

PENTECH CAPITAL LIMITED

**Report and Financial Statements
For the year ended
31 May 2015**

[Faint, illegible handwritten text]



Pentech Capital Limited

DIRECTORS' REPORT

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

REVIEW OF THE BUSINESS

The company was dormant throughout the year ended 31 May 2015.

DIRECTORS

The directors of the company during the year ended 31 May 2015 were as follows:

C Anderson
E Anderson
A McKinnon
M Moens

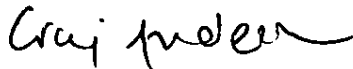
RESULTS AND DIVIDENDS

There were no profits or losses, or dividends paid or payable, in the year ended 31 May 2015 or the year ended 31 May 2014.

DIRECTORS' AND OFFICERS' INSURANCE

Directors benefited from qualifying third party directors' and officers' liability insurance in place during the year and at the date of this report.

By order of the Board



C Anderson
Company Secretary
18 September 2015

Pentech Capital Limited

STATEMENT OF INCOME AND RETAINED EARNINGS for the year ended 31 May 2015

During the financial year and the preceding financial year the company did not trade and received no income and incurred no expenditure. Consequently, during those years the company made neither a profit nor loss.

The notes on pages 4 to 5 together with the accounting policies on pages 4 to 5 form part of these accounts.

Pentech Capital Limited

STATEMENT OF FINANCIAL POSITION at 31 May 2015

	Note	2015 £	2014 £
FIXED ASSETS			
Investments	3	1	1
		-----	-----
NET ASSETS		1	1
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	4	1	1
		=====	=====

The financial statements were approved and authorised for issue by the Board of Directors on 18 September 2015 and signed on its behalf by:



C Anderson

Director

Company number SC219860

The notes on pages 4 to 5 together with the accounting policies on pages 4 to 5 form part of these financial statements.

For the year ended 31 May 2015 the company was entitled to exemption from audit under section 480 of the Companies Act 2006 relating to dormant companies. Members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors:

(a) confirm that the company was entitled to exemption under subsections (1) and (2) of section 480 of the Companies Act 2006 relating to dormant companies from the requirement to have its financial statements for the financial year ended 31 May 2015 audited;

(b) confirm that members have not required the company to obtain an audit of its financial statements for that financial year in accordance with section 476 of the Companies Act 2006; and

(c) acknowledge their responsibilities for:

- (i) ensuring that the company keeps adequate accounting records which comply with section 386 of the Companies Act 2006, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its surplus or deficit for the financial year in accordance with the requirements of sections 393 and 394 of the Companies Act 2006, and which otherwise comply with the requirements of that Act relating to financial statements, so far as applicable to the company.

Pentech Capital Limited

NOTES TO THE ACCOUNTS at 31 May 2015

1. COMPANY INFORMATION

Pentech Capital Limited was incorporated on 5 June 2001 and is registered as a limited company in Scotland with a registered office at 39 Melville Street, Edinburgh. The company was dormant throughout the year ended 31 May 2015.

2. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Accounting convention

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102, – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis and no modification to a fair value basis is required in any assets and liabilities. These are the Company's first set of financial statements prepared in accordance with FRS 102 and Directors have decided to adopt the new standard early. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The company acts as the general partner for Pentech Fund I SP Limited Partnership, Pentech Fund II SP Limited Partnership, Pentech Fund I Co-Investment Limited Partnership and Pentech (2007) SP Limited Partnership (the Funds) and holds a small minority interest in the Funds in the form of capital contributions amounting to £4. The attributable proportions of the assets and income of the Funds are consolidated. The Funds are a subsidiary undertaking and under the terms of the Companies Act 2006 should be consolidated in full. However, the directors consider the accounts would not give a true and fair view if the assets and income as a whole were to be consolidated since the company's interest in these assets is, except to the extent that they are proportionally consolidated, merely that of an investment manager.

The effect of this departure has no impact on the financial statements as the Funds are not currently trading.

Turnover

Turnover represents the amounts derived from the provision of services which fall within the company's ordinary activities, stated net of value added tax. Fees are credited to income when they are earned and the fee has been agreed. None of the turnover was derived from overseas.

Taxation

Corporation tax payable is provided on the taxable profits at the current rate.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or right to pay less, tax in future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods.

Dividends on shares presented within equity

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

Pentech Capital Limited

NOTES TO THE ACCOUNTS at 31 May 2015

2. ACCOUNTING POLICIES (CONTINUED)

Going Concern

No material uncertainties that may cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Income

Deposit interest and loan interest are accounted for on an accruals basis. Dividends are accounted for on an accruals basis provided there is no reasonable doubt that payment will be received in due course.

Expenses

All expenses are accounted for on an accruals basis.

3. INVESTMENTS

	2015	2014
	£	£
Unlisted investments – cost	1	1
	=====	=====

This represents the capital contributions in Pentech Fund I SP Limited Partnership, Pentech Fund II SP Limited Partnership, Pentech Fund I Co-Investment Limited Partnership and Pentech (2007) SP Limited Partnership and is accounted for as explained in note 2 of these financial statements.

4. CALLED UP SHARE CAPITAL

At 31 May 2015 and 31 May 2014

	Authorised	Allotted called up and fully paid
	£	£
Ordinary shares of £1 each	100	1
	=====	=====

5. PARENT UNDERTAKING

The company's immediate parent undertaking is Pentech GP Holdings Limited and the ultimate parent undertaking is Pentech Ventures LLP. Pentech GP Holdings Limited is a wholly owned subsidiary undertaking of Pentech Ventures LLP. Copies of the accounts of Pentech Ventures LLP and Pentech GP Holdings Limited can be obtained from 39 Melville Street, Edinburgh EH3 7JF.

6. RELATED PARTY TRANSACTIONS

The consolidated financial statements of the company's ultimate parent undertaking are publicly available and include the balance of all transactions with group members who are related parties of the group. Under the provisions of Financial Reporting Standard No.102, transactions with related parties of this company have not therefore been disclosed other than as required under the Companies Act 2006.

7. CASH FLOW STATEMENT

The company has taken advantage of the exemption under Financial Reporting Standard No. 102 not to prepare a Cash Flow Statement as the consolidated financial statements of its ultimate parent undertaking include a consolidated Cash Flow Statement dealing with the cash flows of the group.

PENTECH FUND I CO-INVESTMENT LIMITED PARTNERSHIP

Report and Accounts
For the year ended 31 December 2014

Registered Limited Partnership No. 4823

Pentech Fund I Co-Investment Limited Partnership

CONTENTS

	<i>Page</i>
General Partner's Report	1
Statement of General Partner's Responsibilities in respect of the General Partner's Report and the Accounts	2
Statement of Comprehensive Income	3
Statement of Financial Position	4
Cash Flow Statement	5
Notes to the Accounts	6 – 10

Pentech Fund I Co-Investment Limited Partnership

GENERAL PARTNER'S REPORT

The General Partner presents the annual report and accounts of the Partnership for the year ended 31 December 2014.

ACTIVITY

The Limited Partnership invests in unlisted early stage technology companies within the UK and Ireland.

RESULTS

In the year ended 31 December 2014, the Partnership made an operating loss of £1,454 (2013 – £1,222). After movement in the fair value of investments, the aggregate loss for the year is £889 (2013 – £4,853).

DRAWDOWNS FROM LIMITED PARTNERS

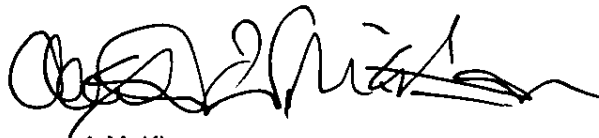
During the year under review and the prior year there were no drawdowns from Limited Partners.

DIRECTORS

The directors of the General Partner, Pentech Capital Limited, during the year ended 31 December 2014 were as follows:

C Anderson
E Anderson
A McKinnon
M Moens

By order of the General Partner



A McKinnon
Director - General Partner
18 December 2015

Pentech Fund I Co-Investment Limited Partnership

STATEMENT OF GENERAL PARTNER'S RESPONSIBILITIES IN RESPECT OF THE GENERAL PARTNER'S REPORT AND THE ACCOUNTS

The General Partner is responsible for preparing the General Partner's Report and the financial statements in accordance with applicable law and regulations.

The Partnerships (Accounts) Regulations 2008 require the General Partner to prepare financial statements for each financial year in accordance with Part 15 and Chapter 1 of Part 16 of the Companies Act 2006. Under that law the General Partner has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the General Partner must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the partnership and of the profit or loss of the partnership for that period. In preparing these financial statements, the General Partner is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the partnership will continue in business

The General Partner has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the partnership and to prevent and detect fraud and other irregularities.

Pentech Fund I Co-Investment Limited Partnership

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2014

	Note	2014 £	2013 £
INCOME		-	-
EXPENSES			
Administrative expenses	3	(938)	(936)
Loss on realisation of investments		(516)	(286)
OPERATING LOSS		(1,454)	(1,222)
Movement in investment provisions	4	565	(3,631)
NET LOSS FOR THE YEAR		(889)	(4,853)
Allocation of Net Loss to Partners:			
General Partner:			
Income account	5	(938)	(936)
Limited Partners:			
Realised movement in value of investments	5	(516)	(286)
Unrealised movement in value of investments	5	565	(3,631)

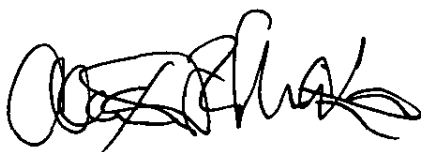
There are no recognised gains or losses other than the loss for the year to 31 December 2014 of £889 (2013 – £4,853).

Pentech Fund I Co-Investment Limited Partnership

STATEMENT OF FINANCIAL POSITION at 31 December 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Investments	4	-	-
CURRENT ASSETS			
Accrued investment disposal proceeds		-	1,667
Cash and short term deposits		7,834	14,958
		<u>7,834</u>	<u>95,485</u>
CREDITORS: Amounts falling due within one year			
Accrued expenses		(936)	(8,838)
		<u>6,898</u>	<u>7,787</u>
NET CURRENT ASSETS			
		<u>6,898</u>	<u>7,787</u>
NET ASSETS			
		<u>6,898</u>	<u>7,787</u>
		=====	=====
GENERAL PARTNER'S ACCOUNTS			
Capital commitments	5	1	1
Income account	5	(14,040)	(13,102)
		<u>(14,039)</u>	<u>(13,101)</u>
LIMITED PARTNERS' ACCOUNTS			
Capital commitments	5	104,174	104,174
		<u>104,174</u>	<u>104,174</u>
INVESTMENT PROVISIONS			
	5	(83,237)	(83,286)
		<u>(83,237)</u>	<u>(83,286)</u>
PARTNERS' FUNDS			
		<u>6,898</u>	<u>7,787</u>
		=====	=====

The financial statements were approved and authorised for issue by the General Partner on 18 December 2015 and signed on its behalf by:



A McKinnon

Director of the General Partner

The notes on pages 6 to 10 together with the accounting policies on pages 6 and 7 form part of these accounts.

Pentech Fund I Co-Investment Limited Partnership

CASH FLOW STATEMENT

for the year ended 31 December 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	6	(8,840)	(270)
Financial investment:			
Investment disposal proceeds		1,716	5,578
		-----	-----
Movement in cash during year		(7,124)	5,308
Cash at beginning of year		14,958	9,650
		-----	-----
Cash at end of year		7,834	14,958
		=====	=====

Pentech Fund I Co-Investment Limited Partnership

NOTES TO THE ACCOUNTS

for the year ended 31 December 2014

1. PARTNERSHIP AGREEMENT

Pentech Fund I Co-Investment Limited Partnership was established on 30 December 2002 and is registered as a limited partnership in Scotland with a registered office at 39 Melville Street, Edinburgh. The General Partner is Pentech Capital Limited. The operation of the partnership is governed by the Partnership Agreement dated 30 December 2002 as subsequently amended and restated.

2. ACCOUNTING POLICIES

Basis of preparation of accounts

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102, – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below. These are the Partnership's first set of statements prepared in accordance with FRS 102 and the General Partner has decided to adopt the new standard early. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

In the years to 31 December 2013 the accounts were prepared in accordance with the Partnership agreement and applicable standards.

Valuation of investments

Financial Instruments

Financial Instruments include fixed asset investments, derivative assets and liabilities and long-term debt instruments. Investments are classified as financial assets at fair value through profit or loss on initial recognition. Accounting Standards recognise a hierarchy of fair value measurements for Financial Instruments which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The classification of Financial Instruments depends on the lowest significant applicable input, as follows:

Level 1 – Unadjusted, fully accessible and current quoted prices in active markets for identical assets or liabilities. Included within this category are investments listed on a recognised stock exchange. The Partnership held no such securities during the year under review.

Level 2 – Quoted prices for similar assets or liabilities, or other directly or indirectly observable inputs which exist for the duration of the period of investment. Examples of such instruments would be those for which the quoted price has been suspended, forward exchange contracts and certain other derivative investments. The Partnership held no such securities during the year under review.

Level 3 – External inputs are unobservable. Value is at the Investment Manager's best estimate and prepared in accordance with the International Private Equity and Venture Capital Valuation Guidelines. Level 3 are investments in private companies or securities, whether invested directly or through partnerships. The Partnership's investments are all deemed Level 3 during the year under review.

Pentech Fund I Co-Investment Limited Partnership

NOTES TO THE ACCOUNTS

for the year ended 31 December 2014

Fixed Asset Investments

Purchases or sales of investments are recognised at the date of transaction. Investments are valued at fair value. For listed securities this is either bid price or the last traded price, depending on the convention of the exchange on which the investment is quoted. In respect of unquoted investments, these are recognised initially at cost and subsequently fair valued by the underlying funds using methodology which is consistent with the International Private Equity Guidelines ("IPEG"). In accordance with IPEG this means that investments may be valued using an earnings multiple, which has been discounted or premium applied which adjusts for points of difference to appropriate stock market or comparable transaction multiples. Alternative methods of valuation may include application of an arm's length third party valuation, a provision on cost or a net asset value basis. Unrealised gains on investments are included in the Statement of Comprehensive Income for the year as a capital item. Realised gains are recorded when capital distributions from an unquoted partnership exceed contributions made.

In the years to 31 December 2013 investments were valued at cost or, where the General Partner considered that a lower value must be ascribed to the investment, at cost less a provision.

Gains and losses on sale of investments

As required by sections 5,6 and 10 of FRS 102 "Reporting financial performance", gains and losses arising on the disposal of investments, being the difference between the carrying value and net proceeds, are taken to the Statement of Comprehensive Income. Any previously unrealised deficiency on revaluation is then transferred from unrealised losses to partners' capital accounts.

Income

Deposit interest and loan interest are accounted for on an accruals basis. Dividends are accounted for on an accruals basis provided there is no reasonable doubt that payment will be received in due course.

Expenses

All expenses are accounted for on an accruals basis.

Taxation

As a partnership, taxable income and chargeable gains and losses are passed through to the individual partners. Accordingly, no provision for taxation is made in these accounts.

Pentech Fund I Co-Investment Limited Partnership

NOTES TO THE ACCOUNTS

for the year ended 31 December 2014

3. ADMINISTRATIVE EXPENSES

	2014	2013
	£	£
Services relating to taxation	936	936
Bank charges	2	-
	-----	-----
	938	936
	=====	=====

4. INVESTMENTS

<i>Unlisted Investments:</i>	2014	2013
	£	£
<u>Cost:</u>		
At 1 January	33,015	37,018
Disposals in year	(565)	(4,003)
	-----	-----
At 31 December	32,450	33,015
	-----	-----
<u>Investment provisions</u>		
At 1 January	(33,015)	(29,384)
Provided in year	-	(3,631)
Realised in year	565	-
	-----	-----
At 31 December	(32,450)	(33,015)
	-----	-----
Net book value at 31 December	-	-
	=====	=====

Pentech Fund I Co-Investment Limited Partnership

NOTES TO THE ACCOUNTS

for the year ended 31 December 2014

5. PARTNERS' ACCOUNTS

Commitments:

	<u>General Partner</u>		<u>Limited Partners</u>	
	<u>Capital</u> <u>Contribn.</u>	<u>Loan</u> <u>Contribn.</u>	<u>Capital</u> <u>Contribn.</u>	<u>Loan</u> <u>Contribn.</u>
	£	£	£	£
At 31 December 2013 and 31 December 2014	1	-	21	104,153
	=====	=====	=====	=====
Partners' undrawn commitments at 31 December 2014	-	-	-	-
	=====	=====	=====	=====

Capital and Income Accounts:

	<u>General Partner</u>		<u>Limited Partners</u>		<u>Realised & Unrealised M'ment in Value of Investments</u> £
	<u>Capital</u> <u>Account</u> £	<u>Income</u> <u>Account</u> £	<u>Capital</u> <u>Account</u> £	<u>Income</u> <u>Account</u> £	
At 1 January 2013	-	(12,166)	-	-	(79,369)
(Loss) allocated to partners	-	(936)	-	-	-
Realised loss allocated to partners	-	-	-	-	(286)
Unrealised provision allocated to partners	-	-	-	-	(3,631)
	-----	-----	-----	-----	-----
At 1 January 2014	-	(13,102)	-	-	(83,286)
(Loss) allocated to partners	-	(938)	-	-	-
Realised loss allocated to partners	-	-	-	-	(516)
Other movement in investment provisions allocated to partners	-	-	-	-	565
	-----	-----	-----	-----	-----
At 31 December 2014	-	(14,040)	-	-	(83,237)
	=====	=====	=====	=====	=====

6. NET CASH FLOW FROM OPERATING ACTIVITIES

	2014 £	2013 £
Operating loss for the year	(1,454)	(1,222)
Loss on realisation of investments	516	286
(Decrease) Increase in creditors	(7,902)	666
	-----	-----
Net cash flow from operating activities	(8,840)	(270)
	=====	=====

Pentech Fund I Co-Investment Limited Partnership

NOTES TO THE ACCOUNTS

for the year ended 31 December 2014

7. FINANCIAL RISK

As an Investment Partnership, the Partnership invests in unlisted securities so as to meet its investment objective of achieving long term capital growth. In pursuing its investment objective, the Partnership is exposed to various types of risk that are associated with the financial instruments and markets in which it invests.

These risks are categorised here as market risk, currency risk, interest rate risk and liquidity risk. The General Partner monitors closely the Partnership's exposures to these risks but does so in order to reduce the likelihood of a permanent loss of capital rather than to minimise the short term volatility.

Market Risk

The fair value or future cash flows of a financial instrument or other investment held by the Partnership may fluctuate because of changes in the value of an unquoted investment. The General Partner reviews and agrees policies for managing this risk and the General Partner both assesses the exposure to market risk when making individual investment decisions and monitoring the overall level of market risk across the investment portfolio on an ongoing basis.

Currency Risk

The Partnership is exposed to currency exchange rate risk due to a significant proportion of its Investments being denominated in non-Sterling currencies. The General Partner monitors the Partnership's exposure to foreign currencies and assesses the risk to the Partnership of the foreign currency exposure by considering the effect on the Partnership's net asset value and income of a movement in the rates of exchange to which the Partnership's assets are exposed.

Interest Rate Risk

Interest rate movements may affect directly the level of income receivable on cash deposits. The Partnership holds minimal cash balances and as this is not a significant risk no active management of this risk is undertaken.

Liquidity Risk

The objective of the Partnership in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The Partnership expects to meet its financial obligations through operating cash flows.