IP Venture Fund II (GP) LLP

Members' report and financial statements

Period from 30 April 2013 (date of incorporation) to 30 April 2014



Registered number: OC384792

IP Venture Fund II (GP) LLP

Report and financial statements for the period ended 30 April 2014

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Designated members

Greg Smith
Top Technology Ventures Limited

Registered office

24 Cornhill
London
EC3V 3ND

Registered number

OC384792

Independent auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Members' report for the period ended 30 April 2014

The members present their report together with the audited financial statements of IP Venture Fund II (GP) LLP for the period from incorporation on 30 April 2013 to 30 April 2014.

Principal activities and review of business

IP Venture Fund II (GP) LLP (the "LLP") was incorporated on 30 April 2013. Its principal activity is the management of IP Venture Fund II L.P. ("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.

Designated members

The designated members of the LLP during the period were:

Top Technology Ventures Limited
Greg Smith

Results and allocations to members

The loss for the period of £3,590 is shown in the profit and loss account on page 5.

Members' drawing and the subscription and repayment of members' capital

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 FRS 25, members' capital is categorised as equity.

Going concern

The LLP currently has adequate financial resources and as a consequence, the members believe that the LLP is well placed to manage its business risks successfully and to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements.

The members have assessed the going concern status of the LLP and concluded that there are no material uncertainties that may cast doubt about the LLP's ability to continue as a going concern. Accordingly, continuing to adopt the going concern basis in preparing the members report and the financial statements is deemed appropriate.

Charitable and political contributions

During the period the LLP made no charitable or political contributions.

Statement of disclosure of information to auditor

At the date of approving this report, so far as each member is aware, there is no relevant audit information of which the LLP's auditor is unaware. Each member has taken all steps that he ought to have taken in his duty as a member in order to make himself aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

Independent auditor
The auditor BDO LLP, was appointed during the period. In March 2014. IP Group plc, the ultimate parent of the LLP, conducted a tender for the overall group's 2014 audit. The conclusion of the ultimate parent's audit committee at the end of this process was to recommend the appointment of KPMG LLP as auditor of IP Group plc, and its subsidiaries (including IP Venture Fund II (GP) LLP), to replace BDO LLP. The board of IP Group plc supported the recommendation of the audit committee and it was subsequently approved by IP Group plc's shareholders at its 2014 annual general meeting.

Statement of members' responsibilities
The members are responsible for preparing the annual report and the financial statements in accordance with applicable laws and regulations.

Company law, as applied to Limited Liability Partnerships, requires the members to prepare financial statements for each financial period. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 limited liability partnership and of the profit or loss of the limited liability partnership 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 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 entity will continue in business.

The members are responsible for keeping proper accounting records which 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 as applied to limited liability partnerships. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the members



Greg Smith
Designated member
7 January 2015

Independent auditor's report to the members of IP Venture Fund II (GP) LLP

We have audited the financial statements of IP Venture Fund II (GP) LLP for the period ended 30 April 2014 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of members and auditors
As explained more fully in the statement of members' responsibilities, the members 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 Financial Reporting Council's (FRC'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 FRC'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 limited liability partnership's affairs as at 30 April 2014 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008.

Opinion on other matters
In our opinion the information given in the members' 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 as applied to limited liability partnerships 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
- we have not received all the information and explanations we require for our audit;

BDO LLP

Vanessa-Jayne Bradley
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
7 January 2015
BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Profit and loss account for the period ended 30 April 2014

	Note	Period from incorporation to 30 April 2014 £
Turnover	1	**672,831**
Administrative expenses		**(676,421)**
Loss for the financial period available for discretionary division among members		**(3,590)**

All amounts are derived from continuing operations in the period.

There are no recognised gains and losses other than those passing through the profit and loss account and therefore no separate statement of total recognised gains or losses has been presented.

The notes on page 7 to 11 form part of these financial statements.

IP Venture Fund II (GP) LLP
Registered number: OC384792
Balance sheet as at 30 April 2014

	Note	2014 £
Current assets		
Debtors	4	**166,767**
Cash		**-**
		166,767
Creditors: Amounts falling due within one year	5	**(170,257)**
Net current liabilities		**(3,490)**
Provisions for liabilities		**-**
Net liabilities attributable to members		**(3,490)**
Represented by:		
Members' capital classified as equity	8	**100**
Members' other interests – other reserves classified as equity		**(3,590)**
		(3,490)
Total members' interests		
Amounts due from members	8	**166,567**
Members' other interests	8	**(3,490)**
		163,077

The notes on page 7 to 11 form part of these financial statements.

These financial statements were approved by the members and authorised for issue on 7 January 2015 and were signed on its behalf by:

Greg Smith
Designated member

Notes to the financial statements for the period ended 30 April 2014

1. ACCOUNTING POLICIES

Basis of preparation
The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with applicable accounting standards, the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008, the Large and Medium Sized LLP (Accounts) Regulations 2008 and the Statement of Recommended Practice 'Accounting by Limited Liability Partnerships' ("LLP SORP") issued in March 2010.

Turnover
Turnover reflects the amounts received by the LLP, as a first charge on IPVFII profits for its services as general partner to IPVFII.

Taxation
No provision has been made for taxation in relation to the LLP's profit or loss in the financial statements. Each member is exclusively liable for any tax liabilities arising out of their interest in the LLP. Tax is assessed on the individual members and not on the LLP.

Cash flow statement
The LLP has taken advantage of the exemption conferred upon it by FRS 1 "Cash Flow Statements" (Revised 1996) not to prepare a cash flow statement whereby the cash flows of the LLP are incorporated into those of the ultimate parent undertaking and these financial statements are publicly available.

Going concern
The LLP currently has adequate financial resources and as a consequence, the members believe that the LLP is well placed to manage its business risks successfully and to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements.

The members have assessed the going concern status of the LLP and concluded that there are no material uncertainties that may cast doubt about the LLP's ability to continue as a going concern. Accordingly, continuing to adopt the going concern basis in preparing the members report and the financial statements is deemed appropriate.

Members' participation rights
Members' participation rights are the rights of a member that arise under the member's 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 FRS 25 Financial Instruments Disclosure and Presentation and UITF abstract 39 Members' shares in co-operative entities and similar instruments. 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/losses are divided only after a decision by the designated members and so such profits/losses are 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.

2. OPERATING LOSS

Operating loss is stated after charging:	Period from incorporation to 30 April 2014 £
Professional services:	
Fees payable to the LLP's auditor for the audit of the financial statements	**2,000**
Fees payable for non-audit services	**1,590**

3. MEMBERS AND EMPLOYEES

The natural members are remunerated for their services to other group companies within the group headed by the ultimate parent, IP Group plc. Members are not remunerated for their services to the LLP and no amounts were received by them as members of IP Venture Fund II (GP) LLP.

Other than members, the LLP had no staff or employees during the period.

4. DEBTORS

	30 April 2014 £
Amounts due from members	**100**
Amounts due from limited partnerships	**166,667**
	166,767

Amounts owed by members are unsecured, interest free and repayable on demand.
Balances due from limited partnerships represent priority profit share unpaid at the balance sheet date.

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30 April 2014 £
Accruals	**3,590**
Amounts due to members	**166,667**
	170,257

Amounts due to members reflects management fees due to TTV, a member, for services provided as the assigned investment manager of IPVFII.

6. MEMBERS' SHARE OF LOSSES

	Period from incorporation to 30 April 2014 £
Loss for the financial period available for discretionary division among members	(3,590)

The average number of members during the period of incorporation to 30 April 2014 was 3.

7. RESERVES

	Profit and loss account £
At incorporation	-
Loss for the period available for discretionary division amongst members	(3,590)
At 30 April 2014	(3,590)

8. TOTAL MEMBERS' INTERESTS

	Members' capital classified as equity £	Other reserves classified as equity £	**Total members' other interests £**	Loans and other debts due to/(from) members £	**Total members' interests 30 April 2014 £**
Balance at incorporation	-	-	-	-	-
Loss for the period available for discretionary division	-	(3,590)	**(3,590)**	-	**(3,590)**
Members' interests after loss for the period	-	(3,590)	**(3,590)**	-	**(3,590)**
Introduced by members	100	-	**100**	-	**100**
Unpaid capital	-	-	-	(100)	**(100)**
Accrual for services provided	-	-	-	166,667	**166,667**
Balance at 30 April 2014	**100**	**(3,590)**	**(3,490)**	**166,567**	**163,077**
Amounts due to members				166,567	
Amounts due from members				-	
				166,567	

9. RELATED PARTY TRANSACTIONS

The IP Venture Fund II (GP) LLP's partnership agreement provides that the LLP shall act as general partner of IPVFII and is entitled to LLP's share payments as described in Note 1. The LLP has assigned its management of IPVFII to TTV for a fee equal to that of the LLP's share received from IPVFII.

During the period ended 30 April 2014, £506,164 was received from IPVFII in the form of LLP's Share, and the same amount was paid to TTV. As at 30 April 2014, £166,667 was due from IPVFII and payable to TTV.

As at 30 April 2014 £100 remains due from TTV to the LLP for its initial members' capital contribution.

10. IMMEDIATE AND ULTIMATE PARENT COMPANY

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 both the immediate and ultimate parent company's financial statements. The immediate and ultimate parent companies were incorporated in the United Kingdom. Copies of the immediate and ultimate parent company's financial statements may be obtained from the Secretary of IP Group plc at 24 Cornhill, London, EC3V 3ND.