

PENTECH FUND II GP LIMITED

Report and Financial Statements

For the year ended

31 May 2011

Registered in Scotland – Company Number 328064



SRI25XIN

SCT

13/09/2011

380

COMPANIES HOUSE

Pentech Fund II GP Limited

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 May 2011.

REVIEW OF THE BUSINESS

The company acts as the general partner for Pentech Fund II Limited Partnership. At 31 May 2011, Pentech Fund II Limited Partnership had total funds committed of £45.2 million (2010 - £45.2 million).

DIRECTORS

The directors of the company during the year ended 31 May 2011 were as follows:

C Anderson
E Anderson
A McKinnon
M Moens

RESULTS AND DIVIDENDS

The profit for the year ended 31 May 2011 was £248,180 (2010 - £328,997). No dividend was proposed or paid during the year or the prior year.

CHANGE IN PARENT UNDERTAKING

Pentech GP Holdings Limited acquired the entire share capital of the company from Pentech Ventures LLP on 13 December 2010. Pentech GP Holdings Limited is a wholly owned subsidiary undertaking of Pentech Ventures LLP.

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.

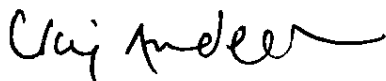
DISCLOSURE OF INFORMATION TO AUDITORS

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

5 September 2011

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 2011 set out on pages 4 to 5. 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 Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

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, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the 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 website at www.frc.org.uk/apb/scope/private.cfm

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 2011 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, Edinburgh

5 September 2011

Pentech Fund II GP Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 May 2011

	<i>Note</i>	<i>2011</i> £	<i>2010</i> £
TURNOVER	1	1,131,047	1,131,048
Administrative expenses		(789,447)	(674,107)
OPERATING PROFIT		341,600	456,941
Provision for diminution in value of investments	3	(18,302)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		323,298	456,941
Taxation	2	(75,118)	(127,944)
PROFIT FOR THE YEAR	8	248,180	328,997
		=====	=====

There were no recognised gains or losses in the year ended 31 May 2011 other than the profit for the year of £248,180 (2010 - £328,997).

The notes on pages 6 to 9 together with the accounting policies on page 6 form part of these accounts.

Pentech Fund II GP Limited

BALANCE SHEET at 31 May 2011

	<i>Note</i>	2011 £	2010 £
FIXED ASSETS			
Investments	3	136,197	71,317
		-----	-----
CURRENT ASSETS			
Debtors	4	20,206	20,206
Cash		924,382	662,572
		-----	-----
		944,588	682,778
CREDITORS: amounts falling due within one year	5	(119,730)	(116,338)
		-----	-----
NET CURRENT ASSETS		824,858	566,440
		-----	-----
TOTAL ASSETS LESS LIABILITIES		961,055	637,757
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	6	(266,892)	(191,774)
		-----	-----
NET ASSETS		694,163	445,983
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	7	1	1
Profit and loss account	8	694,162	445,982
		-----	-----
SHAREHOLDERS' FUNDS		694,163	445,983
		=====	=====

The financial statements were approved and authorised for issue by the Board of Directors on 5 September 2011 and signed on its behalf by:



C Anderson

Director

Company Number: SC328064

The notes on pages 6 to 9 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 2011

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 provision for diminution in value.

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.

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.

Pentech Fund II GP Limited

NOTES TO THE ACCOUNTS at 31 May 2011

2. TAXATION

	2011 £	2010 £
Current tax		
Total current tax charge	-	-
Deferred tax		
Short term timing differences	255,380	351,318
Tax losses carried forwards and other deductions	(180,262)	(223,374)
Total deferred tax	75,118	127,944
Total tax charge for the year	75,118	127,944

The tax charge for the year can be reconciled to the profit for the year as follows:

	2011 £	2010 £
Profit on ordinary activities before taxation	323,298	456,941
UK corporation tax at standard rate of 27.67% (2010 – 28%)	89,443	127,944
Effects of:		
Other short term timing differences	(336,390)	(351,318)
Losses and other deductions	241,884	223,374
Expenses not deductible for tax purposes	5,063	-
Total current taxation for the year	-	-

3. INVESTMENTS

	2011 £	2010 £
Unlisted investments – cost	154,499	71,317
Provision for diminution in value of investments	(18,302)	-
Unlisted investments – net book value	136,197	71,317

4. DEBTORS

	2011 £	2010 £
Amounts due from fellow group companies	20,206	20,206

Pentech Fund II GP Limited

NOTES TO THE ACCOUNTS at 31 May 2011

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011	2010
	£	£
Amounts owed to fellow group companies	25,477	22,085
Deferred income	94,253	94,253
	-----	-----
	119,730	116,338
	=====	=====

6. DEFERRED TAX

	2011	2010
	£	£
Short term timing difference	1,105,960	850,580
Tax losses carried forward and other deductions	(839,068)	(658,806)
	-----	-----
	266,892	191,774
	=====	=====
Beginning of year	191,774	63,830
Charge for the year at closing rate of 26% (2010 - 28%)	88,816	127,944
Effect of change of tax rate on opening balances	(13,698)	-
	-----	-----
End of year	266,892	191,774
	=====	=====

7. CALLED UP SHARE CAPITAL

	Authorised	Allotted called up and fully paid
	£	£
At 31 May 2011 and 31 May 2010		
Ordinary shares of £1 each	100	1
	=====	=====

8. PROFIT AND LOSS ACCOUNT

	2011	2010
	£	£
At beginning of year	445,982	116,985
Profit for the year	248,180	328,997
	-----	-----
At end of year	694,162	445,982
	=====	=====

9. 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.8, transactions with related parties of this company have not therefore been disclosed other than as required under the Companies Act 2006.

Pentech Fund II GP Limited

NOTES TO THE ACCOUNTS at 31 May 2011

10. 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 ultimate parent undertaking include a consolidated Cash Flow Statement dealing with the cash flows of the group.

11. 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 and acquired the entire share capital of the company from Pentech Ventures LLP on 13 December 2010. Copies of the accounts of Pentech Ventures LLP and Pentech GP Holdings Limited can be obtained from 39 Melville Street, Edinburgh EH3 7JF.