

PENTECH FUND II GP LIMITED

Report and Financial Statements

For the year ended

31 May 2009



Registered in Scotland – Company Number 328064

Pentech Fund II GP Limited

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 May 2009.

REVIEW OF THE BUSINESS

The company acts as the general partner for Pentech Fund II Limited Partnership. At 31 May 2009, Pentech Fund II Limited Partnership had total funds committed of £45.2 million.

The company was acquired by Pentech Ventures LLP on 1 July 2008.

DIRECTORS

The directors of the company during the year ended 31 May 2009 were as follows:

E Anderson
D Armour (appointed 1 July 2008, resigned 13 February 2009)
D G Calder (resigned 1 July 2008)
P Cassidy (resigned 1 July 2008)
W T Macnaughton (resigned 1 July 2008)
A McKinnon (appointed 1 July 2008)
M Moens (appointed 2 March 2009)
W M Phillips (resigned 1 July 2008)
S Scott (resigned 1 July 2008)

Subsequent to the year end, C Anderson was appointed a director on 15 September 2009.

RESULTS AND DIVIDENDS

The profit for the year ended 31 May 2009 was £116,875 (period ended 31 May 2008 - £110). No dividend was proposed or paid during the year or the prior period.

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.

DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office.

By order of the Board



C Anderson
Company Secretary

15 September 2009

Pentech Fund II GP Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

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 and then apply them consistently;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

REPORT OF THE AUDITORS

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENTECH FUND II GP LIMITED

We have audited the financial statements of Pentech Fund II GP Limited for the year ended 31 May 2009 set out on pages 4 to 8. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2009 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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.



Simon Pashby (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
20 Castle Terrace
Edinburgh
15 September 2009

Pentech Fund II GP Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 May 2009

	<i>Note</i>	<i>Year to 31 May 2009</i> £	<i>Period to 31 May 2008</i> £
TURNOVER	1	1,298,102	412,673
Administrative expenses		(1,137,448)	(417,673)
OPERATING PROFIT (LOSS)		160,654	(5,000)
Interest receivable		1,673	3,282
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		162,327	(1,718)
Taxation	2	(45,452)	1,828
PROFIT FOR THE PERIOD	7	116,875	110
		=====	=====

The prior period comparatives are for the period from 20 July 2007 (date of incorporation) to 31 May 2008.

There were no recognised gains or losses in the year ended 31 May 2009 other than the profit for the year of £116,875 (period to 31 May 2008 - £110).

The notes on pages 6-8 together with the accounting policies on page 6 form part of these accounts.

Pentech Fund II GP Limited

BALANCE SHEET at 31 May 2009

	Note	2009 £	2008 £
FIXED ASSETS			
Investments	3	40,689	13,385
CURRENT ASSETS			
Debtors	4	20,206	71,633
Cash		412,462	563
		432,668	72,196
CREDITORS: amounts falling due within one year	5	(292,541)	(67,092)
NET CURRENT ASSETS		140,127	5,104
TOTAL ASSETS LESS LIABILITIES		180,816	18,489
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation		(63,830)	(18,378)
NET ASSETS		116,986	111
CAPITAL AND RESERVES			
Called up share capital	6	1	1
Profit and loss account	7	116,985	110
SHAREHOLDERS' FUNDS		116,986	111

The financial statements were approved and authorised for issue by the Board of Directors on 15 September 2009 and signed on its behalf by:



C Anderson

Director

The notes on pages 6-8 together with the accounting policies on page 6 form part of these accounts.

Pentech Fund II GP Limited

NOTES TO THE ACCOUNTS at 31 May 2009

1. 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

The accounts are prepared under the historical cost convention, and in accordance with applicable accounting standards.

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.

Investments

Investments are held at cost less any diminution for permanent impairment.

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.

2. TAXATION

	Year to 31 May 2009	Period to 31 May 2008
	£	£
Current tax		
UK corporation tax on profits for the period	-	-
Group relief receivable	-	(20,206)
	-----	-----
Total current tax charge (credit)	-	(20,206)
	-----	-----
Deferred tax		
Short term timing differences	383,714	115,548
Tax losses carried forwards and other deductions	(338,262)	(97,170)
	-----	-----
Total deferred tax	45,452	18,378
	-----	-----
Total tax charge (credit) for the period	45,452	(1,828)
	=====	=====

Pentech Fund II GP Limited

NOTES TO THE ACCOUNTS at 31 May 2009

2. TAXATION (continued)

The tax charge (credit) for the period can be reconciled to the profit (loss) for the period as follows:

	Year to 31 May 2009 £	Period to 31 May 2008 £
Profit (loss) on ordinary activities before taxation	162,327	(1,718)
UK corporation tax at standard rate of 28% (2008 – 29.35%)	45,452	(504)
Effects of:		
Group relief surrendered before payment	-	19,771
Credit for group relief		(20,206)
Other short term timing differences	(383,713)	(121,138)
Losses and other deductions	338,261	101,871
Total current taxation for the period	-	(20,206)

3. INVESTMENTS

	2009 £	2008 £
Unlisted investments – cost and valuation	40,689	13,385

4. DEBTORS

	2009 £	2008 £
Amounts due from fellow group companies	20,206	20,206
Prepayments	-	51,427
	20,206	71,633

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £	2008 £
Amounts owed to fellow group companies	198,288	-
Deferred income	94,253	67,092
	292,541	67,092

Pentech Fund II GP Limited

NOTES TO THE ACCOUNTS at 31 May 2009

6. CALLED UP SHARE CAPITAL

	<i>Authorised</i>	<i>Allotted called up and fully paid</i>
At 31 May 2009 and 31 May 2008	£	£
Ordinary shares of £1 each	100	1
	=====	=====

7. PROFIT AND LOSS ACCOUNT

	<i>Year to 31 May 2009</i>	<i>Period to 31 May 2008</i>
	£	£
At beginning of period	110	-
Profit for the period	116,875	110
	-----	-----
At end of period	116,985	110
	=====	=====

8. RELATED PARTY TRANSACTIONS

The consolidated financial statements of the company's 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.8, transactions with related parties of this company have not therefore been disclosed other than as required under the Companies Act 1985.

9. CASH FLOW STATEMENT

The company has taken advantage of the exemption under Financial Reporting Standard No. 1 not to prepare a Cash Flow Statement as the consolidated financial statements of its parent undertaking include a consolidated Cash Flow Statement dealing with the cash flows of the group.

10. PARENT UNDERTAKING

With effect from 1 July 2008, the company's immediate and ultimate parent undertaking is Pentech Ventures LLP. Copies of the accounts of Pentech Ventures LLP can be obtained from 39 Melville Street, Edinburgh EH3 7JF.