

PENTECH FUND II GP LIMITED

Report and Financial Statements

For the year ended

31 May 2014



Pentech Fund II GP Limited

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 May 2014.

REVIEW OF THE BUSINESS

The company acts as the general partner for Pentech Fund II Limited Partnership. At 31 May 2014, Pentech Fund II Limited Partnership had total funds committed of £45.2 million (2013 - £45.2 million).

DIRECTORS

The directors of the company during the year ended 31 May 2014 were as follows:

C Anderson
E Anderson
A McKinnon
M Moens

RESULTS AND DIVIDENDS

Profit before tax for the year ended 31 May 2014 was £137,443 (2013 - £299,633). A dividend of £64,767 was paid during the year (2013 - £nil).

Subsequent to the year end a dividend of £474,773 was paid by the company.

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

Our auditor, KPMG Audit Plc, has instigated an orderly wind down of business. The Board has decided to put KPMG LLP forward to be appointed as auditor and a resolution concerning their appointment will be put to a forthcoming General Meeting of the company.

By order of the Board



C Anderson
Company Secretary

16 September 2014

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 2014 set out on pages 4 to 9. 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2014 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.

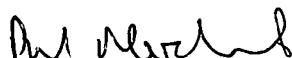
Opinion on other matter prescribed by the Companies Act 2006

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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.



Philip Merchant (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

Saltire Court
20 Castle Terrace
Edinburgh
EH1 2EG
16 September 2014

Pentech Fund II GP Limited

PROFIT AND LOSS ACCOUNT for the year ended 31 May 2014

	<i>Note</i>	2014 £	2013 £
TURNOVER	1	817,887	974,777
Administrative expenses		(692,716)	(686,634)
		-----	-----
OPERATING PROFIT		125,171	288,143
Interest income		12,272	11,490
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		137,443	299,633
Taxation	2	(70,414)	(54,743)
		-----	-----
PROFIT FOR THE YEAR	8	67,029	244,890
		=====	=====

There were no recognised gains or losses in the year ended 31 May 2014 other than the profit for the year of £67,029 (2013 - £244,890).

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 2014

	Note	2014 £	2013 £
FIXED ASSETS			
Investments	3	296,378	319,393
		-----	-----
CURRENT ASSETS			
Debtors	4	295,085	140,899
Cash		1,219,155	1,277,653
		-----	-----
		1,514,240	1,418,552
CREDITORS: amounts falling due within one year	5	(141,826)	(68,157)
		-----	-----
NET CURRENT ASSETS		1,372,414	1,350,395
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		1,668,792	1,669,788
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	6	(391,638)	(394,896)
		-----	-----
NET ASSETS		1,277,154	1,274,892
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	7	1	1
Profit and loss account	8	1,277,153	1,274,891
		-----	-----
SHAREHOLDERS' FUNDS		1,277,154	1,274,892
		=====	=====

The financial statements were approved and authorised for issue by the Board of Directors on 16 September 2014 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.

NOTES TO THE ACCOUNTS at 31 May 2014

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 2014

2. TAXATION

(a) Provision for UK Corporation Tax based on the profit for the year

	2014 £	2013 £
Current tax		
Corporation Tax	73,672	-
	-----	-----
Deferred tax		
Short term timing differences	45,746	182,840
Tax losses carried forwards and other deductions	(49,004)	(128,097)
	-----	-----
Total deferred tax	(3,258)	54,743
	-----	-----
Total tax charge for the year	70,414	54,743
	=====	=====

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

(b) Factors affecting the tax charge for the period

	2014 £	2013 £
Profit on ordinary activities before taxation	137,443	299,633
	-----	-----
UK corporation tax at standard rate of 22.67% (2013 – 23.83%)	31,154	71,403
Effects of:		
Other short term timing differences	(189,874)	(246,197)
Losses and other deductions	156,325	174,794
Chargeable gains	2,395	-
Tax on Participator Loan	73,672	-
	-----	-----
Total current taxation for the year	73,672	-
	=====	=====

Pentech Fund II GP Limited

NOTES TO THE ACCOUNTS at 31 May 2014

3. INVESTMENTS

	2014
	£
Cost:	
Beginning of year	319,393
Additions in year	41,750
Disposals in year	(64,765)

End of year	296,378

Provisions:	

Beginning and End of year	-

Net Book Value:	
Beginning of year	319,393
	=====
End of year	296,378
	=====

4. DEBTORS

	2014	2013
	£	£
Amounts due from fellow group companies	294,689	139,671
Other debtors	396	1,228
	-----	-----
	295,085	140,899
	=====	=====

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Deferred income	68,154	68,157
Corporation tax	73,672	-
	-----	-----
	141,826	68,157
	=====	=====

6. DEFERRED TAX

	2014	2013
	£	£
Short term timing difference	1,542,678	1,496,932
Tax losses carried forward and other deductions	(1,151,040)	(1,102,036)
	-----	-----
	391,638	394,896
	=====	=====
Beginning of year	394,896	340,153
Charge for the year at closing rate of 21% (2013 - 23%)	31,083	68,916
Effect of change of tax rate on opening balances	(34,341)	(14,173)
	-----	-----
End of year	391,638	394,896
	=====	=====

Pentech Fund II GP Limited

NOTES TO THE ACCOUNTS at 31 May 2014

7. CALLED UP SHARE CAPITAL

	<i>Authorised</i>	<i>Allotted called up and fully paid</i>
At 31 May 2014 and 31 May 2013	£	£
Ordinary shares of £1 each	100	1
	=====	=====

8. PROFIT AND LOSS ACCOUNT

	<i>2014</i>	<i>2013</i>
	£	£
At beginning of year	1,274,891	1,030,001
Profit for the year	67,029	244,890
Dividends paid	(64,767)	-
	-----	-----
At end of year	1,277,153	1,274,891
	=====	=====

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.

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. Copies of the accounts of Pentech Ventures LLP and Pentech GP Holdings Limited can be obtained from 39 Melville Street, Edinburgh EH3 7JF.