

Registered number: 03946009

MMC VENTURES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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MMC VENTURES LIMITED
COMPANY INFORMATION

Directors	B F Macfarlane A W Morgan S J Menashy O O W Richards (appointed 1 July 2021)
Registered number	03946009
Registered office	3rd Floor 24 High Holborn London WC1V 6AZ
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH
Bankers	Bank of Scotland St. James's Gate 14-16 Cockspur Street London SW1Y 5BL Silicon Valley Bank 14-18 Finsbury Square London EC2A 1BR

MMC VENTURES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

Principal activity

The principal activities of the company are facilitating and managing venture capital investment in growth companies.

Pillar III disclosures

The company has documented the disclosures required by the FCA under BIPRU 11. These are available from the registered office.

Results and dividends

The profit for the year, after taxation, amounted to £1,227,713 (2020 - £730,639).

The directors declared and paid a dividend of £1,100,000 in the year (2020 - £nil).

Directors

The directors who served during the year were:

B F Macfarlane
A W Morgan
S J Menashy
O O W Richards (appointed 1 July 2021)

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law 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 they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MMC VENTURES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Engagement with suppliers, customers and others

Information on engagement with suppliers, customers and others are included in the Strategic Report.

Disclosure of information to auditor

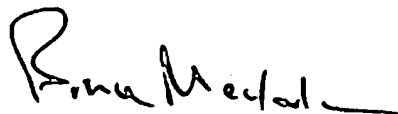
Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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's auditor is aware of that information.

Auditor

The auditor, Blick Rothenberg Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26 April 2022 and signed on its behalf.



B F Macfarlane
Director

MMC VENTURES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

MMC Ventures is a leading venture capital manager and one of the most active early stage investors in the UK. The company focuses its investments on technology-enabled businesses in sectors where the UK is a world leader and consequently has a deep pool of local talent and expertise available. These include consumer internet, business software and services, digital media and financial services.

Business review

MMC has circa £547m under management through a combination of retail investor funds, institutional limited partnerships and a syndicate of wealthy, experienced business angel investors, all of which co-invest on a deal by deal basis. The Company continues to win awards for the excellence of its EIS offering, which takes the form of an always-open managed account service. MMC made 11 new investments in 2021 (14 in 2020) and also provided follow-on capital to existing portfolio companies for a total of £82.9m invested.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks, the most critical of which are competition, employee retention and inflow of new investor funds.

Financial key performance indicators

The company's directors are of the opinion that the KPIs most relevant to the business are the funds raised, invested and their performance. During the year £82m was raised in capital commitments from investors which the director's considered satisfactory given the impact of COVID-19 on the economy. MICAP, an independent alternative investment research company, listed the MMC EIS Fund as having the strongest exit record across the 53 EIS funds listed on their MICAP Fund Finder.

Other KPIs relevant to the business are:

- Average debtor days as at 31 December 2021 of 16.2 days (2020: 18.2 days)
- Current ratio as at 31 December 2021 of 2.3x (2020: 2.8x)

Directors' statement of compliance with duty to promote the success of the Company

The Company operates a relatively flat operating structure, enabling employees to be closely involved with their function as well as the wider organisation. As part of this structure, procedures exist for employee communication, consultation, training and personal development. The Directors are committed that MMC continues to have a positive impact on the community and environment.

This was evidenced in 2020 by being awarded certification as a B Corporation (or B Corp). Certified B Corps are businesses that meet the highest standards of verified social and environmental performance, public transparency and legal accountability to balance profit and purpose.

The Company continues to invest from the MMC Greater London Fund which was launched in May 2019 in partnership with the Mayor of London. The Fund backs companies that make a difference to London's economy and the lives of the people living here. That includes our city environment and infrastructure; digital health and care; important economic sectors like financial and business services; our world-leading cultural, creative and media sectors; and the connected home, office and workplace.

Part of the Fund has been set aside to invest in technologies that reduce harmful emissions and tonnage sent to landfill, including Circular Economy business models. The Company engages regularly with its customers by way of monthly newsletters and quarterly investor reports as well as regular "At Homes" where investors can engage with investee companies.

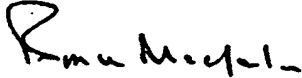
MMC VENTURES LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Future Outlook

The full impact and duration of the COVID-19 pandemic is unknown and the consequences are difficult to accurately forecast. The company has robust procedures in place and has invested in technology to support remote working for a prolonged period of time and minimise the impact on the business.

This report was approved by the board on 26 April 2022 and signed on its behalf.



B F Macfarlane
Director

MMC VENTURES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMC VENTURES LIMITED FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion

We have audited the financial statements of MMC Ventures Limited (the 'Company') for the year ended 31 December 2021, which comprise the statement of comprehensive income, the balance sheet, the statement of cash flows, the statement of changes in equity and the related notes, including a summary of significant accounting policies. 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' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

MMC VENTURES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMC VENTURES LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, and non-compliance with laws and regulations, our procedures included the following: enquiring of management concerning the Company's policies with regards identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; enquiring of management concerning the Company's policies detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; enquiring of management concerning the Company's policies in relation to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud; and obtaining an understanding of the legal and regulatory framework that the Company operates in and focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Company. The key laws and regulations we considered in this context included the UK Companies Act 2006, the Financial Services and Markets Act 2000 and applicable tax legislation.

One particular focus area was the risk of fraud through management override of controls. Our procedures to respond to risks identified included the following: performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; reviewing the bank statements of the Company for evidence of any large or unusual activity which may be indicative of fraud;

MMC VENTURES LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MMC VENTURES LIMITED (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

enquiring of management in relation to any potential litigation and claims; and testing the appropriateness of journal entries and other adjustments.

Another focus area was non-compliance with the rules of the Financial Conduct Authority ('the FCA'). The Company was authorised and regulated by the FCA throughout the period. Our procedures to respond to risks identified included the following: reviewing correspondence between the Company and the FCA, performing analytical review to detect receipts of client money and remaining alert to the possibility of accidental receipt of client monies; and discussion of regulatory matters with the appointed officers of the Company.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

Peter Scott (senior statutory auditor)

for and on behalf of
Blick Rothenberg Audit LLP

Chartered Accountants
Statutory Auditor

16 Great Queen Street
Covent Garden
London
WC2B 5AH

Date: 26 April 2022

MMC VENTURES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

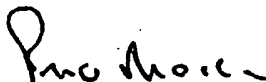
	Note	2021 £	2020 £
Turnover	3	7,861,058	5,121,706
Gross profit		7,861,058	5,121,706
Administrative expenses		(5,747,484)	(4,430,884)
Operating profit	4	2,113,574	690,822
Gain on disposal of investments		-	5,445
Interest receivable and similar income		18,218	6,147
Profit before tax		2,131,792	702,414
Tax on profit	7	(904,079)	28,225
Profit for the financial year		1,227,713	730,639

The notes on pages 12 to 22 form part of these financial statements.

MMC VENTURES LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	8	160,959	205,570
Fixed asset investments	9	81,965	46,778
		<u>242,924</u>	<u>252,348</u>
Current assets			
Debtors: amounts falling due after more than one year	10	1,040,415	525,927
Debtors: amounts falling due within one year	10	1,247,625	981,459
Current asset investments	11	500,849	-
Cash at bank and in hand		3,597,044	2,793,068
		<u>6,385,933</u>	<u>4,300,454</u>
Creditors: amounts falling due within one year	12	(3,037,749)	(2,089,388)
Net current assets		<u>3,348,184</u>	<u>2,211,066</u>
Total assets less current liabilities		<u>3,591,108</u>	<u>2,463,414</u>
Provisions for liabilities			
Deferred tax	13	(724,981)	-
Net assets		<u>2,866,127</u>	<u>2,463,414</u>
Capital and reserves			
Called up share capital	14	1,100,000	825,000
Profit and loss account		1,766,127	1,638,414
		<u>2,866,127</u>	<u>2,463,414</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 April 2022.



B F Macfarlane
 Director

The notes on pages 12 to 22 form part of these financial statements.

MMC VENTURES LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	825,000	907,775	1,732,775
Profit for the year	-	730,639	730,639
At 1 January 2021	825,000	1,638,414	2,463,414
Profit for the year	-	1,227,713	1,227,713
Dividends: Equity capital	-	(1,100,000)	(1,100,000)
Shares issued during the year	275,000	-	275,000
At 31 December 2021	1,100,000	1,766,127	2,866,127

The notes on pages 12 to 22 form part of these financial statements.

MMC VENTURES LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Profit for the financial year	1,227,713	730,639
Adjustments for:		
Depreciation of tangible assets	58,363	63,219
Loss on disposal of tangible assets	-	5,886
Interest received	(18,218)	(6,147)
Taxation charge	904,079	(28,225)
(Increase) in debtors	(756,192)	(263,966)
Increase in creditors	769,263	694,777
Corporation tax (paid)	(24,462)	(89,329)
Gain on disposal of investments	-	(5,445)
Net cash generated from operating activities	2,160,546	1,101,409
Cash flows from investing activities		
Purchase of tangible fixed assets	(13,752)	(16,395)
Purchase of unlisted and other investments	(536,036)	(25,947)
Sale of unlisted and other investments	-	6,468
Interest received	18,218	6,147
Net cash from investing activities	(531,570)	(29,727)
Cash flows from financing activities		
Issue of ordinary shares	275,000	-
Dividends paid	(1,100,000)	-
Net cash used in financing activities	(825,000)	-
Net increase in cash and cash equivalents	803,976	1,071,682
Cash and cash equivalents at beginning of year	2,793,068	1,721,386
Cash and cash equivalents at the end of year	3,597,044	2,793,068
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,597,044	2,793,068
	3,597,044	2,793,068

The notes on pages 12 to 22 form part of these financial statements.

MMC VENTURES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

MMC Ventures Limited is a private limited company incorporated in England and Wales. The company's address is 3rd Floor, 24 High Holborn, London, WC1V 6AZ.

The principal activity of the company during the year was that of facilitating and managing venture capital investment in growth companies.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. Management do not consider there are any key accounting estimates or assumptions made that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Management are also required to exercise judgment in applying the company's accounting policies. Due to the straightforward nature of the business, management consider that no critical judgments have been made in applying the company's accounting policies.

2.2 Going concern

After making enquiries and considering all relevant factors, the directors have a reasonable expectation that the company has adequate resources to continue in operation existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

2.3 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.

2.4 Revenue

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and such revenue can be reliably measured. Revenue is recognised as services are provided and includes management fees, transaction fees, performance fees and monitoring fees.

The Company is entitled to earn performance fees from a number of clients where the actual performance of the clients' assets exceeds defined benchmarks by an agreed level of outperformance. Performance fees are recognised when the quantum of the fee can be reliably estimated and it is probable that the fee will be received.

2. Accounting policies (continued)

2.5 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold improvements	-	25% straight line
Fixtures and fittings	-	20% straight line
Computer equipment	-	25% straight line

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.8 Financial instruments

The company's policy for accounting for investments is disclosed elsewhere. The company does not trade in other financial instruments and all such instruments arise directly from operations.

All trade and other debtors are initially recognised at transaction value, as none contain in substance a financing transaction. Thereafter trade and other debtors are reviewed for impairment where there is objective evidence based on observable data that the balance may be impaired. The company does not hold collateral against its trade and other receivables so its exposure to credit risk is the net balance of trade and other debtors after allowance for impairment.

The company's cash holdings comprise on demand balances. All cash is held with banks with strong external credit ratings.

Trade and other creditors and accruals are initially recognised at transaction value as none represent a financing transaction. They are only derecognised when they are extinguished.

As the company only has short term receivables and payables, its net current asset position is a reasonable measure of its liquidity at any given time.

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge 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 operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.12 Related parties

The company is exempt under section 33 of FRS 102 from disclosing transactions or balances between wholly owned group entities.

3. Turnover

The whole of the turnover is attributable to the company's principal activities.

All turnover arose within the United Kingdom.

MMC VENTURES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****4. Operating profit**

The operating profit is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	58,363	63,219
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements	9,100	12,000
Auditors' remuneration - non audit	9,450	16,985
Exchange differences	818	401
Operating lease rentals - land and buildings	216,878	221,480
	<u>216,878</u>	<u>221,480</u>

5. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	3,650,422	2,881,843
Social security costs	493,271	286,653
Cost of defined contribution scheme	140,957	79,161
	<u>4,284,650</u>	<u>3,247,657</u>

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

	2021 No.	2020 No.
Office and management	20	20
	<u>20</u>	<u>20</u>

6. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	875,266	856,208
	<u>875,266</u>	<u>856,208</u>

The highest paid director received remuneration of £369,570 (2020 - £407,436).

MMC VENTURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	179,098	-
Deferred tax		
Deferred tax	724,981	(28,225)
Taxation on profit/(loss) on ordinary activities	<u>904,079</u>	<u>(28,225)</u>

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>2,131,792</u>	<u>702,414</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	405,040	133,459
Effects of:		
Movement in unrecognised tax losses	(262,844)	110,093
Movement in other unrecognised timing differences	622,806	(279,220)
Expenses not deductible for tax purposes	17,508	7,443
Other differences leading to an increase (decrease) in the tax charge	(1,138)	-
Group relief	122,707	-
Total tax charge for the year	<u>904,079</u>	<u>(28,225)</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

MMC VENTURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Tangible fixed assets

	Leasehold improvements £	Fixtures & fittings £	Computer equipment £	Total £
Cost				
At 1 January 2021	179,400	83,266	22,769	285,435
Additions	4,037	3,499	6,216	13,752
At 31 December 2021	183,437	86,765	28,985	299,187
Depreciation				
At 1 January 2021	46,827	29,918	3,120	79,865
Charge for the year	38,085	15,452	4,826	58,363
At 31 December 2021	84,912	45,370	7,946	138,228
Net book value				
At 31 December 2021	98,525	41,395	21,039	160,959
At 31 December 2020	132,573	53,348	19,649	205,570

MMC VENTURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Fixed asset investments

	Investments in subsidiary companies (cost) £	Unlisted investments (valuation) £	Total £
At 1 January 2021	9	62,769	62,778
Additions	2	35,187	35,189
Disposals	(2)	-	(2)
At 31 December 2021	9	97,956	97,965
Impairment			
At 1 January 2021	-	16,000	16,000
At 31 December 2021	-	16,000	16,000
Net book value			
At 31 December 2021	9	81,956	81,965
At 31 December 2020	9	46,769	46,778

The Company holds 100% of the ordinary share capital of the following subsidiary undertakings:

MMC GP London Limited
 MMC GP London (Scotland) Limited
 MMC GP London II LLP
 MMC GP London (Scotland) II LLP
 MMC GP Scale-Up I LLP
 MMC GP Scale-Up (Scotland) I LLP
 MMC Ventures Advisors Limited
 MMC GP SPV LLP
 MMC GP SPV (Scotland) 1 LLP

The company has taken advantage of section 402 of the Companies Act 2006 to exclude the results of its subsidiary undertakings from consolidation on the grounds that their inclusion is not material for the purposes of giving a true and fair view.

MMC VENTURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Debtors

	2021 £	2020 £
Due after more than one year		
Amounts owed by related undertakings	235,305	141,751
Other debtors	805,110	384,176
	<u>1,040,415</u>	<u>525,927</u>
Due within one year		
Trade debtors	285,219	309,092
Other debtors	37,627	51,921
Prepayments and accrued income	924,779	620,446
	<u>2,288,040</u>	<u>1,507,386</u>

11. Current asset investments

	2021 £	2020 £
Unlisted investments	<u>500,849</u>	<u>-</u>

12. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	55,752	19,701
Corporation tax	179,098	-
Other taxation and social security	792,696	408,549
Other creditors	370	520
Accruals and deferred income	2,009,833	1,660,618
	<u>3,037,749</u>	<u>2,089,388</u>

MMC VENTURES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****13. Deferred taxation**

	2021 £	2020 £
At beginning of year	-	28,225
Charge to the statement of income & retained earnings	724,981	(28,225)
At end of year	724,981	-
	2021 £	2020 £
Accelerated capital allowances	20,596	-
Other timing differences	704,385	-
	724,981	-
Comprising:		
Liability	724,981	-

14. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
110,000,000 (2020 - 82,500,000) Ordinary shares of £0.01 each	1,100,000	825,000

On 18 October 2021 the company issued 27,500,000 shares at £0.01 per share.

MMC VENTURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Share based payments

The company operates an Enterprise Management Incentive share option scheme. Under this scheme options are granted at discretion of management to eligible employees in accordance with the provisions of Schedule 5 of the Income Tax (Earnings & Pensions) Act 2003.

	Weighted average exercise price (pence) 2021	Number 2021	Weighted average exercise price (pence) 2020	Number 2020
Outstanding at the beginning of the year	1	19,800,000	1	15,400,000
Granted during the year	1	7,700,000	1	4,400,000
Exercised during the year	1	(27,500,000)		-
Outstanding at the end of the year	1	-	1	19,800,000

The fair value of equity-settled share options granted is estimated as at the date of grant using a valuation model, taking into account the terms and conditions upon which the options were granted.

	2021 £	2020 £
Share based payment expense		
Equity-settled schemes	-	-

No share based payment charge has been recognised in the year as it was immaterial.

16. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	207,563	174,489
Later than 1 year and not later than 5 years	328,449	536,013
	536,012	710,502

17. Other financial commitments

At the balance sheet date the Company had committed to advance up to £219,353 (2020: £215,118) to employees of the Company.

MMC VENTURES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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18. Related party transactions

The Company has advanced loans to directors of the Company. The loans bear interest at 2.5% per annum and are repayable within 24 months following the realisation of the relevant assets of MMC Scale-Up FP I LP and MMC SPV FP 1 LP. At the balance sheet date £424,575 (2020: £77,423) is due to the Company and is included in Other debtors due after one year.

During the year the company declared and paid dividends of £968,000 (2020: £nil) to directors of the Company.