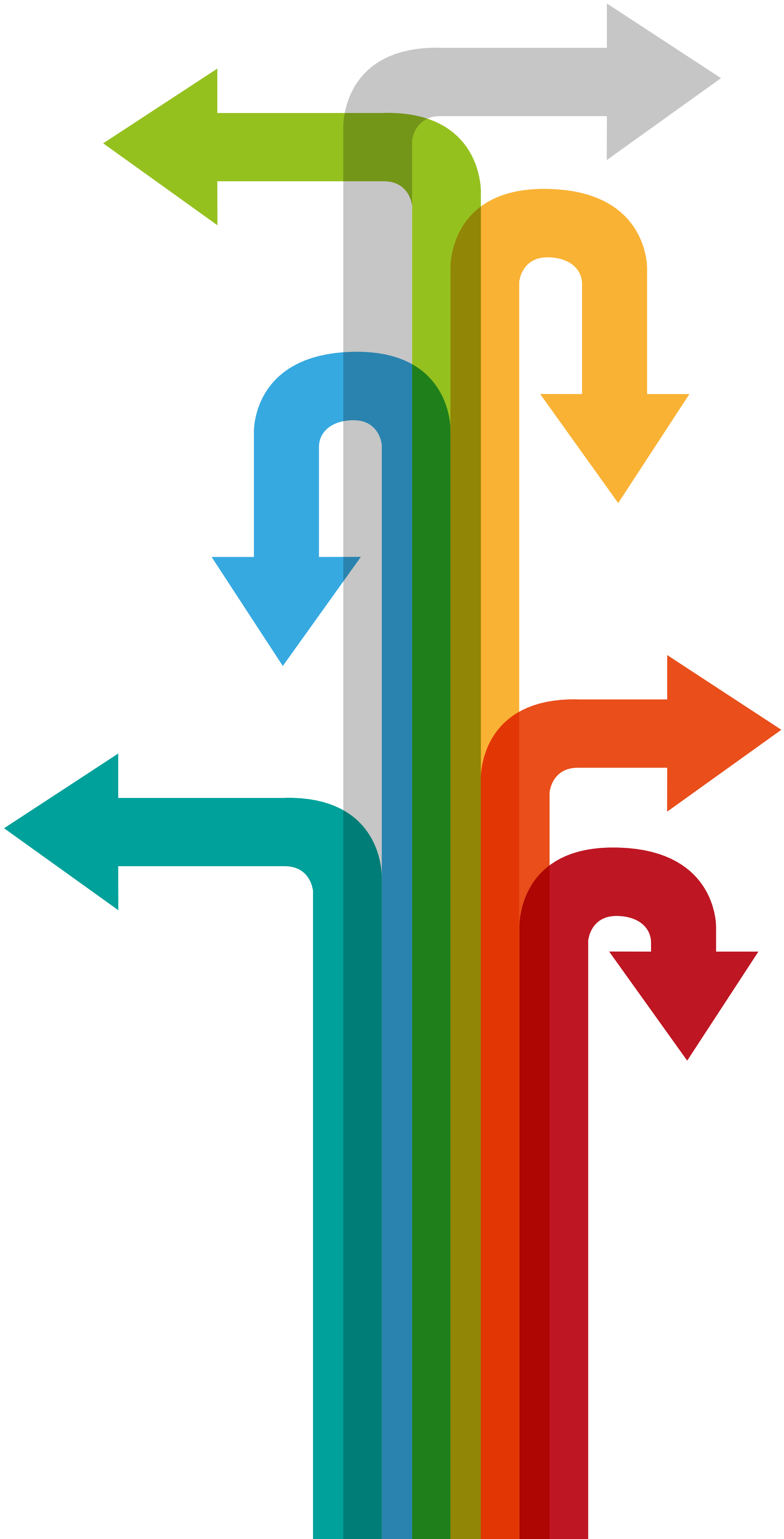
SPARK Ventures



Annual Report and Accounts 2015

for the year ended 31 March 2015

SPARK Ventures plc (SPARK) is an AIM listed early stage venture capital company, established in 1999 and previously had a portfolio of investments in fast-growing technology companies.

SPARK is managed by a company owned by its former executive management team, SPARK Venture Management Limited ('SVML').

SPARK has no full-time employees but has a Board of five directors, being three independent non-executive directors and two representatives of its manager.

The SVML team is very experienced, has been investing in early-stage businesses for 15 years and has a wealth of expertise in backing and developing companies from start-up through to eventual trade sale or IPO. SVML is wholly-owned by SPARK Venture Management Holdings Limited ('SVMH').

About SPARK

Highlights

IMImobile ('IMI') successfully listed on AIM in June 2014. SPARK sold 22% of its stake raising £3.5m proceeds, although £3.1m of this is held in escrow pending tax guidance, which is expected within near future.

SPARK retains an 18% stake in IMI, which has traded well since its IPO and has just reported healthy full year results. Its share price is currently trading approximately 20% above the IPO price (120p) and the year-end share price used in these results (121.5p).

Shareholders received a cash return of £19.0m (4.5p per share) in the year taking total returns since 2009 to £54m (13p per share).

Agreement reached to sell the entire portfolio, excluding IMI, after the balance sheet date for a minimum of £3.7m. The Company has already received £2.8m through the completion of sales in 5 of the 9 investments.

Dispute settled with former director.

Net asset value ('NAV') per share decreased over the year by 12%, to 5.40p, after adjusting the published 31 March 2014 NAV for the 4.5p shareholder return. However, there has been substantial improvement in the NAV (up by approx. 0.6p) after the balance sheet date following the increase in IMI's share price.

Operating losses reduced by 49% due to absence of property losses and reduction in management fee costs.

Total proceeds from realisations (excluding IMI) amount to £54m, when post balance sheet receipts are included, this compares to valuations for these investments of approx. £21m back in September 2009.

The Directors are currently reviewing the strategy of the Company.

Contents

Chairman's Report

Dear Shareholder,

It is my pleasure to present the 2015 results to shareholders as Chairman of your Company. This is a fairly brief factual report as I plan to be writing to all shareholders separately about future proposals for SPARK Ventures plc.

During the year under review, and in the period shortly after the year end, we succeeded in realizing all of our remaining investments (with the exception of our investment in IMI, of which more later).

In April 2015, Hollyport Secondary Opportunities IV Unit Trust ('Hollyport') signed an agreement to purchase nine of our smaller investments for a minimum consideration of £3.7m and the completion of these transactions is underway, with sales in 5 of the 9 investments having completed for a value of £2.8m so far. Owing to the fact that some of the sales have 'anti-embarrassment' clauses to protect our shareholders from any rapid appreciation in value after the completion of the sale, the final consideration will not be certain until 31 December 2015.

There remains some uncertainty about the timing of the receipt of cash held in escrow following the flotation and partial realisation of our IMI stake in the summer of 2014, although this uncertainty is expected to be removed in the next couple of weeks.

The Board is currently reviewing the on-going strategy of the Company and continues to seek ways of ensuring that shareholders benefit not only from realisations but also the value of the quotation, reputation and tax losses of the company.

During the last year realisations totalled £3.5m, losses were £2.3m and costs were £1.6m – of which a significant part related to settling a dispute with a former director. At 31 March 2015 we had free cash of £3.0m.

Yours faithfully

David Potter
Chairman
9 July 2015

Strategic Report

The Directors present the Strategic report of the Company for the year ended 31 March 2015, which has been prepared in accordance with the requirements of section 414A of the Companies Act 2006 (the 'Act'). The purpose of this report is to inform Shareholders and provide them with sufficient information to enable them to assess the extent to which the Directors have performed their duty to promote the success of the Company in accordance with section 172 of the Act.

The Company's independent Auditor is required to report on whether the information given in the Strategic report is consistent with the Financial Statements. The independent Auditor's report can be found on page 10.

Business review

In the year to 31 March 2015, the Company focussed on completing the asset realisation task started in 2009 and in which considerable progress was made in prior years. The most significant development was the listing of IMImobile on AIM in June 2014. Whilst this event only provided a limited exit, with SPARK selling 22% of its shares in a secondary component to the primary listing, it has provided the opportunity to sell the remaining shares once the initial 12 month lock up expires – if the Board so desires. Additionally, considerable efforts were made in Q1 2015 to complete a deal for the remainbing portfolio assets. These efforts were rewarded in April 2015 when the deal to sell all portfolio assets, excluding IMI mobile and the small stake in QVP, to Hollyport for £3.7m was concluded. A more detailed review of the portfolio performance is contained within the Investment Manager's Report.

The Group closed the year with cash balances of £3.0m (2014, £25.7m), an investment portfolio valued at £16.5m (2014, £20.9m), and equity shareholders' funds of £22.6m (2014, £43.7m).

Net asset value per share fell in the year by 5.25p from 10.65p to 5.40p at 31 March 2015. 4.5p per share of this reduction (£19.0m) is accounted for by the shareholder return in April 2014 with the balance of the fall due to the loss for the year.

At the balance sheet date, the Group held five investments valued at more than £0.5m with one of these, IMImobile ('IMI'), accounting for 78% of the remaining value of the portfolio.

Shareholder returns

In the year to 31 March 2015, the Company returned £19.0m to shareholders in a method that gave shareholders the choice between receiving a capital return or a dividend. This brought the cumulative total since 2009 to £53.4m. At the balance sheet date, the Group's free cash balance was not sufficient to propose a shareholder return at this stage. Future returns are dependent upon selling the quoted IMI stock (now free of the main lock-up restrictions), getting the restricted cash released, and completing the sale processes started as part of the Hollyport bulk asset sale.

Risks and uncertainties

The key risk facing SPARK shareholders is that the value of the investments falls and that future returns to shareholders are therefore lower than they could have been. With 78% of the investment value residing in just one investment, IMImobile, a deterioration in the trading performance of IMI and a consequential reduction in the IMI share price is the biggest single risk faced. Similarly, performance in excess of expectations by IMI is the single biggest upside adjustment factor that the Group faces.

Investment policy

At the General Meeting of the shareholders held on 25 April 2014, the extension of the managed realisation period for a further 12 months to 31 March 2015 was approved. In April 2015, the end date to complete all realisations was removed as it was in the company's best interests to do so. Additionally, in April 2015, agreement was reached with the Manager to continue to manage the company on an on-going basis for an annual fee of £400k but terminable on 3 month's notice and with no new incentive provisions.

The Strategic report was approved by the Board of Directors on 9 July 2015 and was signed on its behalf by:

Andrew Betton
Director and Company Secretary

Investment Manager's Report

Introduction

These results record the completion of the managed realisation process which was started in 2009. On 1 April 2014, SPARK had one large private Indian headquartered investment (IMI mobile Pvt Ltd), nine other illiquid investments, and a small stake in a limited partnership. Since that date, the manager has helped float IMI mobile plc leaving SPARK with a significant stake in a UK listed and headquartered telecoms business, and sold the remaining nine other investments, subject to a combined sale and purchase agreement, to Hollyport. The stake in the limited partnership is now also on track to be realised as the partnership enters the last six months of operation. We are working with Hollyport, and other shareholders of the respective portfolio companies if pre-emption rights are exercised, to assist in the completion of the asset sales. We also retain our listed IMImobile shareholding and are currently assessing our options with respect to this investment.

Assets sold to Hollyport

The following assets were included in the Hollyport process: Compliance Online (formerly known as Gambling Compliance), DEM Solutions, Mind Candy, By Design (myDeco), Academia, Crocus, Market Clusters, mBlox and Firebox. These had a combined value of £4.6m at 31 March 14 and 30 September 2014 and have been agreed to be sold for an aggregate price of £3.7m. This number could be increased if any assets get pre-empted by other shareholders within those portfolio companies and could also be increased if any of Compliance Online, Mind Candy or By Design have liquidity events in the remainder of 2015. Overall this transaction was concluded at a maximum of a 20% discount to the book values of the portfolio companies. We see this as a far better result than selling each individual asset to secondary buyers – an area where 50% discounts are not uncommon. At the time of writing, completion has taken place of Compliance Online, By Design, DEM, Firebox and Academia with cash proceeds received of £2.8m.

IMImobile ('IMI')

IMI represented 78% of the portfolio by value at each of 31 March 2015 and 2014. It is therefore, by far, the single most important item on the SPARK balance sheet.

IMI is a leading global technology company providing software and services which help businesses capitalise on the growth in mobile communication. Its solutions help its clients engage and transact with their customers more efficiently through smarter mobile engagement. IMI has developed a suite of software applications and services targeted at both mobile operators and enterprises marketed principally under the DaVinci brand. IMI is headquartered in London, has a development centre in Hyderabad (India) and works with a large number of mobile operators and blue-chip enterprises worldwide.

SPARK first invested in 2000 and was the first institutional investor in the company.

SPARK's total valuation of its stake in IMI decreased in the year by £3.4m from £16.2m to £12.8m. This consisted of the share sale at the IPO (£3.5m), a transfer of shares to part settle a dispute with a former director (£0.3m) and an unrealised gain of £0.4m due to the share price at 31 March 2015 (121.5p) being higher than at the IPO (120p).

As has been reported previously, we supported IMI in achieving a stock market listing on the AIM market of the London Stock Exchange in June 2014. This listing raised £30m at a pre-money valuation of £64m, with £20m of the proceeds going towards selling shareholders. SPARK received proceeds, net of costs, of £3.5m from the listing but was required to put £3.1m of these funds into an Escrow account until it could satisfy IMI that withholding tax was not due on the transaction. We have been working with IMI to resolve this and expect the Escrow amount to be released in the near future.

Since the Balance Sheet date, the IMI share price has increased to 148p as of 30 June 2015, with much of this increase coming after IMI released positive annual results on 23 June 2015.

Highlights of these results are as follows (reproduced from IMI's 2015 results announcement):

Financial highlights:

- Revenue up 13% to £48.9m (2014: £43.4m)
- Gross profit up 8% to £30.0m (2014: £27.9m)
- EBITDA up 27% to £9.2m (2014: £7.2m)
- Adjusted profit after tax up 48% to £5.6m (2014: £3.8m)
- Loss after tax on a statutory basis of £3.4m (2014: £3.9m profit) reflecting share based payments and costs in relation to IPO and acquisition activities
- Good contribution from Europe with organic annual gross profit growth of 26%
- Managed solution growth in MEA of 16%
- Net cash generated from operating activities of £8.2m, representing operating cash conversion of 90% (2014: 121%)
- Free cash flow of £6.6m (2014: £6.9m)
- Cash and cash equivalents at 31 March 2015 of £14.6m (2014: £9.3m)

Operational highlights:

- New major client wins in all regions
- Key new contracts signed in India with revenue benefit expected in FY16
- Renewal of several major contracts including the BBC, a multi-national North African telecoms operator and a major motoring organisation
- Listed on AIM in June 2014 raising net proceeds of approximately £7m for the Company (after considering fees and the acquisition of the Group) to support significant growth opportunities
- Acquisition and successful integration of TxtLocal Limited (TextLocal), trading well since acquisition in October 2014

SPARK has not been able to release any liquidity on its holding of 10.5m shares prior to the expiry of the twelve month lock-up and orderly market deed and is not currently looking to sell its holding whilst its strategic options are being considered.

Cash balances and operations

Cash balances have significantly reduced in the year from £25.7m to £3.0m. £19.0m of this reduction is due to the shareholder return in April 2014, £2.2m was paid to the D shareholders and £0.7m was needed to settle a dispute with a former director.

Cash receipts in the year from selling investments were limited to the IMI proceeds released on the IPO, but as previously stated, £3.1m of this was retained in an Escrow account.

Operating losses of £1.5m are approximately half those of 2014 due to the absence of property losses in the current year and a substantial reduction in the management fee.

Managed realisation summary (updated to 30 June 2015)

The table below sets out the book values of the material investments as at 30 September 2009 and the current value or sales proceeds achieved from these investments.

The value of the portfolio has more than doubled in this period and is equivalent to an IRR of approximately 14%. The process of giving the manager the time to maximise the values of the various investments has clearly been justified by the results achieved.

The total shareholder return made since August 2009 stands at 13.0p per share, or £53.4m and there remains net asset value of 5.4p per share, a figure that has increased by £0.6m after the year end following the 20% rise in IMI's share price.

Conclusion

In the period from August 2009 until now, SPARK shareholders have received 13p of cash per share and there is further value in the portfolio that has not yet been realised. 89% of the March 2009 NAV of 14.6p has now been returned to shareholders in cash, and the balance of the March 2009 NAV is now represented by liquid assets, or assets that will soon be realised in cash as contracts complete. It is worth remembering that the early years of the realisation period were tough years to be growing early stage companies, and the outstanding successes of so many companies are demonstrative of the quality of the portfolio created by SVML and of the management teams and entrepreneurs that we backed. Of the 10 investments valued in September 2009 at £1m or greater, five resulted in cash proceeds at least double the September 2009 book value (and in some cases considerably more) one failed (Skinkers), IMI has recently listed and the other three were recently sold to a financial buyer (DEM, myDeco and Gambling Compliance).

Investment	Value at 30 Sep 2009 £m	Proceeds (net of any additional investment) £m	Current value (Jun 15) £m	**Total £m**	Gain/(loss) £m
IMImobile	13.0	3.8	15.4	**19.2**	6.2
Kobalt Music	6.8	18.4	0.0	**18.4**	11.6
Aspex	1.0	9.4	0.0	**9.4**	8.4
Skinkers	1.0	0.0	0.0	**0.0**	(1.0)
Notonthehighst	1.6	12.8	0.0	**12.8**	11.2
Complinet	1.5	3.2	0.0	**3.2**	1.7
OpenX	1.2	2.4	0.0	**2.4**	1.2
Assets subject to Hollyport process	7.7	3.9	3.7	**7.6**	(0.1)
Totals	**33.8**	**53.9**	**19.1**	**73.0**	**39.2**

*Note that 'Value at 30 Sep 2009' is not necessarily the Company's original cost.

Board of Directors

David Potter
Chairman
David is the former Deputy Chairman of Investec Bank UK. Prior to this he was Group CEO of Guinness Mahon Group. Between 1981-1989, he was a Managing Director of Samuel Montagu, Midland Montagu and Head of Midland Global Corporate Banking (now HSBC). David was a Managing Director of CSFB and its predecessor companies (1969-1981). David is currently a Non Executive Director of Fundsmith Emerging Equities Trust. He is also a Board member and shareholder in other early stage private companies. He is a Council member of The Centre for the study of Financial Innovation, Chairman of the National Film and TV School Foundation and the Bryanston Foundation. He is a trustee of Worldwide Volunteering. Appointed to the Board on 21 March 2002.

Charles Berry
Non-Executive Director
Charles was an executive with SPARK from 2001 to 2005 working as a director at Aspex, Mergermarket, Kobalt, and Insurancewide.com. His areas of interest cover technology, software, financial services and telecoms. Since ceasing his executive role with SPARK, Charles has worked with Virgin Group, and at Lloyds Bank, and has recently moved to DST Systems, to work on international expansion for this financial services technology company. His previous experience includes time in industry, investment banking and consulting. He was appointed to the Board on 16 September 2004 and currently chairs the Audit Committee.

Helen Sinclair
Non-Executive Director
Helen's early career was in investment banking, followed by seven years at 3i plc focusing on MBO and growth capital investments. She later co-founded Matrix Private Equity (now Mobeus) raising a successful technology fund, the Matrix Venture Fund VCT plc. She subsequently became Managing Director of Matrix Private Equity before moving to take on a portfolio of non-executive director roles in 2005. She is currently Chairman of British Smaller Companies VCT plc , a Non-Executive Director of The Income & Growth VCT plc, Downing One VCT plc, OFT2 Ltd and Mobeus Income & Growth 4 VCT plc. Helen has a degree in Economics from Cambridge University and an MBA from INSEAD Business School. Appointed to the Board on 17 December 2009.

Thomas Teichman
Manager Representative
Tom was previously Chairman of NewMedia Investors Ltd, which he founded in 1996 and from which SPARK Ventures plc was created in 1999 when it IPO'd. He was Executive Chairman of SPARK Ventures plc from 1999 to 2009 and has re-joined the Board in July 2014 in a non-Executive role. He chairs SPARK Venture Management Ltd., which has managed SPARK Ventures plc's investment portfolio since 2009. He was responsible for the investments in Kobalt Music, Mergermarket and notonthehighstreet, SPARK's largest exits to date. Tom has over 30 years of venture capital and investment banking experience with firms including Credit Suisse/CSFB, Mitsubishi and Bank of Montreal, where he ran corporate finance. He has extensive venture capital experience in technology ranging from on-line information, telecoms, video games and chip design to travel and healthcare and online retailing. He has backed many successful early stage technology businesses, mostly from start-up, all the way to flotation (London and NASDAQ) or trade sale. He was on the Boards of these companies normally for many years, chairing several of them. These include ARC Risc Cores, lastminute.com, Argonaut Games, Dialog, System C Healthcare, Advanced Visual Technology, Wellington Investments, Mergermarket.com, mydeco.com, notonthehighstreet.com, Kobalt Music, Mind Candy (moshimonsters.com), Elevate Direct, Hardlyeverwornit.com, Eve Snow, kriticalmass.com, We7 and Squawka. The total value of exits of these companies so far exceeds £1 billion. He was born in Hungary and holds a B.Sc. (Econ) Hons from University College London and speaks French, German, Hungarian and Italian.

Andrew Betton
Manager Representative and Company Secretary
Andy has worked with SPARK Ventures since December 2000, initially as Financial Controller and, since 2003, as Company Secretary and Finance Director, being appointed to the Board on 5 May 2005. As a consequence of the 2009 Management Buy Out, Andy resigned from the Board, but was reappointed to the Board on 19 February 2013. Andy joined the Board of IMImobile in January 2013 to act as the independent representative of SPARK on its Board but left this Board following IMI's successful IPO in June 2014. Andy qualified as a chartered accountant in 2006 and holds an economics degree from the University of Cambridge.
He has extensive experience in all matters relating to running small and medium sized businesses.

Investment Manager
The Company's Manager is SPARK Venture Management Ltd, a company owned by Andrew Carruthers, Jay Patel, Thomas Teichman, Anthony Duffy and Andrew Betton.

Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2015.

SPARK Ventures plc is a company incorporated in the United Kingdom under the Companies Act 1985 and is the parent company of the SPARK group ('the Group'). The address of the registered office and details of the Company's professional advisors are given on the inside of the back cover. The nature of the Group's operations and its principal activities are set out below.

Activities

The principal activity of SPARK Ventures plc as the parent company of the Group is the managing and making of investments in early stage companies in the financial services, technology, media and telecommunications sectors, primarily in the UK. Following the General Meeting of the Company which took place in August 2009, the Company resolved to make no more new investments and to sell off its existing investments over a five year period – a period which was extended for another year at the general meeting of the company that took place on 25th April 2014 and further extended in April 2015 to complete the process. The Company has no full-time employees but has a Board consisting of three non-executive directors and two representatives of the Company's manager – SPARK Venture Management Ltd. SPARK Venture Management Ltd is a company controlled by its former executive directors and is responsible for looking after all the administration of the Company and for managing the Company's investment portfolio.

Purchase of own shares

During the year SPARK did not buy back any of its ordinary shares. At the start of the year, SPARK held 39,245,220 shares in Treasury but in April 2014, reissued 8,090,909 of these shares to satisfy the requirements of share option exercises. At 31 March 2015 there are 31,154,311 shares held in Treasury.

Dividends and capital returns

Following the returns of £35.0m over the period from August 2009 to March 2014, shareholders approved the return of a further £19.0m on 25 April 2014 with payment being made shortly after this date. Again, shareholders were given the choice of choosing to receive 1 B share or 1 C share for each ordinary share held. In the event, 269,681,982 B Shares were issued and 141,072,788 C shares were issued. The C shares issued in respect of the shares held in Treasury were not eligible to receive the C share dividend. In May 2014, the Company bought back the B shares at 4.5p each from the shareholders and paid 4.5p per share as a dividend on the C shares. After payment of the dividend, the C shares became deferred, having no value and were cancelled as were the B shares. The total amounts returned to shareholders amounted to £14.0m through the B shares and £5.0m through the C shares.

Future prospects

In April 2015, SPARK entered into an agreement with Hollyport to buy the entire venture capital portfolio, excluding the stake in IMImobile and excluding the small stake in QVP. The Hollyport deal actually takes the form of nine separate transactions and once these deals have completed, SPARK will essentially consist of the stake in IMImobile and cash. SPARK Ventures plc continues on its strategy of securing the best value for shareholders for all its assets and is in discussions on its future strategic direction, in conjunction with its major shareholders. SPARK intends to make an announcement regarding its future as soon as possible. SPARK renewed its contract with its manager in April 2015 to enable them to complete the asset realisation process, but with a much shorter notice period.

Risks

The principal uncertainty regarding the future financial performance of SPARK is the future performance of SPARK's portfolio and the performance of IMImobile in particular.

As set-out in note 13, the directors of SPARK do not consider that SPARK faces any significant credit risk, liquidity risk or cash flow risk.

Share price

The average share price of SPARK Ventures plc quoted ordinary shares in the year ended 31 March 2015 was 6 pence. In the year the share price reached a maximum of 10 pence and a minimum of 4 pence. The closing share price on 31 March 2015 was 4 pence.

Going concern

The Directors consider the Group to be a going concern. See note 1 for details.

Directors' Report (continued)

Directors and their interests

The Directors serving during the year ended 31 March 2015 had the following interests in the share capital of the Company:

	Ordinary shares		Options (1)		D shares (2)	
	2015 No.	2014 No.	**2015 No.**	2014 No.	**2015 No.**	2014 No.
C.R. Berry	**287,968**	287,968	**–**	–	**–**	–
H.R. Sinclair	**242,000**	242,000	**–**	–	**–**	–
T.A. Teichman	**16,434,138**	16,434,138	**–**	–	**–**	500,000
A.D.N. Betton	**2,152,182**	334,000	**–**	1,818,182	**–**	180,000
D.R.W. Potter	**556,331**	556,331	**–**	–	**–**	–

(1) Options were granted in the year ended 31 March 2006 under the 2005 Unapproved Executive Share Option Scheme adopted by the company at the 2005 Annual General Meeting on 15 September 2005. These options vest in five equal annual instalments subject to the meeting of the performance target for the year in question. As at the date of the EGM on 7 August 2009, 40% of these options had vested. The remaining options were cancelled. These options expire on 29 September 2015 and originally had an exercise price of 11p, which was the market price of SPARK shares on 30 September 2005 – the date when these awards were made. Following the return of 2p per ordinary share to shareholders in 2009, 1p per share in 2010 and 2011, 2.5p per share in January 2013 and 2p per share in September 2013, the exercise price of these options was reduced to 2.5p per share. These options were exercised on 7 April 2014.

(2) The D shares were created following the approval by shareholders at the General Meeting on 2 October 2009. They lapsed in October 2014 after receiving the D share distribution in September 2014. See note 14 for details of their rights.

Subsequent events

There are no material events after the balance sheet date other than those detailed in note 17 to the financial statements.

Auditor

A resolution to re-appoint BDO LLP as auditor of the Company will be proposed at the forthcoming Annual General Meeting.

Provision of information to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

(1) so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and

(2) the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

A D N Betton
Director & Company Secretary
9 July 2015

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 elected to prepare the Group and company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 Group and company and of the profit or loss of the Group for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

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;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of 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.

Website publication

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

Independent Auditor's Report to the Members of SPARK Ventures plc

We have audited the financial statements of SPARK Ventures plc for the year ended 31 March 2015 which comprise the group statement of comprehensive income, group and company statement of financial position, the group and company statement of cash flows, the group and company statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 March 2015 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Stuart Collins (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
9 July 2015

Group Statement of Comprehensive Income for the year ended 31 March 2015

	Note Ref	Year ended 31 March 2015 £ '000	Year ended 31 March 2014 £ '000
Continuing operations			
Losses on investments at fair value through profit or loss			
Realised losses		**(407)**	(1,163)
Unrealised losses	8	**(452)**	(3,518)
		(859)	(4,681)
Revenue			
Bank interest receivable		**11**	26
Management fee income		**75**	338
Portfolio dividends and interest		**–**	175
Other income		**–**	827
		86	1,366
Administrative expenses			
Salaries and other staff costs	3	**(216)**	(206)
Depreciation of property, plant and equipment		**–**	(99)
Other costs	4	**(1,368)**	(4,013)
Total administrative expenses		**(1,584)**	(4,318)
Loss before taxation		**(2,357)**	(7,633)
Taxation	5	**–**	–
Loss for the financial year		**(2,357)**	(7,633)
Attributable to:			
– Equity shareholders of the parent		**(2,357)**	(7,633)
Basic loss per ordinary share for loss from continuing operations and for loss for the year	6	**(0.56)p**	(1.86)p
Diluted loss per ordinary share for loss from continuing operations and for loss for the year	6	**(0.56)p**	(1.82)p

Group Statement of Financial Position as at 31 March 2015

	Note ref	31 March 2015 £ '000	31 March 2014 £ '000
Non–current assets			
Investments at fair value through profit and loss	8	**16,503**	20,876
		16,503	20,876
Current assets			
Other receivables	10	**32**	555
Restricted cash	10	**3,123**	–
Cash and cash equivalents		**3,036**	25,663
		6,191	26,218
Total assets		**22,694**	47,094
Current liabilities			
Trade and other payables	11	**(95)**	(653)
Amount due to D shareholders		**–**	(2,200)
Total liabilities		**(95)**	(2,853)
Net current assets		**6,096**	23,365
Provisions for liabilities	12	**–**	(500)
Net assets		**22,599**	43,741
Equity attributable to the shareholders of the parent			
Issued capital	14	**1,135**	1,360
Share premium		**9**	9
Revenue reserve		**10,762**	31,904
Capital redemption reserve		**10,693**	10,468
Total equity due to Ordinary shareholders		**22,599**	43,741
Net asset value per ordinary share		**5.40p**	10.65p
Adjusted NAV per ordinary share	15	**4.97p**	Not applicable

		Number '000	Number '000
Ordinary shares in issue	14	**450,000**	450,000
Shares held in Treasury		**(31,154)**	(39,245)
Shares in issue for net asset value per share calculation		**418,846**	410,755

These financial statements were approved and authorised for issue by the Board of Directors on 9 July 2015. Signed on behalf of the Board of Directors.

A D N Betton
Director

Company Statement of Financial Position as at 31 March 2015

	Note Ref	31 March 2015 £ '000	31 March 2014 £ '000
Non-current assets			
Investments at fair value through profit and loss	8	**16,496**	4,669
Investments in subsidiary undertakings	9	**108,231**	108,231
Deferred tax	5	**796**	781
		125,523	113,681
Current assets			
Trade and other receivables	10	**30**	3,378
Cash and cash equivalents		**2,572**	24,929
		2,602	28,307
Total assets		**128,125**	141,988
Current liabilities			
Trade and other payables	11	**(127,495)**	(118,406)
Total liabilities		**(127,495)**	(118,406)
Net current liabilities		**(124,893)**	(90,099)
Provisions for liabilities	12	**–**	(500)
Net assets		**630**	23,082
Equity			
Issued capital – ordinary shares	14	**1,135**	1,360
Share premium		**9**	9
Revenue reserve		**(11,207)**	11,245
Capital redemption reserve		**10,693**	10,468
Total equity		**630**	23,082

These financial statements were approved and authorised for issue by the Board of Directors on 9 July 2015. Signed on behalf of the Board of Directors.

A D N Betton
Director

Group Statement of Cash Flows for the year ended 31 March 2015

	Year ended 31 March 2015 £ '000	Year ended 31 March 2014 £ '000
Cash flows from operating activities		
Cash flow from operations	**(5,157)**	(1,534)
Net cash outflow from operating activities	**(5,157)**	(1,534)
Cash flows from investing activities		
Purchase of financial investments	**–**	(70)
Sale of financial investments	**3,515**	33,636
Net cash inflow from investing activities	**3,515**	33,566
Cash flows from financing activities		
Share options exercised	**202**	–
Dividend paid (D shares)	**(2,200)**	–
Dividend paid (C shares)	**(4,987)**	(2,821)
Share buy backs (B shares)	**(14,000)**	(5,448)
Net cash outflow from financing activities	**(20,985)**	(8,269)
Change in cash and cash equivalents	**(22,627)**	23,763
Opening cash and cash equivalents	**25,663**	1,900
Closing cash and cash equivalents	**3,036**	25,663

Reconciliation of operating loss to net cash outflow from operations

	£'000	£'000
Bank interest receivable	**11**	26
Portfolio dividends and interest	**–**	175
Other revenue	**75**	1,165
Total revenue	**86**	1,366
Administrative expenses	**(1,584)**	(4,318)
Operating loss	**(1,498)**	(2,952)
Decrease in trade and other receivables	**522**	440
(Increase)/decrease in restricted cash	**(3,122)**	1,581
Decrease in trade and other payables	**(559)**	(862)
(Decrease)/increase in provisions	**(500)**	160
Depreciation of property, plant and equipment	**–**	99
Net cash outflow from operations	**(5,157)**	(1,534)

Company Statement of Cash Flows for the year ended 31 March 2015

	Year ended 31 March 2015 £ '000	Year ended 31 March 2014 £ '000
Cash flows from operating activities		
Cash flow from operations	**(1,674)**	(861)
Net cash outflow from operating activities	**(1,674)**	(861)
Cash flows from investing activities		
Purchase of financial investments	**–**	(70)
Sale of financial investments	**302**	33,009
Net cash inflow from investing activities	**302**	32,939
Cash flows from financing activities		
Share options exercised	**202**	–
Dividend paid (D shares)	**(2,200)**	–
Dividend paid (C shares)	**(4,987)**	(2,821)
Share buy backs (B shares)	**(14,000)**	(5,448)
Net cash outflow from financing activities	**(20,985)**	(8,269)
Change in cash and cash equivalents	**(22,357)**	23,809
Opening cash and cash equivalents	**24,929**	1,120
Closing cash and cash equivalents	**2,572**	24,929

Reconciliation of operating (loss)/profit to net cash inflow/(outflow) from operations

	£'000	£'000
Bank interest receivable	**11**	26
Portfolio dividends and interest	**–**	29
Total revenue	**11**	55
Administrative expenses	**(1,500)**	(3,108)
Operating loss	**(1,489)**	(3,053)
Decrease in trade and other receivables	**3,348**	821
Decrease in restricted cash	**–**	1,581
Decrease in trade and other payables	**(3,033)**	(370)
(Decrease)/Increase in provisions	**(500)**	160
Net cash outflow from operations	**(1,674)**	(861)

Group Statement of Changes in Equity

	D shares £'000	Ordinary share capital £'000	Share premium £'000	Revenue reserve £'000	Capital redemption reserve £'000	Total equity £'000
Balance at 31 March 2013	10	1,575	9	50,006	10,243	61,843
Loss and total comprehensive income for the year	–	–	–	(7,633)	–	(7,633)
Share split into 2013 B & C shares and redemption thereof	–	(225)	–	–	225	–
Share buy-backs – 2013 B Shares	–	–	–	(5,448)	–	(5,448)
Dividend – 2013 C Shares	–	–	–	(2,821)	–	(2,821)
Amount due to D shareholders	–	–	–	(2,200)	–	(2,200)
Balance at 31 March 2014	**10**	**1,350**	**9**	**31,904**	**10,468**	**43,741**
Loss and total comprehensive income for the year	–	–	–	(2,357)	–	(2,357)
Share split into 2014 B & C shares and redemption thereof	–	(225)	–	–	225	–
Share buy-backs – 2014 B Shares	–	–	–	(14,000)	–	(14,000)
Dividend – 2014 C Shares	–	–	–	(4,987)	–	(4,987)
Share options exercised	–	–	–	202	–	202
Balance at 31 March 2015	**10**	**1,125**	**9**	**10,762**	**10,693**	**22,599**

Company Statement of Changes in Equity

	D shares £'000	Ordinary share capital £'000	Share premium £'000	Revenue reserve £'000	Capital redemption reserve £'000	Total equity £'000
Balance at 31 March 2013	10	1,575	9	29,565	10,243	41,402
Loss and total comprehensive income for the year	–	–	–	(7,851)	–	(7,851)
Share split into 2013 B & C shares and redemption thereof	–	(225)	–	–	225	–
Share buy-backs – 2013 B Shares	–	–	–	(5,448)	–	(5,448)
Dividend – 2013 C Shares	–	–	–	(2,821)	–	(2,821)
Amount due to D shareholders	–	–	–	(2,200)	–	(2,200)
Balance at 31 March 2014	**10**	**1,350**	**9**	**11,245**	**10,468**	**23,082**
Loss and total comprehensive income for the year	–	–	–	(3,667)	–	(3,667)
Share split into 2014 B & C shares and redemption thereof	–	(225)	–	–	225	–
Share buy-backs – 2014 B Shares	–	–	–	(14,000)	–	(14,000)
Dividend – 2014 C Shares	–	–	–	(4,987)	–	(4,987)
Share options exercised	–	–	–	202	–	202
Balance at 31 March 2015	**10**	**1,125**	**9**	**(11,207)**	**10,693**	**630**

Notes to the Consolidated Financial Statements

1 Basis of preparation and significant accounting policies

SPARK Ventures Plc ('the Company') is a company incorporated in the United Kingdom and registered in England and Wales. The consolidated financial statements for the year ended 31 March 2015 include the financial statements of the Company and its subsidiaries (together 'the Group'). Separate financial statements of the Company are also presented except that a company statement of comprehensive income and supporting notes is not included. The same accounting policies were applied in preparing the financial statement of the Company. The accounting policies applied are consistent with the prior year.

Basis of preparation

The consolidated financial statements for the year ended 31 March 2015 have been prepared in accordance with International Financial Reporting Standards ('IFRS') approved by the International Accounting Standards Board ('IASB'), as adopted by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements are prepared on a historical cost basis except for the revaluation of certain financial instruments stated at fair value. Standards and interpretations applied for the first time have had no material impact on these financial statements.

The following new standards, interpretations and amendments which will or may have an effect on the Group, are effective for annual periods beginning on or after 1 January 2015 and have not yet been applied in preparing these financial statements. None of these new standards or interpretations are expected to have a material impact on the financial statements of the Group.

- IFRS 9 will eventually replace IAS 39 in its entirety. However, the process has been divided into three main components (classification and measurement, impairment and hedge accounting). This standard becomes effective for accounting periods beginning on or after 1 January 2018. Its adoption may result in changes to the classification and measurement of the Group's financial instruments, including any impairment thereof.

A number of new standards, interpretations and amendments to existing standards which became effective for the first time for accounting periods beginning on or after 1 January 2014, unless otherwise stated, have been adopted in these financial statements as follows:

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 27 Separate Financial Statements
- IAS 28 Investments in Associates and Joint Ventures

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' report and Investment Manager's report. The key risks facing the business and management's policy and practices to manage these are further discussed in note 13. In assessing the Group as a going concern, the Directors have considered the forecasts which reflect the Directors' proposed strategy for portfolio investments and the current economic outlook. The Group's forecasts and projections, taking into account reasonably possible changes in performance, show that the Group is able to operate within its available working capital and continue to settle all liabilities as they fall due for the foreseeable future.

The directors have considered the use of the going concern basis for the preparation of these financial statements within the context of the company's stated strategy of realising its remaining portfolio, which was extended to 31 March 2015 and recently further extended. Although one possible scenario is the piecemeal disposal of the portfolio and the company then ceasing to trade, essentially becoming a cash shell, other alternative ways forward are under consideration which do not involve the cessation of trade. The Board has made no decision in this regard but will seek the most beneficial route to enhance shareholder value. Accordingly the directors remain of the view that the going concern basis of preparation is appropriate.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company made up to 31 March each year.

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Non-controlling interests

All the subsidiaries consolidated in these accounts are 100% owned (Note 9).

Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

Property, plant and equipment
Property, plant and equipment is stated at historical cost less depreciation and any provision for impairment. Depreciation is provided on cost in equal instalments over the estimated useful lives of the assets. The annual rates of depreciation are as follows:

Leasehold improvements	20% or over the term of the lease
Office equipment & software	33%
Furniture, fixtures & fittings	20%

Following the surrender of the Glasshouse Street leases in January 2014, the Company no longer has any property, plant or equipment.

Goodwill
All business combinations are accounted for by applying the purchase method. Goodwill represents amounts arising on acquisition of subsidiaries. Goodwill represents the difference between the cost of the acquisition and the fair value of the identifiable net assets acquired. Goodwill is stated at cost less any accumulated impairment losses. Goodwill is tested annually for impairment.

Financial instruments:
Trade debtors and creditors
Trade debtors and creditors are accounted for at transaction value when the asset or liability is incurred. The fair value equals the carrying amount as these are short term in nature.

Deferred consideration
Deferred consideration represents the management's best estimate of amounts required to settle or to be received, discounted where time value of money is considered to be material.

Cash and cash equivalents
Cash and cash equivalents include cash in hand and deposits held at call with banks and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Financial Investments
Investments are included at valuation on the following bases:

(a) Listed investments are valued at the closing bid price at the year end.
(b) Unquoted investments where a significant third party funding event has taken place during the year ended 31 March which establishes a new value for that investment are carried at that value.
(c) Investments considered to be mature are valued according to the Directors' best estimate of the Group's share of that investment's value. This value is calculated in accordance with British Venture Capital Association (BVCA) guidelines and industry norms and includes calculations based on appropriate earnings or sales multiples.
(d) All other unquoted investments are valued at the Directors' best estimate of the Group's share of that investment's value, taking into account any temporary loss in value. For new investments, the cost of investment is generally considered to be its fair value.

The Directors consider that a substantial measure of the performance of the Group is assessed through the capital gains and losses arising from the investment activity of the Group.

Consequently, for measurement purposes, financial investments, including equity, loan and similar instruments, are designated at fair value through profit and loss, and are valued in compliance with IAS 39 'Financial Instruments: Recognition and Measurement', IFRS13 'Fair Value Measurement' and the International Private Equity and Venture Capital Valuation Guidelines as recommended by the British Venture Capital Association.

Gains and losses on the realisation of financial investments are recognised in the profit or loss for the period and taken to retained earnings. The difference between the market value of financial investments and book value to the Group is shown as a gain or loss in the profit or loss for the period and taken to the revenue reserve.

Investments in subsidiaries are reflected in the Company's accounts at cost less any provisions for diminution in value.

Revenue
Sales of services represent the invoiced value of services supplied net of trade discounts, value added tax and other sales related taxes. The sale is recognised upon delivery of the services to the customer provided that all obligations to the customer relating to that delivery of services have been satisfied. If this is not the case then the sale is recognised when all obligations to the customer relating to that delivery of services have been satisfied. Dividends receivable on unquoted equity shares are brought into account when the Company's right to receive payment is established and there is no reasonable doubt that payment will be received. Interest receivable is included on an effective interest rate basis.

Notes to the Consolidated Financial Statements (continued)

1 Basis of preparation and significant accounting policies (continued)

Taxation

The tax expense included in the statement of comprehensive income comprises current and deferred tax. Current tax is the expected tax payable based on the taxable profit for the period, using tax rates that have been enacted or substantially enacted by the reporting date. Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the accounts and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of comprehensive income on a straight-line basis over the period of the lease, even if the payments are not made on such a basis.

Foreign exchange

Transactions denominated in foreign currencies are translated into the functional currency at the rate ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the rates ruling at that date. These translation differences are dealt with in the statement of comprehensive income.

The financial statements of foreign subsidiaries are translated into sterling at the actual rates of exchange and the difference arising from the translation of the opening net investment in subsidiaries at the closing rate is dealt with in reserves.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities relate to the valuation of unlisted financial investments held at fair value through profit and loss (£3,695,000), which are valued on the basis noted above.

Segmental analysis

Segmental analysis is not applicable as there is only one operating segment of the business – investment activities. The performance measure of investment activities is considered by the Board to be profitability and is disclosed on the face of the statement of comprehensive income.

2 Company Statement of Comprehensive Income

The Group has taken advantage of the exemption conferred by s408 CA 2006 to not disclose a full statement of comprehensive income for the Company. The Company’s loss for the year was £3.667m (2014: £7.851m).

The Company has recognised realised and unrealised investment gains/losses through the statement of comprehensive income of £2.193m (2014: £4.680m).

3 Information regarding Directors and employees

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Directors' remuneration summary		
Basic salaries	**195**	154
Social security costs	**10**	17
Other emoluments	**11**	35
	216	206

	Year ended 31 March 2015				Year ended 31 March 2014			
	Emoluments £'000	**Bonus accrual (see note below) £'000**	**Social security costs £'000**	**Total £'000**	Emoluments £'000	Bonus accrual (see note below) £'000	Social security costs £'000	Total £'000
Directors' remuneration analysed								
C Berry	**60**	**–**	**–**	**60**	35	1	–	36
D Potter	**65**	**–**	**–**	**65**	50	–	–	50
H Sinclair	**55**	**–**	**–**	**55**	35	–	–	35
M Whitaker	**–**	**–**	**–**	**–**	34	–	–	34
A Carruthers	**–**	**3**	**–**	**3**	–	8	–	8
A Betton	**15**	**–**	**–**	**15**	–	1	–	1
T Teichman	**–**	**2**	**–**	**2**	–	–	–	–
Change in bonus accrual for former directors	**–**	**5**	**–**	**5**	–	21	–	21
Social security costs	**–**	**1**	**10**	**11**	–	4	17	21
	195	**11**	**10**	**216**	154	35	17	206

In 2003 a former bonus scheme was settled in part by awarding the participants a small stake (3.8%) in the portfolio at that time. This stake would be reduced by further funding requirements into those companies that formed the 2003 portfolio. Changes in the valuations to those 2003 portfolio companies result in the amounts being due to the participants of the scheme changing, and this change is shown in the remuneration table above. Following the payment made in January 2015 relating to disposals made in prior years of Aspex and Kobalt, there is no longer any material balance due under this scheme.

Details of directors share options can be found within the 'Directors and their interests' section of the Directors' report on page 13.

The Company has no other employees other than the directors listed above.

	Year ended 31 March 2015 No.	Year ended 31 March 2014 No.
Average number of persons employed (including directors)		
Investment and related administration	**3**	4
	3	4

Notes to the Consolidated Financial Statements (continued)

4 Loss for the year

Loss for the year has been derived after taking the following items into account:

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Depreciation of property, plant and equipment – owned assets	**–**	99
Operating lease rentals		
Land and buildings	**–**	594
Auditors remuneration		
Fees payable to the current auditor for the audit of the Company's annual accounts	**23**	31
Fees payable to the Company's current auditor and its associates for other services:		
The audit of the Company's subsidiaries, pursuant to legislation	**2**	3
Audit related assurance services	**2**	40
Other services relating to taxation	**10**	33
Analysis of other costs:		
Property costs	**–**	1,703
Settlement of dispute with former director, and prior period provision	**491**	500
Professional fees	**432**	478
Management fee of Quester Venture Partnership	**75**	338
Management and secretarial fee of SPARK Ventures plc	**313**	897
Other general overheads	**57**	97
	1,368	4,013

The Company was in dispute with Michael Whitaker, a previous Director of the Company and Chairman of the Audit Committee, over the incentive scheme established in 2003 created to incentivise the executive directors and senior investment personnel. Whilst the Board believed it had a strong case, there was a significant risk of incurring substantial legal costs should it have been necessary to defend this dispute in the High Court. Furthermore, the ultimate outcome was uncertain. Therefore, following a mediation session in September 2014, the Board agreed settlement terms with Mr Whitaker. The settlement provided for a total payment of £1.0m to M Whitaker and was settled in a combination of cash and by the transfer of some IMI shares to him. Of this £1.0m, £0.5m was accrued for in the prior year.

5 Tax credit on losses on ordinary activities

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
UK corporation tax		
Corporation tax liability at 21% (2014: 23%)	**–**	–
Total current tax	**–**	–
Deferred tax	**–**	–
Tax on loss on ordinary activities	**–**	–

Factors affecting the tax charge for the current period

The tax assessed for the year is different than that resulting from applying the standard rate of corporation tax in the UK: 21% (2014: 23%). The differences are explained below:

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Current tax reconciliation		
Loss before taxation	**(2,357)**	(7,633)
Current tax charge at 21% (2014: 24%)	**(495)**	(1,755)
Effects of:		
Other permanent differences	**(93)**	–
Expenses not deductible for tax purposes	**99**	958
Non-taxable income	**(28)**	(100)
Movement in short-term timing differences	**(26)**	37
Losses/(Gains) on investment revaluations	**193**	304
Utilisation of capital losses on investment revaluations	**350**	556
Tax for the year	**–**	–

Deferred tax

There remains an unrecognised deferred tax asset in respect of tax losses and other temporary differences. The unrecognised deferred tax asset is £28.3 million (2014: £30 million), for the Group and £28.3 million (2014: £29.8 million) for the Parent Company. The reduction in the balances for unrecognised deferred tax is due to the reduction in future corporate tax rates and an increase to management expenses carried forward available for deduction against future income. The assessed loss on which no deferred tax has been recognised amounts to £141m (2014: £150m).

	£'000
Company deferred tax asset	
Balance at 1 April 2014	781
Movement in the year	15
Balance at 31 March 2015	**796**
Balance at 1 April 2013	899
Movement in the year	(118)
Balance at 31 March 2014	**781**

The movement in the year went through the statement of comprehensive income.

The deferred tax asset within the Company arises to offset a deferred tax liability within another Group company, Quester Venture GP Limited. The deferred tax liability recognised by Quester Venture GP Limited arises in respect of interest free limited recourse loans paid in lieu of the company's entitlement to priority profit share from underlying limited partnerships.

Notes to the Consolidated Financial Statements (continued)

6 Earnings per share

Basic earnings per share is calculated by dividing the loss attributable to ordinary shareholders by the weighted average number of ordinary shares during the period. Diluted earnings per share is calculated by dividing the loss attributable to shareholders by the adjusted weighted average number of ordinary shares in issue. The adjustment made is to add the total number of 'in the money' share options in issue to the weighted average number of ordinary shares in issue for basic EPS.

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Earnings		
Loss for the year	**(2,357)**	(7,633)
Number of shares ('000)		
Weighted average number of ordinary shares in issue for basic EPS	**418,547**	410,456
Weighted average number of ordinary shares in issue for diluted EPS	**418,547**	418,547
Earnings per share		
Basic EPS	**(0.56)p**	(1.86)p
Diluted EPS	**(0.56)p**	(1.82)p

Under the 2005 Executive Share Option Scheme, 8,090,909 options were in issue with an exercise price of 2.5p at 1 April 2014. All these options were exercised on 7 April 2014.

7 Dividends

	Year ended 31 March 2015 £'000	Year ended 31 March 2014 £'000
Dividend paid on C shares in respect of year to 31 March 2015: 4.5p per share paid 25 April 2014	**4,987**	–
Dividend paid on C shares in respect of year to 31 March 2014: 2.0p per share paid 10 October 2013	**–**	2,821

8 Investments at fair value through profit and loss

Group

Portfolio company name	Note ref	Country of incorporation	% equity 31 March 2015 (4)	Value at 31 March 2014 £'000	Year ended 31 March 2015 Additions £'000	Disposals at valuation £'000	Revaluations (5) £'000	Value at 31 March 2015 £'000
IMImobile	(2)	UK	18%	16,200	**–**	**(3,857)**	**465**	**12,808**
Investments subject to Hollyport sale agreement	(3)	UK & USA	2%-28%	4,576	**–**	**–**	**(917)**	**3,659**
Other investments	(1)			100	**–**	**(64)**	**–**	**36**
Total investments at fair value through profit and loss				20,876	**–**	**(3,921)**	**(452)**	**16,503**

(1) Other investments represent a share in Quester Venture Partnership.
(2) IMImobile has been valued according to the quoted share price at 31 March 2015.
(3) With the exception of the stakes in IMI mobile and QVP, all investments have been valued at their share of the agreed aggregate price (£3.7m) to sell the entire portfolio to Hollyport in April 2015.
(4) % equity represents the share of the current voting rights.
(5) These revaluations are shown on the face of the income statement as unrealised gains on investments at fair value through profit and loss.

In April 2014 a new management agreement with SPARK Venture Management Ltd was entered into. This provided the manager with a fixed fee for 12 months of £400k together with an incentive for achieving future realisations. The IMI float in June 2014 resulted in the Manager becoming eligible for an incentive fee but no bonus is actually due until sufficient IMI shares have been sold, and cash received that is not locked up, above a hurdle. If all the IMI shares held on 31 March 2015 were sold at the book value, it is estimated that the Manager would be due an incentive payment of approximately £1.8m. Terms were agreed to extend the management agreement in April 2015 on the same quarterly fee but with a shorter notice period.

Company

	Value at 31 March 2015 £'000	Value at 31 March 2014 £'000
Opening valuation	**4,669**	42,288
Acquisitions	**14,319**	70
Unrealised and realised valuations	**(2,115)**	(3,518)
Disposals	**(377)**	(34,171)
Closing valuation	**16,496**	4,669

Notes to the Consolidated Financial Statements (continued)

9 Investments in Subsidiary undertakings

Company

	31 March 2015 £'000	31 March 2014 £'000
Cost:		
Balance at 1 April and 31 March	**120,824**	120,824
Additions	**–**	–
Disposal	**–**	–
Balance at 31 March	**120,824**	120,824
Impairment:		
Balance at 1 April and 31 March	**12,593**	12,593
Impairment losses	**–**	–
Disposal	**–**	–
Balance at 31 March	**12,593**	12,593
Net book value at 31 March	**108,231**	108,231

The Company's principal subsidiary undertakings included in the consolidation at 31 March 2015 and their principal activities and countries of incorporation are set out below:

	Country of incorporation	Business activity	Class of shares held	Proportion held and % voting rights
SPARK Services Ltd	UK	Business services	Ordinary	100%
SPARK India Ltd	Mauritius	Investment in India	Ordinary	100%
NewMedia Spark Limited	UK	Investment (dormant)	Ordinary	100%
Internet Indirect Ltd	UK	Investment (dormant)	Ordinary	100%
GlobalNet Financial.com Inc	USA	Finance (dormant)	Ordinary	100%
Quester Venture GP Ltd	UK	General partner of limited partnership	A Ordinary & Preference	100%
Wycombe AH Realisations Ltd (formerly Aspex Semiconductor Holdings Ltd)	UK	Holding company	A Ordinary	100%

10 Other receivables

	Group 31 March 2015 £'000	Group 31 March 2014 £'000	Company 31 March 2015 £'000	Company 31 March 2014 £'000
Amounts owed by subsidiary undertakings	**–**	–	**2**	2,826
Social security and other taxes	**28**	251	**28**	251
Other debtors	**3**	303	**1**	301
Prepayments and accrued income	**1**	1	**–**	–
	32	555	**30**	3,378
Restricted cash	**3,123**	–	**–**	–

The restricted cash represents an amount held in Escrow pending clarification of certain tax issues relating to the IMI IPO and restructuring.

11 Trade and other payables

	Group 31 March 2015 £'000	Group 31 March 2014 £'000	Company 31 March 2015 £'000	Company 31 March 2014 £'000
Trade creditors	**56**	142	**56**	52
Amounts owed to group subsidiary undertakings	**–**	–	**127,404**	115,660
Social security and other taxes	**7**	7	**6**	6
Other creditors	**1**	–	**3**	3
D share distribution	**–**	2,200	**–**	2,200
Accruals and deferred income	**31**	504	**26**	485
	95	2,853	**127,495**	118,406

12 Provisions for liabilities

	Group 31 March 2015 £'000	Group 31 March 2014 £'000	Company 31 March 2015 £'000	Company 31 March 2014 £'000
Provisions for liabilities	**–**	500	**–**	500

In the prior year there was a potential liability to a former director under a 2003 incentive scheme. The directors considered it prudent to set aside a provision of £500k for legal and settlement costs relating to this matter. The provision was utilised following settlement in the year with the former director (see note 4).

13 Financial instruments and financial risk management

As a venture capital investor the Group invests in unquoted companies in accordance with the investment policy. In addition to its venture capital portfolio, which is invested mainly in technology-related companies in the TMT (technology, media and telecoms) sector, the Group maintains liquidity balances in the form of cash held for follow-on financing and debtors and creditors that arise directly from its operations. £16.5 million of the Group's net assets were invested in venture capital investments and £3 million in liquid balances (31 March 2014: £20.9 million in investments and £25.7 million in liquidity).

In pursuing its investment policy, the Group is exposed to risks that could result in a reduction in the value of net assets and consequently funds available for distribution by way of dividend or for re-investment.

The main risks arising from the Group's financial instruments are due to fluctuations in market prices (market price risk), currency risk and cash flow interest rate risk, although credit risk and liquidity risk is also discussed below. The Board regularly reviews and agrees policies for managing each of these risks and they are summarised below. These have been in place throughout the current and preceding years.

All financial assets with the exception of investments, which are held at fair value through profit and loss, are categorised as loans and receivables and all financial liabilities are categorised as amortised cost.

Market risk

Market price risk arises from uncertainty about the future valuations of financial instruments held in accordance with the Group's investment objectives. These future valuations are determined by many factors but include the operational and financial performance of the underlying investee companies, as well as market perceptions of the future of the economy and its impact upon the economic environment in which these companies operate. This risk represents the potential loss that the Group might suffer through holding its investment portfolio in the face of market movements, which was a maximum of £16.5m (2014: £20.9m).

The investments in equity and fixed interest stocks of unquoted companies that the Group holds are not traded and as such the prices are more uncertain than those of more widely traded securities. As, in a number of cases, the unquoted investments are valued by reference to price earnings ratios prevailing in quoted comparable sectors, their valuations are exposed to changes in the price earnings ratios that exist in quoted markets.

The Board's strategy in managing the market price risk is determined by the requirement to meet the Group's investment objective. Risk is mitigated to a limited extent by the fact that the Group holds investments in several companies: At 31 March 2015, the Group held interests in 10 companies (31 March 2014: 10 companies). However, as a result of asset sales in prior years, the Group is now significantly exposed to the performance of one investment – IMImobile plc. The Directors monitor compliance with the investment policy, review and agree policies for managing this risk and monitor the overall level of risk on the investment portfolio on a regular basis.

Notes to the Consolidated Financial Statements (continued)

13 Financial instruments and financial risk management (continued)

Market price risk sensitivity

The Board considers that the value of investments in equity and loan stock instruments are ultimately sensitive to changes in quoted share prices, insofar as such changes eventually affect the enterprise value of unquoted companies. The table below shows the impact on the return and net assets if there were to be a 20% (2014: 20%) movement in overall share prices.

	2015 £'000s Profit and net assets	2014 £'000s Profit and net assets
Decrease if overall share prices fell by 20% (2014: 20%), with all other variables held constant	**(3,301)**	(4,175)
Decrease in earnings, and net asset value per Ordinary share (in pence)	**(0.79)p**	(1.02)p
Increase if overall share prices rose by 20% (2014: 20%), with all other variables held constant	**3,301**	4,175
Increase in earnings, and net asset value per Ordinary share (in pence)	**0.79p**	1.02p

The impact of a change of 20% (2014: 20%) has been selected as this is considered reasonable given the current level of volatility observed both on a historical basis and market expectations for future movement.

Currency risk

The Group has a subsidiary in Mauritius as well as investments that are denominated in local currencies. Of these investments, IMI is the only material investment that might have been affected by currency risk since IMI was based in India and its value was derived in Indian Rupees and therefore subject to normal currency risk arising from movements in Indian Rupees. Following the restructuring to become a UK Group and the listing on AIM, IMI is now a sterling denominated investment. The value of the holding in IMI in sterling is as follows:

	2015 £'000s	2014 £'000s
IMImobile	**12,808**	16,200

Currency risk sensitivity

The Group no longer has any significant assets or liabilities denominated in a currency other than sterling. Therefore the results would not be significantly affected by movements in the value of foreign exchange rates.

Cash flow interest rate risk

As the Group has no borrowings it only has limited interest rate risk. The impact is on income and operating cash flow and arises from changes in market interest rates. Certain of the Group's cash resources are placed on short term fixed deposits (one month to six months) to take advantage of preferential rates and are subject to interest rate risk to that extent. Otherwise, cash resources are held in current, floating rate accounts.

Credit risk

Credit risk is the risk that a counterparty will fail to discharge an obligation or commitment that it has entered into with the Group.

The Group's maximum exposure to credit risk is:

	31 March 2015 £'000s	31 March 2014 £'000s
Loan stock investments	**100**	100
Cash at bank	**3,036**	25,663
Escrow balance	**3,123**	–
Trade and other debtors	**31**	554
	6,290	26,317

Credit risk relating to loan stock investments in unquoted companies is considered to be part of market risk.

The Group's cash balances are maintained by major UK clearing banks. The balance at 31 March 2014 was unusually high following receipt of cash from investment disposals in March 2014, prior to returning over 70% of the Group's cash balances to shareholders in April 2014 after the General Meeting to approve the shareholder return.

Liquidity risk
The directors consider that there is no significant liquidity risk faced by the Group. The Group maintains sufficient investments in cash to pay accounts payable and accrued expenses. All liabilities are current and repayable upon demand.

Fair values of financial assets and financial liabilities
Financial assets and liabilities are carried in the statement of financial position at either their fair value (investments), or the statement of financial position amount is a reasonable approximation of the fair value (dividends receivable, accrued income, accruals, and cash at bank).

For investments not traded on an open market, the Directors consider that their book values are equal to fair values.

All investments, except for IMImobile that is now listed, fall into the category 'Level 3' under the IFRS 7 fair value hierarchy. A reconciliation of fair value measurements in Level 3 is set out in note 8 to the accounts.

Level 3 unquoted equity and loan stock investments are valued in accordance with International Private Equity and Venture Capital Guidelines as follows:

	31 March 2015		31 March 2014	
	Material investments included	**£'000s**	Material investments included	£'000s
Cost (reviewed for impairment)	**None**	**36**	DEM	1,487
Recent investment price		**–**		100
Directors estimates	**None**	**–**	Gambling Compliance & Mind Candy	2,245
Industry valuation benchmark (earnings or sales multiples)		**–**		–
Contracted sales proceeds in post balance sheet period	**DEM, Gambling Compliance, By Design, Academia, Mind Candy**	**3,659**		–
Actual sales proceeds (applied to entire stake)		**–**	IMImobile & Academia	17,044
		3,695		20,876

All unquoted equity and loan stock investments changed their valuation methodology between 31 March 2014 and 31 March 2015. The largest, previously unquoted investment, IMI mobile, was listed on the AIM market of the London Stock Exchange on 27 June 2014 and is now valued using the published share price. In April 2015, an agreement was entered into with Hollyport to sell the entire portfolio of unquoted investments for £3.7m. This price has been used as the best indicator of fair value for these investments as at the balance sheet date.

Valuation policy: Every six months, the investment manager within SVML is asked to revalue the investments that he looks after and submit his valuation recommendation to the Investment Committee and the Finance Team. The Investment Committee considers the recommendation made, and assuming the finance team confirm that the investment valuation calculations are correct, submits its valuation recommendations to the Board of SPARK to consider. The final valuation decision taken by the Board is made after taking into account the recommendation of the Manager and after taking account of the views of the Company's auditors.

The fair values of the investments have been derived from two sources. The largest investment has been valued by multiplying the number of shares held with the mid-market share price as at 31 March 2015. All other investments have been valued at the price SPARK has agreed to sell them for in a transaction concluded in April 2015 with Hollyport. This was a portfolio sale of 9 investments, totalling £3.7m. As such, there are no unobservable inputs that have been used in valuing investments.

Capital disclosures
The Group's objective has been to maximise shareholder value from all assets, which in recent years has been to realise its portfolio at the most advantageous time and return the proceeds to shareholders.

The capital subscribed to the Group has been managed in accordance with the Group's objectives. The available capital at 31 March 2015 is £22.6 million (31 March 2014: £43.7 million) as shown in the statement of financial position, which includes the Group's share capital and reserves.

The Company has no borrowings and there are no externally imposed capital requirements other than the minimum statutory share capital requirements for public limited companies.

Notes to the Consolidated Financial Statements (continued)

14 Called up share capital

	Group 31 March 2015 £'000	Group 31 March 2014 £'000	Company 31 March 2015 £'000	Company 31 March 2014 £'000
Called up, allotted and fully paid:				
450,000,000 (2014: 450,000,000) ordinary shares of 0.25p (2014: 0.30p)	**1,125**	1,350	**1,125**	1,350
2,000,000 D shares of 0.5p	**10**	10	**10**	10
	1,135	1,360	**1,135**	1,360

During the year the ordinary shares of 0.3p per share were re-classified as ordinary shares of 0.25p per share. At the same time the shareholders were issued with either 1 B share or 1 C share depending on the shareholder preference in an election. If a shareholder did not make an election, they received C shares by default. Each B share was re-purchased by the Company's broker at 4.5p per share and then sold on to the Company and cancelled in May 2014. Each C share received a dividend of 4.5p per share on 25 April 2014, after which the shares were deferred and subsequently bought back for 1.0p for the whole class and cancelled in May 2014. The total amount returned to shareholders holding B or C shares amounted to £19.0m.

The deferred shares of 0.3p each carried no rights to dividends, had no rights to a return of capital on a winding up and had no rights to attend, speak at or vote at a General Meeting of the Company.

During the year there were no purchases or cancellations of Treasury shares. In April 2014, 8,090,909 shares that were formerly held in Treasury were issued to the persons exercising share options under the 2005 Executive Share Option Scheme.

Under the Group's 2005 Executive Share Option Scheme, 20,227,273 options had been granted to employees, with an exercise price of 11.0 pence, to be exercised in accordance with the Share Option Scheme rules before 30 September 2015. The options vested over five years subject to achieving growth in net assets per share in excess of required targets. None of these options had been exercised by 31 March 2012. As at 31 March 2015 (and 31 March 2014), 40% of these options had vested with the remainder cancelled following the completion of the management buy-out on 9 October 2009. The repayment to shareholders of 2p per share in August 2009, 1p per share in October 2010 and October 2011, 2.5p per share in January 2013 and 2p per share in September 2013 reduced the exercise price of these options to 2.5 pence per share. All of these options were exercised in April 2014.

The Group's shares are listed on London's AIM market under reference SPK.

The average share price of SPARK Ventures plc quoted ordinary shares in the year ended 31 March 2015 was 6 pence. In the year the share price reached a maximum of 10 pence and a minimum of 4 pence. The closing share price on 31 March 2015 was 4 pence.

Following the passing of a special resolution at the General Meeting of the Company on 2 October 2009, a new class of shares were created, being D shares. The Company's D shares were created to incentivise the manager to maximise the value of the portfolio in cash by 31 March 2014 and to make this cash available to shareholders. D shares were entitled to receive the D share distribution, which was triggered once payments to ordinary shareholders from 7 August 2009 have exceeded £49.3m. This hurdle could also be reduced by £820k for each £4.1m returned to shareholders before 31 March 2012. This hurdle was agreed as being £45.1m, and on the basis of verified amounts made available to shareholders by 31 March 2014, it was calculated that the D shareholders were due a payment of £2.2m as at 31 March 2014. This payment was made in September 2014. Following the payment made to the D shareholders, the rights attaching to the D share holders lapsed. The £2.2m due was deducted from net assets at 31 March 2014 in calculating the net assets attributable to the ordinary shareholders at 31 March 2014.

As at 31 May 2015, the major shareholders of the Group are as follows:

	Number of shares held	% of Issued shares
M&G Investment Management	86,257,053	20.59%
Majedie Asset Management	39,966,724	9.54%
River & Mercantile Asset Management	31,588,466	7.54%
Ennismore Fund Management	23,275,270	5.56%
Michael Whitaker	22,832,153	5.45%
Thomas Teichman	16,434,138	3.92%
Peter Lobbenberg	16,350,000	3.90%
Henderson Global Investors	16,312,500	3.89%
Credo Capital	16,115,000	3.85%

The percentage holdings shown above are based on the total number of issued shares, less those shares held in Treasury at 31 May 2015 (31,154,311). The number of shares held in Treasury at 31 March 2015 was 31,154,311 (31 March 2014: 39,245,220) – the reduction arose from the exercise of share options.

15 Contingent liability and Adjusted NAV per share

Following the entry into a new contract with SPARK Venture Management Ltd in April 2014, new incentive arrangements were also entered into which encouraged the Manager to achieve exits or listings. If the entire holding of restricted cash and IMImobile shares was turned into free cash at the 31 March 2015 valuations, the Manager would be due an incentive fee of approximately £1.8m. This additional fee has been reflected in the calculation of 'adjusted NAV per share' which is shown on the Statement of Financial Position. At the share price prevailing at the date of signing these financial statements (149p), the incentive fee that would be due upon sale at this price is approximately £2.4m.

16 Related party transactions

Transactions and balances between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation. The details of salary related transactions between the Group and its directors are given in Note 3.

Details of related party transactions between the Company and its subsidiaries and of non-salary related transactions involving directors are detailed below:

	2015 £'000	2014 £'000
The balances owed by subsidiary undertakings to the Company are as follows:		
Spark India	**–**	2,527
Spark Services Ltd	**2**	299
Aspex Semiconductor Holdings Ltd	**–**	–
	2	2,826

The balances owed to subsidiary undertakings by the Company are as follows:

	2015 £'000	2014 £'000
Internet Indirect Ltd	**79,315**	79,315
NewMedia Spark Ltd (formerly Softtechnet.com Ltd)	**26,608**	26,608
Spark India	**11,791**	–
Globalnet Financial.com Inc	**3,034**	3,034
NewMedia Spark Holdings Gmbh	**722**	722
Quester Venture GP Ltd	**1,652**	1,731
Newmedia Spark BV	**4,251**	4,248
Spark Services Ltd	**31**	–
	127,404	115,658

The related parties of SPARK Ventures plc are its directors, persons connected with its directors and its Manager and its subsidiary undertakings as listed in note 9.

The remuneration policy of the Company allows investment by company directors and investment managers in companies in which SPARK holds investments subject to guidelines and approval by the remuneration committee.

Notes to the Consolidated Financial Statements (continued)

16 Related party transactions (continued)

In the year ended 31 March 2015, SPARK Ventures plc paid management fees of £313k (2014: £797k) and secretarial fees of £100k (2014: £100k) to SPARK Venture Management Ltd (SVML) for the management of its portfolio and paid £75k (2014: £338k) for the management of Quester Venture Partnership. Quester Venture GP Ltd is the general partner of Quester Venture GP Partnership which is the General Partner of Quester Venture Partnership. SVML is wholly owned by Querist Limited which in turn is wholly owned by SPARK Venture Management Holdings Limited (SVMH) – a company owned and controlled throughout the year and at 31 March 2015, by Andrew Carruthers (33.33%), Jay Patel (33.33%), Thomas Teichman (22.22%) and Andrew Betton (11.12%). All these transactions were negotiated at arms length. At 31 March 2015, SPARK Ventures plc had a balance of £30k owing to SPARK Venture Management Limited for secretarial fees.

In September 2015, SPARK Ventures plc paid £2.2m under the D share incentive scheme. Details of this scheme are provided in note 14. The £2.2m payment was made in proportion to the D shares held which were held by Andrew Carruthers (580,000 D shares), Jay Patel (580,000 D shares), Tom Teichman (500,000) D shares, Andrew Betton (180,000 D shares) and Kiko Duffy (160,000 D shares).

Thomas Teichman, the Chairman of SVMH, represented SPARK Ventures plc on the Board of Kobalt Music and was the chairman of that company. As an alternative to cash directors' fees, Kobalt Music Group Ltd has previously granted Thomas Teichman 6,666 options @ £2.30 per Kobalt share, 5,000 options @ £3.00 per Kobalt share and 5,000 options @ £3.25 per Kobalt share. In total these options amount to 0.34% of the issued share capital of Kobalt. These options are limited to a maximum value of £6 per share. These options were cash settled for £53k after the balance sheet date.

Thomas Teichman also represents SPARK on the Board of Mind Candy and is a shareholder holding approximately 1% of the ordinary share capital.

There are no other related party transactions of which we are aware in the year ended 31 March 2015.

17 Subsequent events note

On 31 March 2015 the previous management agreement ended. A new management agreement with the same manager was entered into in April 2015 for a fixed annual fee of £400k, terminable at 3 months' notice. No new incentives were included, however one of the incentive schemes from the previous year remains in place having succeeded in the primary objective of obtaining an exit or a listing for IMImobile.

On 20 April 2015, SPARK entered into an agreement with Hollyport to sell the remaining portfolio assets, excluding IMImobile, to them for £3.7m. As each asset was subject to a separate completion, with varying levels of pre-emption rights amongst other shareholders, it will take several months to conclude the sales of all the assets. At the time of writing, approximately 75% of the expected proceeds has been received.

On 31 March 2015, the IMI mobile share price was 121.5. On 8 July 2015, the IMI share price closed at 149p. The effect on the asset value is to add £2.9m (£15.7m less £12.8m) whilst increasing the contingent liability by £0.6m.

Officers and Professional Advisers

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C.R. Berry
A.D.N. Betton
A.B. Carruthers (resigned 18 July 2014)
D.R.W. Potter
H.R. Sinclair
T. A. Teichman (appointed 18 July 2014)

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