

REGISTERED NUMBER: OC384792 (England and Wales)

**Report of the Members and
Financial Statements for the Year Ended 31 December 2019
for
IP Venture Fund II (GP) LLP**

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IP Venture Fund II (GP) LLP (Registered number: OC384792)

**Contents of the Financial Statements
for the Year Ended 31 December 2019**

	Page
General Information	1
Report of the Members	2
Report of the Independent Auditors	4
Income Statement	6
Balance Sheet	7
Reconciliation of Members' Interests	8
Notes to the Financial Statements	10

IP Venture Fund II (GP) LLP

**General Information
for the Year Ended 31 December 2019**

DESIGNATED MEMBERS: G Smith
Top Technology Ventures Limited trading as IP Capital

REGISTERED OFFICE: The Walbrook Building
25 Walbrook
London
EC4N 8AF

REGISTERED NUMBER: OC384792 (England and Wales)

AUDITORS: KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

IP Venture Fund II (GP) LLP (Registered number: OC384792)

**Report of the Members
for the Year Ended 31 December 2019**

The members present their report with the financial statements of IP Venture Fund II (GP) LLP (the "LLP") for the year ended 31 December 2019.

The financial statements have been delivered in accordance with the special provisions relating to LLPs subject to the small LLPs regime

PRINCIPAL ACTIVITY

The principal activity of IP Venture Fund II (GP) LLP ("the LLP") in the year under review was that of management of IP Venture Fund II LP ("IPVFII"), a venture capital limited partnership. The LLP has assigned the management of IPVFII to a designated member, Top Technology Ventures Limited ("TTV"). The operations of the LLP and IPVFII are solely based in the United Kingdom.

EVENTS SINCE THE END OF THE YEAR

As per note 10, at present, the members do not envisage the Covid-19 pandemic will result in a significant adverse impact for the LLP, however given that the outcome of the Covid-19 pandemic is uncertain we acknowledge that a definitive assessment of its impact cannot be made at this time.

DESIGNATED MEMBERS

The designated members during the year under review were:

G Smith

Top Technology Ventures Limited trading as IP Capital

RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS

The loss for the year before members' remuneration and profit shares was £20 (2018 - £1,933 loss).

MEMBERS' INTERESTS

The members may make such capital contribution to the LLP as they agree but are not obliged to and may contribute capital through services or other forms of non-cash contributions. Net profits and net losses shall be allocated and distributed in proportion to each member's economic interest in the LLP which is determined by the designated members. The LLP's drawing policy allows each member to draw upon their profit share subject to the cash requirements of the LLP.

Members' capital is only repaid at the discretion of the designated members and can be withheld indefinitely. In accordance with IAS32, members' capital is categorised as equity.

GOING CONCERN

The financial statements have been prepared on a going concern basis which the members consider to be appropriate for the following reasons.

After reviewing the cash flow forecasts for a period of at least 12 months, the members are satisfied that taking account of reasonably possible downsides, including the potential impact of COVID-19, the LLP will have sufficient funds to meet its liabilities as they fall due for that period. For this reason, the members consider it appropriate to adopt the going concern basis in preparing these financial statements

The members have considered the impact of the emergence and spread of COVID-19 and potential implications on future operations. Whilst there are significant wider market uncertainties which may impact the LLP, the members do not believe this will impact the ability of the LLP to continue as a going concern for at least the next 12 months.

Those forecasts are dependent on Top Technology Ventures Limited, a consolidated subsidiary of IP Group plc, not seeking repayment of the amounts currently due to the company, which at 31 December 2019 amounted to £585,956, and providing additional financial support during that period. Top Technology Ventures Limited has indicated via a letter of support its intention to continue to make available such funds as are needed by the LLP, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the members acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the members are confident that the LLP will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**Report of the Members (continued)
for the Year Ended 31 December 2019**

STATEMENT OF MEMBERS' RESPONSIBILITIES

The members are responsible for preparing the Report of the Members and the financial statements in accordance with applicable law and regulations.

Company law requires the members to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under company law the members 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that the financial statements comply with the Companies Act 2006 applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the LLP's auditors are unaware, and each member has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.

AUDITORS

The auditor KPMG LLP is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

ON BEHALF OF THE MEMBERS:



G Smith - Designated member

19 May 2020

**Report of the Independent Auditors to the Members of
IP Venture Fund II (GP) LLP (Registered number: OC384792)**

Opinion

We have audited the financial statements of IP Venture Fund II (GP) LLP ("the LLP") for the year ended 31 December 2019 which comprise the Income Statement, Balance Sheet, Reconciliation of Members' Interests and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006 applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the LLP in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The members have prepared the financial statements on the going concern basis as they do not intend to liquidate the LLP or to cease its operations, and as they have concluded that the LLP's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the members' conclusions, we considered the inherent risks to the LLP's business model and analysed how those risks might affect the LLP's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the LLP will continue in operation.

Other information

The members are responsible for the other information, which comprises the report of the members. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the report of the members for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006 applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Matters on which we are required to report by exception

Under the Companies Act 2006 applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 we are required 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 members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Responsibilities of members

As explained more fully in their statement set out on page 2, the members are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the LLP'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 they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

**Report of the Independent Auditors to the Members of
IP Venture Fund II (GP) LLP (Registered number: OC384792)**


Auditors' 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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the LLP's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Noonan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

Date: 19/05/2020

IP Venture Fund II (GP) LLP (Registered number: OC384792)

**Income Statement
for the Year Ended 31 December 2019**

	Notes	2019 £	2018 £
TURNOVER	3	572,308	607,622
Administrative expenses	4	<u>(572,328)</u>	<u>(609,555)</u>
OPERATING LOSS and LOSS FOR THE FINANCIAL YEAR BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES		(20)	(1,933)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR		<u><u>(20)</u></u>	<u><u>(1,933)</u></u>

The notes on pages 10 to 12 form part of these financial statements

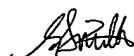
IP Venture Fund II (GP) LLP (Registered number: OC384792)

**Balance Sheet
31 December 2019**

	Notes	2019 £	2018 £
DEBTORS			
Amounts falling due after more than one year	6	572,308	1,355,854
CREDITORS			
Amounts falling due within one year	7	<u>1,933</u>	<u>1,913</u>
NET CURRENT ASSETS		<u>570,375</u>	<u>1,353,941</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
and			
NET ASSETS ATTRIBUTABLE TO MEMBERS		<u>570,375</u>	<u>1,353,941</u>
LOANS AND OTHER DEBTS DUE TO MEMBERS	8	585,956	1,369,502
MEMBERS' OTHER INTERESTS			
Capital accounts		100	100
Other reserves		<u>(15,681)</u>	<u>(15,661)</u>
		<u>570,375</u>	<u>1,353,941</u>
TOTAL MEMBERS' INTERESTS			
Loans and other debts due to members	8	585,956	1,369,502
Members' other interests		<u>(15,581)</u>	<u>(15,561)</u>
		<u>570,375</u>	<u>1,353,941</u>

The financial statements have been prepared in accordance with the provisions applicable to LLPs subject to the small LLPs regime.

The financial statements were approved by the members of the LLP on 19 May 2020 and were signed by:



G Smith - Designated member

**Reconciliation of Members' Interests
for the Year Ended 31 December 2019**

	EQUITY		
	Members' other interests		
	Members' capital (classified as equity) £	Other reserves £	Total £
Balance at 1 January 2019	100	(15,661)	(15,561)
Loss for the financial year available for discretionary division among members	-	(20)	(20)
Members' interests after loss for the year	100	(15,681)	(15,581)
Introduced by members	-	-	-
Drawings	-	-	-
Balance at 31 December 2019	<u>100</u>	<u>(15,681)</u>	<u>(15,581)</u>

	DEBT	TOTAL MEMBERS' INTERESTS
	Loans and other debts due to members less any amounts due from members in debtors	
	Other amounts £	Total £
Amount due to members	1,369,502	
Amount due from members	-	
Balance at 1 January 2019	1,369,502	1,353,941
Loss for the financial year available for discretionary division among members	-	(20)
Members' interests after loss for the year	1,369,502	1,353,921
Introduced by members	572,308	572,308
Drawings	<u>(1,355,854)</u>	<u>(1,355,854)</u>
Amount due to members	585,956	
Amount due from members	-	
Balance at 31 December 2019	<u>585,956</u>	<u>570,375</u>

IP Venture Fund II (GP) LLP (Registered number: OC384792)

**Reconciliation of Members' Interests
for the Year Ended 31 December 2019**

	EQUITY		
	Members' capital (classified as equity) £	Members' other interests Other reserves £	Total £
Balance at 1 January 2018	100	(13,728)	(13,628)
Loss for the financial year available for discretionary division among members	-	(1,933)	(1,933)
Members' interests after loss for the year	100	(15,661)	(15,561)
Introduced by members	-	-	-
Balance at 31 December 2018	<u>100</u>	<u>(15,661)</u>	<u>(15,561)</u>

	DEBT Loans and other debts due to members less any amounts due from members in debtors Other amounts £	TOTAL MEMBERS' INTERESTS Total £
Amount due to members	759,992	
Amount due from members	-	
Balance at 1 January 2018	759,992	746,364
Loss for the financial year available for discretionary division among members	-	(1,933)
Members' interests after loss for the year	759,992	744,431
Introduced by members	<u>609,510</u>	<u>609,510</u>
Amount due to members	1,369,502	
Amount due from members	-	
Balance at 31 December 2018	<u>1,369,502</u>	<u>1,353,941</u>

The notes on pages 10 to 12 form part of these financial statements

IP Venture Fund II (GP) LLP (Registered number: OC384792)

**Notes to the Financial Statements
for the Year Ended 31 December 2019**

1. STATUTORY INFORMATION

IP Venture Fund II (GP) LLP is registered in England and Wales. The LLP's registered number and registered office address is OC384792, The Walbrook Building, 25 Walbrook, London, United Kingdom, EC4N 8AF. The LLP was setup as the fund manager of IPVFII and has assigned the management to TTV. The LLP receives a fund management fee from IPVFII and passes it onto TTV.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The Financial Statements of IP Venture Fund II (GP) LLP (the "LLP") are for the year ended 31 December 2019. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. These financial statements have been prepared in accordance with the special provisions relating to LLPs subject to the small LLPs regime.

In these financial statements, the LLP has applied the exemptions available under the small LLPs regime in respect of the following disclosures: a Cash Flow Statement and related notes; disclosures in respect of transactions with wholly owned subsidiaries; disclosures in respect of capital management; the effects of new but not yet effective IFRSs; and disclosures of transactions with a management entity that provides key management personnel services to the LLP. The LLP has also applied the exemption from the requirements of IFRS 7 Financial Instruments: Disclosures, the equivalent disclosures are included in the IP Group plc consolidated financial statements.

Changes in accounting policies

(i) New standards, interpretations and amendments effective from 1 January 2019

There are no amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2019 that have had a material impact on the LLP's financial statements.

(ii) New standards, interpretations and amendments not yet effective

No new standards, interpretations and amendments not yet effective are expected to have a material effect on the LLP's future financial statements.

Going concern

The financial statements have been prepared on a going concern basis which the members consider to be appropriate for the following reasons.

After reviewing the cash flow forecasts for a period of at least 12 months, the members are satisfied that taking account of reasonably possible downsides, including the potential impact of COVID-19, the LLP will have sufficient funds to meet its liabilities as they fall due for that period. For this reason, the members consider it appropriate to adopt the going concern basis in preparing these financial statements

The members have considered the impact of the emergence and spread of COVID-19 and potential implications on future operations. Whilst there are significant wider market uncertainties which may impact the LLP, the members do not believe this will impact the ability of the LLP to continue as a going concern for at least the next 12 months.

Those forecasts are dependent on Top Technology Ventures Limited, a consolidated subsidiary of IP Group plc, not seeking repayment of the amounts currently due to the company, which at 31 December 2019 amounted to £585,956, and providing additional financial support during that period. Top Technology Ventures Limited has indicated via a letter of support its intention to continue to make available such funds as are needed by the LLP, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the members acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the members are confident that the LLP will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2019**

2. ACCOUNTING POLICIES - continued

Related party exemption

The LLP has taken advantage of exemption, under the terms of Financial Reporting Standard 101 Reduced Disclosure Framework, not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover reflects the amounts receivable by the LLP, as a first charge on IPVFII profits, for its services as general partner to IPVFII under their terms of the Limited Partnership Agreement.

Members' participation rights

Members' participation rights are the rights of a member that arise under the members' agreement.

Members' participation rights in the earnings and assets of the LLP are analysed between those that are, from the LLP's perspective, either a financial liability or equity, in accordance with IAS32 Financial Instruments Presentation and FRS 101 Reduced Disclosure Framework. A member's participation right results in a liability unless the right of any payment is discretionary on the part of the General Partner.

Amounts subscribed or otherwise contributed by members are classified as equity as any repayment is at the discretion of the designated members.

Profits or losses are divided only after a decision by the designated members and so such profits or losses as classed as an appropriation of equity rather than as an expense. They are therefore shown as a residual amount available for discretionary division among members in the profit and loss account and equity appropriations in the balance sheet.

3. TURNOVER

The turnover for the financial year relates to the fund management fee, this is computed based on IPVFII assets under management as per the terms of the agreement between the LLP and IPVFII.

4. OPERATING PROFIT

The operating loss is stated after charging/(crediting):

	2019 £	2018 £
Fund management fee revenue	(572,308)	(607,622)
Fund management fee assigned to Top Technology Ventures Limited	572,308	607,622
Administrative expenses	20	-
Auditors' remuneration	-	1,933

5. AUDITORS' REMUNERATION

	2019 £	2018 £
Fees payable to the LLP's auditors for the audit of the LLP's financial statements	4,000	1,933

The above fee was paid by Top Technology Ventures Limited on behalf of the LLP.

6. DEBTORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019 £	2018 £
Amounts owed by group undertakings	572,308	1,355,854

Balances due from limited partnerships represent priority profit share unpaid at the balance sheet date.

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Amounts owed to group undertakings	1,933	-
Accruals and deferred income	-	1,913
	1,933	1,913

IP Venture Fund II (GP) LLP (Registered number: OC384792)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2019**

8. LOANS AND OTHER DEBTS DUE TO MEMBERS

Amounts due to members reflects amounts due to TTV, a member, for unpaid management fees payable at the end of the reporting period.

9. RELATED PARTY DISCLOSURES

IPVFII's partnership agreement provides that the LLP shall act as general partner of IPVFII and is entitled to a General Partner's Share as described in note 2. The LLP has assigned its management of IPVFII to TTV for a fee equal to that of the General Partner's Share receivable from IPVFII.

During the year ended 31 December 2019, £572,308 (2018: £607,622) was receivable from IPVFII comprising the General Partner's Share and the same amount was payable to TTV during the year.

As at 31 December 2019, £100 remains due from TTV, a member, to the LLP for its initial members' capital contribution and £586,056 remains due to TTV for management fees and the net amount of £585,956 due to members is reflected in these financial statements.

10. EVENTS AFTER THE REPORTING PERIOD

At present, the members do not envisage the Covid-19 pandemic will result in a significant adverse impact for the LLP, however given that the outcome of the Covid-19 pandemic is uncertain we acknowledge that a definitive assessment of its impact cannot be made at this time.

11. IMMEDIATE AND ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The designated member, Top Technology Ventures Limited, has economic interests amounting to 99.99% of the LLP, and has control of the operations. Consequently, TTV is the controlling party. The ultimate parent of both TTV and the LLP is IP Group plc. The results of the LLP are consolidated in the group accounts of the ultimate parent company's financial statements. The immediate and ultimate parent companies were incorporated in the United Kingdom. Copies of the ultimate parent company's financial statements may be obtained from the Secretary of IP Group plc, The Walbrook Building, 25 Walbrook, London, EC4N 8AF.