

Company Number 3453171

**PARALLEL PRIVATE EQUITY MANAGERS LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2010**



Registered Office 49 St James's Street, London, SW1A 1JT

# **PARALLEL PRIVATE EQUITY MANAGERS LIMITED**

## **COMPANY INFORMATION**

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<b>Director</b>	Dr P M Whitney (Chairman and Chief Executive)
<b>Secretary</b>	I D Richardson
<b>Company Number</b>	3453171
<b>Registered Office</b>	49 St James's Street London SW1A 1JT
<b>Auditors</b>	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT

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## **PARALLEL PRIVATE EQUITY MANAGERS LIMITED**

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## **PARALLEL PRIVATE EQUITY MANAGERS LIMITED**

### **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

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The director presents his report and the financial statements for the year ended 31 December 2010. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

#### **Statement of director's responsibilities in respect of the Annual Report and the financial statements**

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

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

The Director confirms that he has complied with the above requirements in preparing the financial statements.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Company Number**

The company's registered number is 3453171.

#### **Results and Dividends**

The loss for the year after taxation amounted to £29,943 (2009: loss of £24,626). No dividends were declared in the year (2009: £100,000). The investment in Parallel Private Equity LLP has been revalued upwards by £22,700 (2009: £41,777) and this movement has been taken to the revaluation reserve.

#### **Principal Activities and Future Outlook**

Up to and including 2008 the company's principal activity was that of managing private equity partnerships investing institutional funds in European unquoted investments. During that period the company was authorised and regulated by the Financial Services Authority. However, with effect from 1 January 2009 the business, including the management contracts, and the assets and liabilities of this company were transferred to Parallel Private Equity LLP (the LLP), an entity to which this company has contributed the entire capital of £10,000. At the same time the LLP became authorised and regulated by the Financial Services Authority. Parallel Private Equity Managers Limited has therefore discontinued its operations but it continues as a going concern through its position as a member of the LLP. This position is expected to continue for the foreseeable future.

## **PARALLEL PRIVATE EQUITY MANAGERS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2010**

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#### **Directors**

Dr P M Whitney served as director during the period 1 January 2010 to 31 December 2010. He had no beneficial interest in the company's issued share capital.

Dr. P M. Whitney is also a director of the parent company, Parallel Private Equity Holdings Limited As at 1 January 2010 and 31 December 2010 Dr Paul Whitney held a beneficial interest in the entire share capital of Parallel Private Equity Holdings Limited (the parent company). This interest was held via a retirement benefit scheme

#### **Statement of disclosure of information to auditors**

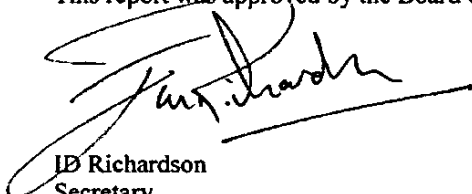
The director in office at the date of approval of this report confirms that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

#### **Auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be proposed at the Annual General Meeting

This report was approved by the Board on 21<sup>st</sup> June 2011 and signed on its behalf by



ID Richardson  
Secretary  
21<sup>st</sup> June 2011

**PARALLEL PRIVATE EQUITY MANAGERS LIMITED**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARALLEL**  
**PRIVATE EQUITY MANAGERS LIMITED**

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We have audited the financial statements of Parallel Private Equity Managers Limited for the year ended 31 December 2010 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, 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)

**Respective responsibilities of directors and auditors**

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

**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 December 2010 and of its loss and cash flows for the year 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

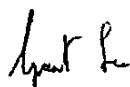
**Opinion on other matter prescribed by the Companies Act 2006**

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



Grant Lee (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London  
21 June 2011

**PARALLEL PRIVATE EQUITY MANAGERS LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**For the Year ended 31 December 2010**

	Note	Year ended 31 December 2010 £	Year ended 31 December 2009 £
<b>OPERATING PROFIT AND PROFIT BEFORE TAXATION</b>	2	-	-
Tax on profit on ordinary activities	3	(29,943)	(24,626)
Loss after taxation		(29,943)	(24,626)
Dividends		-	(100,000)
Loss for the year		(29,943)	(124,626)
Retained profit brought forward		83,425	208,051
Retained profit carried forward		<u>53,482</u>	<u>83,425</u>

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**  
**For the year ended 31 December 2010**

	Note	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Loss for the year		(29,943)	(124,626)
Revaluation of interest in underlying LLP	4,8	<u>22,700</u>	<u>41,777</u>
Total recognised gains and losses for the year		<u>(7,243)</u>	<u>(82,849)</u>

There is no material difference between the result reported above and the result on an unmodified historical costs basis

The results for the year have all resulted from continuing operations.

The notes on pages 8 to 11 form part of these financial statements

**PARALLEL PRIVATE EQUITY MANAGERS LIMITED**

**BALANCE SHEET  
As at 31 December 2010**

	Note	2010 £	2009 £
<b>FIXED ASSETS</b>			
Investments	4	198,876	176,176
<b>CURRENT ASSETS</b>			
Debtors	5	6,273	4,186
CREDITORS amounts falling due within one year.	6	<u>(47,190)</u>	<u>(15,160)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(40,917)</u>	<u>(10,974)</u>
<b>NET ASSETS</b>		<u>157,959</u>	<u>165,202</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	40,000	40,000
Profit and loss account		53,482	83,425
Revaluation reserve	8	<u>64,477</u>	<u>41,777</u>
<b>SHAREHOLDERS' FUNDS</b>	9	<u>157,959</u>	<u>165,202</u>
<b>Analysis of Shareholders' Funds</b>			
Equity interests		<u>157,959</u>	<u>165,202</u>

The financial statements were approved by the Board on 21<sup>st</sup> June 2011 and signed on its behalf by



PM Whitney  
Director

The notes on pages 8 to 11 form part of these financial statements.



# PARALLEL PRIVATE EQUITY MANAGERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the Year ended 31 December 2010

### 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of fixed asset investments and in accordance with UK applicable accounting standards. With effect from 1 January 2009 the business and the assets and liabilities of this company were transferred to Parallel Private Equity LLP. This company has therefore discontinued its operations. However, the company continues as a going concern through its position as a member of the LLP.

The company has taken advantage of the exemption provided by FRS1 not to present a cash flow statement since a consolidated cash flow statement is included in the accounts of Parallel Private Equity Holdings Limited, its parent undertaking.

#### 1.2 Deferred Taxation

Deferred taxation is accounted for on an undiscounted basis at expected tax rates on all differences arising from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Full provision for material deferred taxation is made under the liability method, on all timing differences that have arisen, but not reversed by the balance sheet date. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted.

#### 1.3 Investments

Investments represent the company's position as a member of the LLP. It is recorded at valuation, being the company's share of the net assets at the balance sheet date.

### 2. OPERATING PROFIT

The audit costs for this company of £5,280 (2009: £5,170) will be borne by Parallel Private Equity LLP.

### 3. TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is made up as follows:

	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Mainstream corporation tax	(22,266)	-
Group relief	(9,764)	(15,160)
Current tax charge for the year	(32,030)	(15,160)
Deferred Tax - origination and reversal of timing differences	2,087	(9,466)
	<u>(29,943)</u>	<u>(24,626)</u>

# **PARALLEL PRIVATE EQUITY MANAGERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS** **For the Year ended 31 December 2010**

### **3. TAX ON PROFIT ON ORDINARY ACTIVITIES cont.**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are explained below

	Year ended 31 December 2010 £	Year ended 31 December 2009 £
Profit on ordinary activities before taxation	-	-
Profit on ordinary activities multiplied by the standard rate of tax in the UK 28% (2009 28%)	-	-
Effects of:		
Expenses not deductible for tax purposes	(16,118)	(11,170)
Accelerated capital allowance and other timing differences	(9,867)	7,707
Profits of Parallel Private Equity LLP reflected in the revaluation reserve	(6,045)	(11,697)
Current tax charge for the period	<u>(32,030)</u>	<u>(15,160)</u>

Factors that may affect future tax charges

- Based on current capital expenditure plans, the company expects that capital allowances to which this company will be entitled as a member of Parallel Private Equity LLP will be below the company's allocation of the depreciation charged in the accounts of Parallel Private Equity LLP

### **4. FIXED ASSET INVESTMENTS**

	31 December 2010 £	31 December 2009 £
Balance as at 1 January	176,176	10,000
Transfer of net assets from Parallel Private Equity Managers Ltd to the LLP	-	224,399
Distribution received from LLP	-	(100,000)
Share of LLP profits arising in the year	<u>22,700</u>	<u>41,777</u>
	<u>198,876</u>	<u>176,176</u>

During 2008 the company contributed the entire capital of £10,000 to Parallel Operations LLP (the LLP) With effect from 1 January 2009 the business and the assets and liabilities of this company were transferred to the LLP At the same time the LLP changed its name to Parallel Private Equity LLP and became authorised and regulated by the Financial Services Authority

**PARALLEL PRIVATE EQUITY MANAGERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**For the Year ended 31 December 2010**

**5 DEBTORS**

	<b>31 December 2010 £</b>	<b>31 December 2009 £</b>
<b>Due within one year:</b>		
Deferred Tax – accelerated depreciation	<u>6,273</u>	<u>4,186</u>

**6 CREDITORS**

Amounts falling due within one year

	<b>31 December 2010 £</b>	<b>31 December 2009 £</b>
Mainstream corporation tax	22,266	-
Amounts due to fellow group undertakings	<u>24,924</u>	<u>15,160</u>
	<u>47,190</u>	<u>15,160</u>

As at 31 December 2010 and 31 December 2009 amounts owed to fellow group undertakings are unsecured, non-interest bearing and repayable on demand

**7 CALLED UP SHARE CAPITAL**

	<b>31 December 2010 £</b>	<b>31 December 2009 £</b>
<b>Authorised</b>		
40,000 ordinary shares of £1 each	40,000	40,000
500,000 preference shares of £1 each	<u>500,000</u>	<u>500,000</u>
	<u>540,000</u>	<u>540,000</u>
 <b>Allotted, called up and fully paid</b>		
40,000 ordinary shares of £1 each	<u>40,000</u>	<u>40,000</u>

**8. REVALUATION RESERVE**

	<b>31 December 2010 £</b>	<b>31 December 2009 £</b>
Balance at 1 January	41,777	-
Revaluation of holding in Parallel Private Equity LLP	<u>22,700</u>	<u>41,777</u>
Balance at 31 December	<u>64,477</u>	<u>41,777</u>

**PARALLEL PRIVATE EQUITY MANAGERS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Year ended 31 December 2010**

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**9. SHAREHOLDERS' FUNDS**

Reconciliation of movements on shareholders' funds

	<b>Year ended 31 December 2010</b>	<b>Year ended 31 December 2009</b>
	<b>£</b>	<b>£</b>
Loss for the year	(29,943)	(24,626)
Dividends paid	-	(100,000)
Revaluation of holdings in Parallel Private Equity LLP	22,700	41,777
	(7,243)	(82,849)
Opening shareholders' funds	165,202	248,051
Closing shareholders' funds	157,959	165,202

**10 PARENT COMPANY AND ULTIMATE CONTROLLING PARTY**

In the opinion of the Director at the year end, Parallel Private Equity Holdings Limited was the ultimate parent company of the Company and Dr P M Whitney was its ultimate controlling party. Consolidated accounts for Parallel Private Equity Holdings are available from 49 St James's Street, London, SW1A 1JT