement of Changes in Equity As at 31 December 2015

	Share capital £	Other reserves £	Retained earnings £	Total equity £
At 1 January 2015	25,000	45,402	28,498	98,900
<b>Comprehensive Income for the year</b>				
Profit for the year	-	-	18,919	18,919
<b>Total comprehensive Income for the year</b>	-	-	18,919	18,919
<b>At 31 December 2015</b>	<b>25,000</b>	<b>45,402</b>	<b>47,417</b>	<b>117,819</b>

### Consolidated Statement of Changes in Equity As at 31 December 2014

	Share capital £	Other reserves £	Retained earnings £	Total equity £
At 1 January 2014	25,000	45,402	10,992	81,394
<b>Comprehensive Income for the year</b>				
Profit for the year	-	-	17,506	17,506
<b>Total comprehensive Income for the year</b>	-	-	17,506	17,506
<b>At 31 December 2014</b>	<b>25,000</b>	<b>45,402</b>	<b>28,498</b>	<b>98,900</b>

The notes on pages 13 to 23 form part of these financial statements

## Pond Venture Partners Limited

### Company Statement of Changes in Equity As at 31 December 2015

	Share capital £	Other reserves £	Retained earnings £	Total equity £
At 1 January 2015	25,000	45,402	(27,364)	43,038
<b>Comprehensive Income for the year</b>				
Profit for the year	-	-	74,749	74,749
<b>Total comprehensive income for the year</b>	-	-	74,749	74,749
<b>At 31 December 2015</b>	<b>25,000</b>	<b>45,402</b>	<b>47,385</b>	<b>117,787</b>

### Company Statement of Changes in Equity As at 31 December 2014

	Share capital £	Other reserves £	Retained earnings £	Total equity £
At 1 January 2014	25,000	45,402	(50,125)	20,277
<b>Comprehensive Income for the year</b>				
Profit for the year	-	-	22,761	22,761
<b>Total comprehensive income for the year</b>	-	-	22,761	22,761
<b>At 31 December 2014</b>	<b>25,000</b>	<b>45,402</b>	<b>(27,364)</b>	<b>43,038</b>

The notes on pages 13 to 23 form part of these financial statements

# Pond Venture Partners Limited

## Consolidated Statement of Cash Flows For the Year Ended 31 December 2015

	2015 £	2014 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	18,919	17,506
<b>Adjustments for:</b>		
Interest received	(6,686)	(1,039)
Taxation	-	5,257
Increase in debtors	12,246	54,612
Increase in creditors	(5,010)	(6,585)
Corporation tax	(148,783)	-
	<u>(129,314)</u>	<u>69,751</u>
<b>Net cash generated from operating activities</b>		
<b>Cash flows from investing activities</b>		
Interest received	6,686	1,039
	<u>6,686</u>	<u>1,039</u>
<b>Net cash from investing activities</b>		
	<u>(122,628)</u>	<u>70,790</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		
Cash and cash equivalents at beginning of year	222,601	151,811
	<u>99,973</u>	<u>222,601</u>
<b>Cash and cash equivalents at the end of year</b>		
Cash at bank and in hand	99,700	222,601
	<u>99,700</u>	<u>222,601</u>

The notes on pages 13 to 23 form part of these financial statements

# **Pond Venture Partners Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2015**

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### **1. Accounting policies**

#### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006

Information on the impact first-time adoption of FRS 102 is given in note 17.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied

#### **1.2 Basis of consolidation**

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2014. Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

#### **1.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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.



# **Pond Venture Partners Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2015**

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### **1. Accounting policies (continued)**

#### **1.4 Valuation of Investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

Investments in unlisted company shares, which have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

#### **1.5 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.

#### **1.6 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

# **Pond Venture Partners Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2015**

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### **1. Accounting policies (continued)**

#### **1.7 Financial Instruments**

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured

- i) At fair value with changes recognised in the Profit and Loss Account if the shares are publicly traded or their fair value can otherwise be measured reliably,
- ii) At cost less impairment for all other investments.

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 Profit and Loss Account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

# **Pond Venture Partners Limited**

## **Notes to the Financial Statements For the Year Ended 31 December 2015**

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### **1. Accounting policies (continued)**

#### **1.8 Creditors**

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

#### **1.9 Foreign currency translation**

##### **Functional and presentation currency**

The company's functional and presentational currency is GBP.

##### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and Loss Account within 'other operating income'.

#### **1.10 Taxation**

Tax is recognised in the Profit and Loss Account, except that a change 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 balance sheet date in the countries where the Company and the Group operate and generate income.

# Pond Venture Partners Limited

## Notes to the Financial Statements For the Year Ended 31 December 2015

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

In the application of the Company's accounting policies, which are described in note 1 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no judgements, estimates and assumptions that have a significant effect on income and expenses and the carrying value of assets and liabilities of the Company as at 31 December 2015.

### 3. Analysis of turnover

An analysis of turnover by class of business is as follows

	2015 £	2014 £
Management fee	282,930	433,932
	<u>282,930</u>	<u>433,932</u>

All turnover arose within the United Kingdom

### 4. Operating profit

The operating profit is stated after charging/(crediting)

	2015 £	2014 £
Fees payable to the Group's auditor and its associates for the audit of the company's annual accounts	22,837	37,523
Fees payable to the Group's auditor and its associates for the corporation tax compliance and iXBRL conversion	<u>14,510</u>	<u>13,940</u>

### 5. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £74,749 (2014 - £22,761).

# Pond Venture Partners Limited

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 6. Employees

Staff costs, including directors' remuneration, were as follows

	2015 £	2014 £
Wages and salaries	66,720	127,326
Social security costs	5,828	6,546
	<u>72,548</u>	<u>133,872</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	2014 No
Staff	<u>3</u>	<u>4</u>

### 7. Directors' remuneration

	2015 £	2014 £
Directors' emoluments	-	30,303
	<u>-</u>	<u>30,303</u>

# Pond Venture Partners Limited

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 8. Taxation

	2015 £	2014 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	148,783
<b>Total current tax</b>	<u>-</u>	<u>148,783</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	(143,526)
<b>Total deferred tax</b>	<u>-</u>	<u>(143,526)</u>
<b>Taxation on profit on ordinary activities</b>	<u>-</u>	<u>5,257</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is \*\*\*select\*\*\* (2014 -lower than) the standard rate of corporation tax in the UK of 20.25% (2014 -21.49%) The differences are explained below

	2015 £	2014 £
Profit on ordinary activities before tax	<u>18,919</u>	<u>22,763</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 -21.49%)	3,831	4,892
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	675	1,511
Capital allowances for year in excess of depreciation	-	(394)
Utilisation of tax losses	-	(559,092)
Non-taxable income	-	(93,265)
Origination and reversal of timing differences	(4,506)	(143,526)
Marginal relief	-	(212)
Chargeable gains	-	795,343
<b>Total tax charge for the year</b>	<u>-</u>	<u>5,257</u>

# Pond Venture Partners Limited

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 9. Fixed asset investments

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of Incorporation	Class of shares	Holding	Principal activity
Pond Venture Nominees Limited	United Kingdom	Ordinary	100 %	Nominee company (dormant)
Pond Venture Nominees III Limited	United Kingdom	Ordinary	100 %	Nominee company (dormant)
Pond (GP) III Limited	United Kingdom	Ordinary	100 %	General partner and manager of limited con

The above subsidiaries are included in the consolidated financial statements

As at 31 December 2015 the group managed three venture capital limited partnership funds for which the company, through its subsidiaries, acts as General Partner. Investments held through the Limited Partnerships are made with the express intention of capital appreciation. The funds under management at the year end were £37,722,388 (2014 - £52,560,162)

The aggregate of the share capital and reserves as at 31 December 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows

	Aggregate of share capital and reserves £
Pond Venture Nominees Limited	2
Pond Venture Nominees III Limited	1
Pond (GP) III Limited	1
<b>Company</b>	
	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 January 2015	6
Capital contributions	149,056

# Pond Venture Partners Limited

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 9. Fixed asset investments (continued)

At 31 December 2015	<u>149,062</u>
Impairment	
Charge for the period	<u>149,056</u>
At 31 December 2015	<u>149,056</u>
At 31 December 2015	<u>6</u>
At 31 December 2014	<u>6</u>

### 10. Debtors

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Due within one year				
Amounts owed by limited partnerships	9,601	9,940	9,601	9,940
Prepayments and accrued income	11,409	23,316	11,409	23,316
	<u>21,010</u>	<u>33,256</u>	<u>21,010</u>	<u>33,256</u>

### 11. Cash and cash equivalents

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Cash at bank and in hand	99,700	222,601	99,664	222,565
	<u>99,700</u>	<u>222,601</u>	<u>99,664</u>	<u>222,565</u>



# Pond Venture Partners Limited

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 12. Creditors: Amounts falling due within one year

	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
Amounts owed to group undertakings	-	-	-	209,208
Amounts owed to associates	127	127	127	127
Corporation tax	-	148,783	-	-
Other creditors	-	273	-	-
Accruals and deferred income	2,764	7,774	2,766	3,454
	<u>2,891</u>	<u>156,957</u>	<u>2,893</u>	<u>212,789</u>

### 13 Financial Instruments

	Group 2015 £	Group 2014 £	Group 2013 £	Company 2015 £	Company 2014 £	Company 2013 £
<b>Financial assets</b>						
Financial assets that are debt instruments measured at amortised cost	9,601	9,940	9,940	270,189	9,601	9,940
	<u>9,601</u>	<u>9,940</u>	<u>9,940</u>	<u>270,189</u>	<u>9,601</u>	<u>9,940</u>
<b>Financial liabilities</b>						
Financial liabilities measured at amortised cost	(2,764)	(8,047)	(8,047)	(219,566)	(2,766)	(212,662)
	<u>(2,764)</u>	<u>(8,047)</u>	<u>(8,047)</u>	<u>(219,566)</u>	<u>(2,766)</u>	<u>(212,662)</u>

Financial assets measured at amortised cost comprise amounts owed by group undertakings

Financial Liabilities measured at amortised cost comprise amounts owed to group undertakings, other creditors and accruals and deferred income

# Pond Venture Partners Limited

## Notes to the Financial Statements For the Year Ended 31 December 2015

### 14. Reserves

#### Other reserves

Historical capital contributions

#### Profit and loss account

All other net gains and losses and transactions with owners (eg: dividends) not recognised elsewhere

### 15. Share capital

	2015 £	2014 £
<b>Allotted, called up and fully paid</b>		
25,000 Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

### 16. Related party transactions

FRS102 does not require disclosure of transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member. However, the entity must still disclose a parent-subsidiary relationship as required by paragraph 33.5. Details of such relationships are in note 9.

During the year the company provided director Charles Irving with insurance at a cost of £4,800 (2014 £4,800).

All employee costs in note 3 relate to key management personnel for 2015 and 2014.

During the year the group received management fee income from Pond General Partner (III) LP of £282,930 (2014 £433,932). There was no balance outstanding at the year end.

### 17. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss. These financial statements for the year ended 31 December 2015 are the first year in which the financial statements have been prepared under FRS 102. The date of transition to FRS 102 is 1 January 2014.