

**REGISTERED NUMBER: OC384792 (England and Wales)**

**Report of the Members and  
Financial Statements for the Year Ended 31 December 2016  
for  
IP Venture Fund II (GP) LLP**



**IP Venture Fund II (GP) LLP (Registered number: OC384792)**

**Contents of the Financial Statements**  
*for the year ended 31 December 2016*

|                                             | <b>Page</b> |
|---------------------------------------------|-------------|
| <b>General Information</b>                  | <b>1</b>    |
| <b>Report of the Members</b>                | <b>2</b>    |
| <b>Report of the Independent Auditors</b>   | <b>4</b>    |
| <b>Income Statement</b>                     | <b>5</b>    |
| <b>Balance Sheet</b>                        | <b>6</b>    |
| <b>Reconciliation of Members' Interests</b> | <b>7</b>    |
| <b>Notes to the Financial Statements</b>    | <b>9</b>    |

## **IP Venture Fund II (GP) LLP**

### **General Information**

*for the year ended 31 December 2016*

**DESIGNATED MEMBERS:**

G Smith  
Top Technology Ventures Limited

**REGISTERED OFFICE:**

The Walbrook Building  
25 Walbrook  
London  
EC4N 8AF

**REGISTERED NUMBER:**

OC384792 (England and Wales)

**INDEPENDENT AUDITORS:**

KPMG LLP  
Chartered Accountants  
Registered Auditor  
15 Canada Square  
London  
E14 5GL

## **IP Venture Fund II (GP) LLP (Registered number: OC384792)**

### **Report of the Members**

*for the year ended 31 December 2016*

The members present their report with the financial statements of the LLP for the year ended 31 December 2016.

#### **PRINCIPAL ACTIVITY**

The principal activity of IP Venture Fund II (GP) LLP (the "LLP") is the management of IP Venture Fund II LP ("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.

#### **REVIEW OF BUSINESS**

The LLP has continued to carry out its principal activity during the year and IPVFII has continued to operate as set out in its limited partnership agreement ("LPA"). During the year the limited partners of IPVFII agreed an amended basis for the management fee calculation set out in the LPA. This resulted in back-dated fees becoming payable by one of the limited partners for the first time leading to an increase in turnover and administrative expenses.

#### **DESIGNATED MEMBERS**

The designated members during the year under review were:

G Smith  
Top Technology Ventures Limited

#### **RESULTS FOR THE YEAR AND ALLOCATION TO MEMBERS**

The loss for the period of £2,740 (2015: £2,700) is shown in the profit and loss account on page 5.

#### **MEMBERS' INTERESTS**

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 IAS32, members' capital is categorised as equity.

#### **CHARITABLE AND POLITICAL CONTRIBUTIONS**

During the year the LLP made no charitable or political contributions (2015: £nil).

#### **GOING CONCERN**

The members have assessed that the going concern status of the LLP is still appropriate and, as such, the financial statements have been prepared on this basis.

**IP Venture Fund II (GP) LLP (Registered number: OC384792)**

**Report of the Members**

*for the year ended 31 December 2016*

**STATEMENT OF MEMBERS' RESPONSIBILITIES - continued**

The members are responsible for preparing the Report of the Members and the financial statements in accordance with applicable law and regulations.

Legislation applicable to limited liability partnerships requires the members to prepare financial statements for each financial year. 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) including Financial Reporting Standard 101 Reduced Disclosure Framework "FRS 101". Under legislation applicable to limited liability partnerships 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 LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 adequate accounting records that are sufficient to show and explain the LLP's transactions and 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 LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. 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.

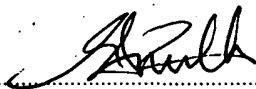
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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 the steps he ought to have taken in his duty as a member to make himself aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

**AUDITORS**

The auditor, KPMG LLP is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

**ON BEHALF OF THE MEMBERS:**



.....  
G Smith - Designated member

Date: 27/9/2017.....

## **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 year ended 31 December 2016, which comprise: the Income Statement, the Balance Sheet, the Reconciliation of Members' Interests and the related notes as set out on pages 9 to 10. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 101 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the LLP's members in accordance with the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Members and auditor**

As explained more fully in the Members' Responsibilities Statement set out on page 3, 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](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

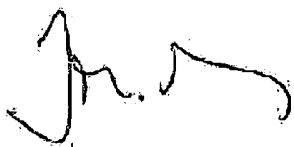
In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 December 2016 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, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

### **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.



**Jonathan Mills (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants* 15 Canada Square London  
E14 5GL

Date: 29 September 2017

**IP Venture Fund II (GP) LLP (Registered number: OC384792)**

**Income Statement**

*for the year ended 31 December 2016*

|                                                                                                                                                                             | Notes | 31/12/16<br>£         | 31/12/15<br>£         |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|-----------------------|-----------------------|
| <b>TURNOVER</b>                                                                                                                                                             |       | <b>1,433,344</b>      | <b>458,958</b>        |
| Administrative expenses                                                                                                                                                     |       | <u>1,436,084</u>      | <u>461,658</u>        |
| <b>OPERATING LOSS and<br/>LOSS FOR THE FINANCIAL YEAR<br/>BEFORE MEMBERS' REMUNERATION<br/>AND PROFIT SHARES AVAILABLE<br/>FOR DISCRETIONARY DIVISION<br/>AMONG MEMBERS</b> |       | <u><b>(2,740)</b></u> | <u><b>(2,700)</b></u> |

The notes form part of these financial statements

**IP Venture Fund II (GP) LLP (Registered number: OC384792)**

**Balance Sheet**  
**31 December 2016**

|                                              | Notes | 31/12/16<br>£  | 31/12/15<br>£  |
|----------------------------------------------|-------|----------------|----------------|
| <b>CURRENT ASSETS</b>                        |       |                |                |
| Debtors                                      | 3     | 140,610        | 458,958        |
| <b>CREDITORS</b>                             |       |                |                |
| Amounts falling due within one year          | 4     | 1,820          | 3,690          |
| <b>NET CURRENT ASSETS</b>                    |       | <u>138,790</u> | <u>455,268</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                |                |
| <b>and</b>                                   |       |                |                |
| <b>NET ASSETS ATTRIBUTABLE TO</b>            |       |                |                |
| <b>MEMBERS</b>                               |       | <u>138,790</u> | <u>455,268</u> |
| <b>LOANS AND OTHER DEBTS DUE TO</b>          |       |                |                |
| <b>MEMBERS</b>                               | 5     | 149,630        | 463,368        |
| <b>MEMBERS' OTHER INTERESTS</b>              |       |                |                |
| Capital accounts                             |       | 100            | 100            |
| Other reserves                               |       | (10,940)       | (8,200)        |
|                                              |       | <u>138,790</u> | <u>455,268</u> |
| <b>TOTAL MEMBERS' INTERESTS</b>              |       |                |                |
| Loans and other debts due to members         | 5     | 149,630        | 463,368        |
| Members' other interests                     |       | (10,840)       | (8,100)        |
|                                              |       | <u>138,790</u> | <u>455,268</u> |

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies' Act 2006) Regulations 2008 relating to small LLPs.

The financial statements were approved by the members of the LLP on 27/9/2017 and were signed by:

  
.....  
G Smith - Designated member

The notes form part of these financial statements

**IP Venture Fund II (GP) LLP (Registered number: OC384792)**

**Reconciliation of Members' Interests**  
*for the year ended 31 December 2016*

|                                                                                | <b>EQUITY</b>                                  |                       |              |
|--------------------------------------------------------------------------------|------------------------------------------------|-----------------------|--------------|
|                                                                                | <b>Members' other interests</b>                |                       |              |
|                                                                                | <b>Members' capital (classified as equity)</b> | <b>Other reserves</b> | <b>Total</b> |
|                                                                                | <b>£</b>                                       | <b>£</b>              | <b>£</b>     |
| Balance at 1 January 2016                                                      | 100                                            | (8,200)               | (8,100)      |
| Loss for the financial year available for discretionary division among members | -                                              | (2,740)               | (2,740)      |
| Members' interests after loss for the year                                     | 100                                            | (10,940)              | (10,840)     |
| Drawings                                                                       | -                                              | -                     | -            |
| Balance at 31 December 2016                                                    | 100                                            | (10,940)              | (10,840)     |

|                                                                                | <b>DEBT</b>                                                                              | <b>TOTAL MEMBERS' INTERESTS</b> |
|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|---------------------------------|
|                                                                                | <b>Loans and other debts due to members less any amounts due from members in debtors</b> |                                 |
|                                                                                | <b>Other amounts</b>                                                                     | <b>Total</b>                    |
|                                                                                | <b>£</b>                                                                                 | <b>£</b>                        |
| Amount due to members                                                          | 463,368                                                                                  |                                 |
| Amount due from members                                                        | -                                                                                        |                                 |
| Balance at 1 January 2016                                                      | 463,368                                                                                  | 455,268                         |
| Loss for the financial year available for discretionary division among members | -                                                                                        | (2,740)                         |
| Members' interests after loss for the year                                     | 463,368                                                                                  | 452,528                         |
| Drawings                                                                       | (313,738)                                                                                | (313,738)                       |
| Amount due to members                                                          | 149,630                                                                                  |                                 |
| Amount due from members                                                        | -                                                                                        |                                 |
| Balance at 31 December 2016                                                    | 149,630                                                                                  | 138,790                         |

The notes form part of these financial statements

**IP Venture Fund II (GP) LLP (Registered number: OC384792)**

**Reconciliation of Members' Interests**  
*for the year ended 31 December 2016*

|                                                                                | EQUITY                                    |                                              |         |
|--------------------------------------------------------------------------------|-------------------------------------------|----------------------------------------------|---------|
|                                                                                | Members' capital (classified as equity) £ | Members' other interests<br>Other reserves £ | Total £ |
| Balance at 1 January 2015                                                      | 100                                       | (5,500)                                      | (5,400) |
| Loss for the financial year available for discretionary division among members | -                                         | (2,700)                                      | (2,700) |
| Members' interests after loss for the year                                     | 100                                       | (8,200)                                      | (8,100) |
| Introduced by members                                                          | -                                         | -                                            | -       |
| Balance at 31 December 2015                                                    | 100                                       | (8,200)                                      | (8,100) |

|                                                                                | DEBT                                                                                                 | TOTAL MEMBERS' INTERESTS |
|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|--------------------------|
|                                                                                | Loans and other debts due to members less any amounts due from members in debtors<br>Other amounts £ | Total £                  |
| Amount due to members                                                          | 2,500                                                                                                |                          |
| Amount due from members                                                        | -                                                                                                    |                          |
| Balance at 1 January 2015                                                      | 2,500                                                                                                | (2,900)                  |
| Loss for the financial year available for discretionary division among members | -                                                                                                    | (2,700)                  |
| Members' interests after loss for the year                                     | 2,500                                                                                                | (5,600)                  |
| Introduced by members                                                          | 460,868                                                                                              | 460,868                  |
| Amount due to members                                                          | 463,368                                                                                              |                          |
| Amount due from members                                                        | -                                                                                                    |                          |
| Balance at 31 December 2015                                                    | 463,368                                                                                              | 455,268                  |

The notes form part of these financial statements

## **IP Venture Fund II (GP) LLP (Registered number: OC384792)**

### **Notes to the Financial Statements - continued** *for the year ended 31 December 2016*

#### **1. STATUTORY INFORMATION**

IP Venture Fund II (GP) LLP is registered in England and Wales. The LLP's registered number and registered office address can be found on the General Information page.

#### **2. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

The financial statements have been prepared on the going concern basis and in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), 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. The amendments to FRS 101 issued in December 2016 and effective immediately have been applied.

In preparing these financial statements, the LLP applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the LLP has applied the exemptions available under FRS 101 in respect of the following disclosures: a Cash Flow Statement and related notes; disclosures in respect of capital management; the effects of new but not yet effective IFRSs; and disclosures of transactions with a management entity that provides key management personnel services to the LLP.

The LLP proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

##### **Turnover**

Turnover reflects the amounts receivable 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.

##### **Going concern**

The members have therefore assessed that the going concern status of the LLP is still appropriate and, as such, the financial statements have been prepared on this basis.

##### **Members' participation rights**

Members' participation rights are the rights of a member that arise under the members' 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 IAS32 Financial Instruments Presentation and UITF Abstract 39 Members' share 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 or losses are divided only after a decision by the designated members and so such profits or losses as 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.

## IP Venture Fund II (GP) LLP (Registered number: OC384792)

### Notes to the Financial Statements - continued for the year ended 31 December 2016

#### 3. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                       | 31/12/16       | 31/12/15       |
|---------------------------------------|----------------|----------------|
|                                       | £              | £              |
| Amounts due from limited partnerships | <u>140,610</u> | <u>458,958</u> |

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.

#### 4. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                 | 31/12/16     | 31/12/15     |
|-----------------|--------------|--------------|
|                 | £            | £            |
| Other creditors | <u>1,820</u> | <u>3,690</u> |

#### 5. LOANS AND OTHER DEBTS DUE TO MEMBERS

Amounts due to members reflects amounts due to TTV, a member, for unpaid management fees payable and for audit and tax fees settled on behalf of the LLP by TTV at the end of the reporting period.

#### 6. RELATED PARTY TRANSACTIONS

IPVFII's partnership agreement provides that the LLP shall act as general partner of IPVFII and is entitled to a General Partner's Share as described in note 2. The LLP has assigned its management of IPVFII to TTV for a fee equal to that of the General Partner's Share receivable from IPVFII.

During the year ended 31 December 2016, £1,433,344 (2015: £458,958) was receivable from IPVFII comprising the General Partner's Share and the same amount was payable to TTV during the period.

TTV, a member, settled prior period audit and tax fees of £4,610 on behalf of the LLP (2015: £1,910). As at 31 December 2016, £100 remains due from TTV to the LLP for its initial members' capital contribution and £149,730 remains due to TTV for management fees and the net amount of £149,630 due to members is reflected in these financial statements.

#### 7. ULTIMATE CONTROLLING PARTY

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 the ultimate parent company's financial statements. The immediate and ultimate parent companies were incorporated in the United Kingdom. Copies of the ultimate parent company's financial statements may be obtained from the Secretary of IP Group plc, The Walbrook Building, 25 Walbrook, London, EC4N 8AF.