

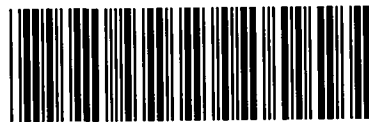
Registered Number: 4559738

# PARALLEL PRIVATE EQUITY HOLDINGS LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED  
31 December 2013

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COMPANIES HOUSE

Registered Office: 167-169 Wardour Street, London, W1F 8WR

## PARALLEL PRIVATE EQUITY HOLDINGS LIMITED

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### Company Information

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<b>Directors</b>	Dr P M Whitney (Chairman and Chief Executive) G S Cox N S Peters
<b>Secretary</b>	I D Richardson
<b>Company Number</b>	4559738
<b>Registered Office</b>	167-169 Wardour Street London W1F 8WR
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT

## **PARALLEL PRIVATE EQUITY HOLDINGS LIMITED**

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## **PARALLEL PRIVATE EQUITY HOLDINGS LIMITED**

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### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013**

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The directors present their report and the audited consolidated financial statements for the year to 31 December 2013. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006. In addition as the Group qualifies as small, no strategic report has been prepared.

#### **Results and dividends**

The consolidated Group loss for the financial year ended 31 December 2013, after providing for tax, amounted to £944,288 (2012: profit of £764,349). The Company paid no dividends in either the current or prior year.

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

The Group's principal activity during the year was that of managing private equity partnerships investing institutional funds in European unquoted investments.

Having previously established a number of affiliate relationships through the Parallel Ventures Limited Partnership ("PVLP") and Parallel Private Equity Limited Partnership ("PPELP") it is anticipated that the Group will continue to invest the remaining commitments received from clients to the extent necessary to meet the outstanding commitments made to the underlying affiliates and to manage the existing and resulting investment portfolios on behalf of its clients for the foreseeable future.

#### **Directors**

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Dr PM Whitney (Chairman and Chief Executive)  
GS Cox  
NS Peters

Dr Paul Whitney held a beneficial interest (via a retirement benefits scheme) in 100% of the share capital of Parallel Private Equity Holdings Limited. None of the other directors held any beneficial interest in the share capital of the Company, or any of its subsidiary undertakings.

#### **Company number**

The Company's registered number is 4559738.

## PARALLEL PRIVATE EQUITY HOLDINGS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2013 (CONT'D)

#### Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 the directors have prepared the group and parent company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 Group and the Company and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are 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 and the group 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 the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Statement of disclosure of information to auditors

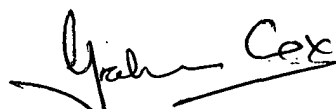
Each director in office at the date of approval of this report confirms that:

- so far as he is aware, there is no relevant audit information of which the Company's and Group'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 and Group's auditors are aware of that information.

#### Independent 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 25 June 2014 and signed on their behalf by:

  
GS Cox  
Director

## **PARALLEL PRIVATE EQUITY HOLDINGS LIMITED**

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

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## **Report on the financial statements**

### **Our opinion**

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2013 and of the Group's 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.

This opinion is to be read in the context of what we say in the remainder of this report.

### **What we have audited**

The Group financial statements and Company financial statements (the "financial statements"), which are prepared by Parallel Private Equity Holdings Limited, comprise:

- the Consolidated and Company Balance Sheet as at 31 December 2013;
- the Consolidated Profit and Loss Account for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

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).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### **What an audit of financial statements involves**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). 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 Group's and 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.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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.

## **PARALLEL PRIVATE EQUITY HOLDINGS LIMITED**

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### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARALLEL PRIVATE EQUITY HOLDINGS LIMITED (CONT'D)**

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#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

##### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the directors**

As explained more fully in the Statement of directors' responsibilities 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 ISAs (UK & 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.



Richard McGuire (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

25 June 2014

**PARALLEL PRIVATE EQUITY HOLDINGS LIMITED**

**CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	Year ended 31 Dec 2013 £	Year ended 31 Dec 2012 £
TURNOVER	2	1,534,629	2,604,994
Administrative expenses		(2,318,925)	(2,088,644)
Other operating income		62	46
OPERATING (LOSS)/PROFIT	3, 16	(784,234)	516,396
Interest receivable and similar income	6	105,199	24,198
Interest payable and similar charges	7	(108)	(125)
(Loss)/profit on disposal of fixed assets		(51,598)	13,600
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(730,741)	554,069
Tax (charge)/credit on (loss)/profit on ordinary activities	8	(213,547)	210,280
(Loss)/profit for the financial year		(944,288)	764,349

There were no recognised gains and losses for the year other than those included in the profit and loss account. All of the activities are continuing.

There is no material difference between the result as disclosed in the profit and loss account and the result on an historical cost basis.

The notes on pages 9 to 19 form part of these financial statements.



**PARALLEL PRIVATE EQUITY HOLDINGS LIMITED**

**CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2013**

	Note	31 Dec 2013 £	31 Dec 2012 £
<b>FIXED ASSETS</b>			
Tangible assets	9	17,977	10,840
Investments	10	2,189	3,128
		<u>20,166</u>	<u>13,968</u>
<b>CURRENT ASSETS</b>			
Debtors	11	437,843	408,847
Cash at bank and in hand	17	4,873,347	5,666,702
		<u>5,311,190</u>	<u>6,075,549</u>
<b>CREDITORS : amounts falling due within one year</b>	12	<u>(916,694)</u>	<u>(730,567)</u>
<b>NET CURRENT ASSETS</b>		<u>4,394,496</u>	<u>5,344,982</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>4,414,662</u>	<u>5,358,950</u>
<b>NET ASSETS</b>		<u>4,414,662</u>	<u>5,358,950</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	40,000	40,000
Profit and loss account		3,402,840	4,347,128
Other reserve	15	971,822	971,822
<b>TOTAL SHAREHOLDERS' FUNDS</b>	18	<u>4,414,662</u>	<u>5,358,950</u>

The financial statements on pages 5 to 19 were approved by the Board on 25 June 2014 and signed on its behalf by:



*PM Whitney*

**Director**

The notes on pages 9 to 19 form part of these financial statements.

**PARALLEL PRIVATE EQUITY HOLDINGS LIMITED**

**COMPANY BALANCE SHEET  
AS AT 31 DECEMBER 2013**

Company Balance Sheet As At 31 December 2013

	Notes	31 Dec 2013		31 Dec 2012	
		£	£	£	£
FIXED ASSET INVESTMENTS	10		40,002		40,002
CURRENT ASSETS					
Debtors	11	13,475		13,475	
Cash at bank and in hand		<u>757</u>		<u>755</u>	
		14,232		14,230	
CREDITORS: amounts falling due within one year	12	<u>(4)</u>		<u>(4)</u>	
NET CURRENT ASSETS			14,228		14,226
TOTAL ASSETS LESS CURRENT LIABILITIES AND NET ASSETS			<u>54,230</u>		<u>54,228</u>
CAPITAL AND RESERVES					
Called up share capital	14		40,000		40,000
Profit and loss account			<u>14,230</u>		<u>14,228</u>
TOTAL SHAREHOLDERS' FUNDS	18		<u>54,230</u>		<u>54,228</u>

The financial statements on pages 5 to 19 were approved by the Board on 25 June 2014 and signed on its behalf by:



*PM Whitney*

**Director**

The notes on pages 9 to 19 form part of these financial statements.

**PARALLEL PRIVATE EQUITY HOLDINGS LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	Year Ended 31 Dec 2013 £	Year Ended 31 Dec 2012 £
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	16	(909,114)	700,221
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Interest paid		(108)	(125)
Interest received		105,199	24,198
		<u>105,091</u>	<u>24,073</u>
TAXATION			
Corporation tax refunded/(paid)		27,880	(25,182)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets		(24,489)	-
Acquisition of investments		(452)	(2)
Proceeds from sale of investments		7,729	14,386
		<u>(17,212)</u>	<u>14,384</u>
(DECREASE)/INCREASE IN CASH IN THE YEAR	17	<u>(793,355)</u>	<u>713,496</u>

The notes on pages 9 to 19 form part of these financial statements.

## PARALLEL PRIVATE EQUITY HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

#### 1. ACCOUNTING POLICIES

The accounting policies detailed below have been consistently applied.

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom and include the results of the Group's operations which are described in the Directors' Report.

The consolidated financial statements include the financial statements of the Company and its corporate subsidiary undertakings. Parallel Ventures General Partner and Parallel Ventures General Partner II (two of the Company's subsidiary undertakings) act as general partner to Parallel Ventures Limited Partnership, Parallel Private Equity Limited Partnership, Parallel Ventures Prior Situation Limited Partnership, Parallel Ventures Prior Situation II Limited Partnership, Parallel Ventures Syndications Limited Partnership, St James Limited Partnership, St James II Limited Partnership, Parallel Private Equity 2005 Limited Partnership, Parallel Private Equity BA Feeder 2006 Limited Partnership, MPV English Limited Partnership, PPE Germany Limited Partnership and PPE TCR Limited Partnership ("the Partnerships"). With the exception of St James Limited Partnership and St James II Limited Partnership, the Partnerships are subsidiary undertakings in accordance with FRS2 – "Accounting for subsidiary undertakings". However, as severe long term restrictions exist over the parent's long term interest in them, they are not consolidated in these financial statements. St James Limited Partnership and St James II Limited Partnership technically fall within the definition of subsidiary undertakings as defined by the Companies Act and FRS 2. The Act and FRS 2 require the consolidation of all subsidiary undertakings. However, the directors do not consider that the financial statements would present a true and fair view if St James Limited Partnership and St James II Limited Partnership were to be fully consolidated with the interests of the limited partners accounted for as minority interests (see note 10).

No profit and loss account is prepared for the Company as allowed by Section 408 of the Companies Act 2006. The profit for the financial year of the Company was £2 (2012: £13,477). No dividend was paid in either the current or prior years.

##### 1.2 Turnover

Turnover primarily comprises the general partner entitlements to profit receivable from the limited partnerships managed and controlled by the Group.

The Group is entitled to an annual priority share of the profits of the Partnerships for which it is the general partner. If there are insufficient profits in a Partnership in a particular year to satisfy this entitlement, a loan is made to the Group by the relevant Partnership and the profit entitlement is carried forward. On the basis that either the loan will be repaid by future net income or it will not fall to be repaid if the Partnership never generates sufficient net income, turnover is recognised in the consolidated profit and loss account of the Group when such a loan is made.

##### 1.3 Interest receivable/payable and similar income/charges

Interest receivable/payable comprises bank interest receivable or payable and bank charges. They are accounted for on an accruals basis

## PARALLEL PRIVATE EQUITY HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected lives on the following bases:

Motor vehicles	-	17%	Straight line
Furniture, fixtures and fittings	-	33%	Straight line
Office equipment	-	33%	Straight line

#### 1.5 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

#### 1.6 Cash at bank and in hand

Cash at bank and in hand comprises cash in hand, current balances with banks and highly liquid investments with original maturities of three months or less.

#### 1.7 Deferred taxation

Deferred taxation is accounted for on an undiscounted basis at expected tax rates on all material 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. 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.

### 2. TURNOVER

Turnover is attributable to the management of Parallel Ventures Limited Partnership ("PVLP"), Parallel Private Equity Limited Partnership ("PPELP") and other partnerships managed by the Group.

### 3. OPERATING (LOSS)/PROFIT

The consolidated operating (loss)/profit is stated after charging:

	Year ended 31 Dec 2013 £	Year ended 31 Dec 2012 £
Depreciation of tangible fixed assets		
-owned by the Group	17,352	35,924
Operating lease rentals		
- hire of plant and machinery	791	2,709
- building rental	57,183	149,522

**PARALLEL PRIVATE EQUITY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**3. OPERATING (LOSS)/PROFIT (CONT'D)**

During the year the Group obtained the following services from the Company's auditors at costs detailed below:

	Year ended 31 Dec 2013 £	Year ended 31 Dec 2012 £
<b>Audit services</b>		
Audit of the Company's single entity and consolidated financial statements	3,780	3,672
<b>Other services</b>		
Audit of the financial statements of the Company's subsidiaries	27,396	26,604
Taxation compliance services	12,093	6,560
	<u>43,269</u>	<u>36,836</u>

Parallel Private Equity LLP will pay the audit costs for itself and all the corporate subsidiary undertakings within the Parallel Private Equity Group. In respect of these costs £31,176 (2012 £30,276) was charged to the profit and loss account.

**4. STAFF COSTS**

Staff costs, including directors' and members' remuneration, were as follows:

	Year ended 31 Dec 2013 £	Year ended 31 Dec 2012 £
Members' remuneration charged as an expense	872,150	1,009,109
Wages and salaries	250,988	329,425
Social Security costs	27,932	37,271
Other pension costs	23,513	32,100
	<u>1,174,583</u>	<u>1,407,905</u>

The staff costs above relate to the Group and are borne by Parallel Private Equity LLP.

The Group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Group to the scheme in respect of the year. Contributions payable by the Group during the year amounted to £23,513 (2012: £32,100) of which £1,862 (2012: £2,675) remained outstanding at the year end.

The average monthly number of employees and members during the year was as follows:

	Year ended 31 Dec 2013 £	Year ended 31 Dec 2012 £
Members	3	4
Administration	3	5
	<u>6</u>	<u>9</u>

**PARALLEL PRIVATE EQUITY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**5. MEMBERS/DIRECTORS' REMUNERATION**

With effect from 1 January 2009 the directors resigned from their employment with the group and now receive remuneration as profit shares through their positions as members of Parallel Private Equity LLP, another group entity.

	Year ended 31 Dec 2013 £	Year ended 31 Dec 2012 £
Members' remuneration charged as an expense:		
- Guaranteed drawings	672,150	704,975
- Profit related drawings	200,000	304,134
Directors' compensation for loss of office	-	55,000
	<u>872,150</u>	<u>1,064,109</u>

Members remuneration above includes £400,000 (2012: £400,000) attributable to the member with the largest entitlement to profit. No amounts have been included above in respect of Parallel Private Equity Managers Limited, the corporate member of Parallel Private Equity LLP.

Included within Administrative expenses is £800,000 (2012: £nil) which was withdrawn from Parallel Private Equity LLP as capital.

**6. INTEREST RECEIVABLE AND SIMILAR INCOME**

	Year ended 31 Dec 2013 £	Year ended 31 Dec 2012 £
Bank interest receivable	<u>105,199</u>	<u>24,198</u>

**7. INTEREST PAYABLE AND SIMILAR CHARGES**

	Year ended 31 Dec 2013 £	Year ended 31 Dec 2012 £
On bank loans and overdrafts	<u>108</u>	<u>125</u>

**8. TAX ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES**

The (charge)/credit is made up as follows:

	Year ended 31 Dec 2013 £	Year ended 31 Dec 2012 £
Corporation tax on (losses)/profits at 23.25% (2012: 24.5%)	(12,880)	-
Tax payable under "loans to participator" rules	(200,000)	-
Adjustments in respect of prior year	-	51,429
Current tax (charge)/credit for the year	<u>(212,880)</u>	<u>51,429</u>
(Charge)/credit for deferred taxation	<u>(667)</u>	<u>158,851</u>
	<u>(213,547)</u>	<u>210,280</u>

**PARALLEL PRIVATE EQUITY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**8. TAX CREDIT ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)**

The tax assessed for the year is higher (2012: lower) than the standard rate of corporation tax in the UK (2013: 23.25%; 2012: 24.5%). The differences are explained below

	Year ended 31 Dec 2013 £	Year ended 31 Dec 2012 £
(Loss)/profit on ordinary activities before taxation	(730,741)	554,069
(Loss)/profit on ordinary activities multiplied by the standard rate of tax in the UK (2013: 23.25%; 2012: 24.5%)	169,897	(135,747)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	(192,868)	(5,162)
General Partner share accounted for in the current year but taxable in future years	22,220	299,223
General Partner share accounted for in prior years but taxable in the current year	(409,780)	(5,559)
Non taxable investment income	24,588	84,223
Accelerated capital allowances and other timing differences	(937)	(6,804)
Utilisation of brought forward losses	374,000	-
Charge under "loans to participator" rules	(200,000)	-
Excess management expenses not recognised as a deferred tax asset	-	(230,174)
Adjustments in respect of prior year	-	51,429
Current tax (charge)/credit for the year	(212,880)	51,429

The level of future corporation tax charges will be dependent upon the level of non taxable investment income taken to satisfy General Partner Shares.

During the year, as a result of the changes in the UK main corporation tax rate to 23% that was substantively enacted on 3 July 2012 and was effective from 1 April 2013, and to 21% that was substantively enacted on 2 July 2013 and that was effective from 1 April 2014, the relevant deferred tax balances have been re-measured. A further reduction to the UK corporation tax rate to 20% was also substantively enacted on 2 July 2013 and will be effective from 1 April 2015.

The Company had a charge for tax in the year of £1 (2012: credit of £13,474).



**PARALLEL PRIVATE EQUITY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**9. TANGIBLE FIXED ASSETS - GROUP**

	Office Equipment	Furniture, Fixtures & Fittings	Motor Vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2013	18,520	-	160,568	179,088
Additions	7,353	17,136	-	24,489
Written off	(10,232)	-	-	(10,232)
At 31 December 2013	15,641	17,136	160,568	193,345
<b>Accumulated depreciation</b>				
At 1 January 2013	12,141	-	156,107	168,248
Charge for the year	7,179	5,712	4,461	17,352
Written off	(10,232)	-	-	(10,232)
At 31 December 2013	9,088	5,712	160,568	175,368
<b>Net book value</b>				
At 1 January 2013	6,379	-	4,461	10,840
At 31 December 2013	6,553	11,424	-	17,977

The Company has no tangible fixed assets (2012: none).

# PARALLEL PRIVATE EQUITY HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 10. FIXED ASSET INVESTMENTS

	Group interest in investments £	Company interest in subsidiary undertakings £
Cost		
At 1 January 2013	3,128	40,002
Acquisition of other investments	452	-
Disposals of other investments	(1,391)	-
At 31 December 2013	<u>2,189</u>	<u>40,002</u>

#### Group interest in investments

Of the investments of the Group shown above, £645 (2012: £645) represents capital contributions to certain private equity partnerships, detailed below, of which Parallel Ventures General Partner Limited and Parallel Ventures General Partner II Limited are the General Partners. Of the funds managed by the Group, St James Limited Partnership and St James II Limited Partnership were subsidiary undertakings during the year under the terms of the Companies Act 2006 and should therefore be consolidated. However, the directors do not consider that these financial statements would show a true and fair view if these partnerships and the underlying investments were to be fully consolidated. Accordingly, the investment in St James Limited Partnership and St James II Limited Partnership are shown at cost in the balance sheet.

Name of investment/subsidiary undertaking	Details of registration/incorporation or principal place of business
Parallel Ventures Limited Partnership	50 Lothian Road, Edinburgh, EH3 9WJ
Parallel Private Equity Limited Partnership	50 Lothian Road, Edinburgh, EH3 9WJ
Parallel Ventures Prior Situation Limited Partnership	50 Lothian Road, Edinburgh, EH3 9WJ
Parallel Ventures Prior Situation II Limited Partnership	50 Lothian Road, Edinburgh, EH3 9WJ
Parallel Ventures Syndications Limited Partnership	50 Lothian Road, Edinburgh, EH3 9WJ
St James Limited Partnership	50 Lothian Road, Edinburgh, EH3 9WJ
St James II Limited Partnership	167-169 Wardour Street, London, W1F 8WR
MPV English Limited Partnership	167-169 Wardour Street, London, W1F 8WR
Parallel Private Equity 2005 Limited Partnership	50 Lothian Road, Edinburgh, EH3 9WJ
Parallel Private Equity BA Feeder 2006 Limited Partnership	50 Lothian Road, Edinburgh, EH3 9WJ
PPE Germany Limited Partnership	50 Lothian Road, Edinburgh, EH3 9WJ
PPE TCR Limited Partnership	50 Lothian Road, Edinburgh, EH3 9WJ

St James Limited Partnership had a net asset value of £928,777 as at 31 December 2013 (2012: £1,021,388) and reported total gains of £3,416,704 for the year (2012: total gains £6,287,147). With the exception of the £533 (2012: £533) carrying value of the investment in St James Limited Partnership and an amount of £2,401 (2012: £1,826) representing undrawn General Partner Priority Profit Share, all of the net assets of St James Limited Partnership are attributable to the limited partners.

St James II Limited Partnership had a net asset value of £54,742 as at 31 December 2013 (2012: £58,174) and reported total gains of £46,288 for the year (2012: total gains £60,142). With the exception of the £1,500 (2012: £2,504) carrying value of the investment in St James II Limited Partnership and an amount of £4,460 (2012: £4,000) representing undrawn General Partner Priority Profit Share, all of the net assets of St James II Limited Partnership are attributable to the limited partners.

## PARALLEL PRIVATE EQUITY HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

#### 10. FIXED ASSET INVESTMENTS (CONT'D)

During the year Parallel Ventures General Partner Limited and Parallel Ventures General Partner II Limited were entitled to annual profit shares of £1,534,642 (2012: £2,604,995) from the Parallel limited partnerships, including £1,048 (2012: £897) in respect of the subsidiary undertakings.

#### Company interest in subsidiary undertakings

Details of the investments in which the Company holds 20% or more of the nominal value of any class of share capital are as follows:

Name of Company	Country of operation and incorporation	Effective Proportion of shares held	Nature of Business
Parallel Private Equity Managers Limited	England	100%	Holding company (see note below)
Parallel Private Equity I Limited	England	100%	Holding company
Parallel Private Equity II	England	100%	Holding company
Parallel Ventures General Partner	Scotland	100%	General Partner of investment vehicle partnerships
Parallel Ventures General Partner II	Scotland	100%	General Partner of investment vehicle partnerships
Parallel Ventures Nominees Limited	England	100%	Nominee company
Berrylands Nominees Limited	England	100%	Nominee company
Parallel Ventures Nominees No.2 Limited	England	100%	Nominee company
Parallel Private Equity Nominees No.4 Limited	England	100%	Nominee company

Note: Parallel Private Equity Managers Limited (PPEM) is the corporate member of Parallel Private Equity LLP, an LLP that was incorporated in England. PPEM has contributed 100% of the capital in the LLP. The LLP carries out the fund management activity of the Parallel Group.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

**PARALLEL PRIVATE EQUITY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**11. DEBTORS**

	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
<b>Due within one year</b>				
Amounts owed by subsidiary undertakings	7,192	13,474	1,841	13,474
Amounts owed by investments	360,415	-	261,694	-
Tax recoverable	4,541	-	44,344	-
Other debtors	3,272	1	3,551	1
Deferred tax asset (see note 13)	4,172	-	4,839	-
Prepayments and accrued income	58,251	-	92,578	-
	<u>437,843</u>	<u>13,475</u>	<u>408,847</u>	<u>13,475</u>

As at 31 December 2013 and 31 December 2012 amounts owed by subsidiary undertakings are unsecured, non-interest bearing and repayable on demand.

**12. CREDITORS**

**Amounts falling due within one year**

	Group 2013 £	Company 2013 £	Group 2012 £	Company 2012 £
Amounts due to members	2,710	-	-	-
Trade creditors	9,357	-	7,829	-
Amounts owed to subsidiary undertakings	58,255	4	8	4
Amounts owed to investments	498,147	-	474,257	-
Corporation tax	212,880	-	-	-
Social Security and other taxes	31,419	-	42,891	-
Other creditors	3,032	-	10,793	-
Accruals and deferred income	100,894	-	194,789	-
	<u>916,694</u>	<u>4</u>	<u>730,567</u>	<u>4</u>

As at 31 December 2013 and 31 December 2012 amounts owed to subsidiary undertakings are unsecured, non-interest bearing and repayable on demand.

**13. DEFERRED TAXATION**

	Group 2013 £	Group 2012 £
At 1 January	4,839	(154,012)
Deferred tax (charge)/credit for the year	(667)	158,851
At 31 December	<u>4,172</u>	<u>4,839</u>

**Group**

The deferred tax asset of £4,172 (2012: asset of £4,839) has been disclosed on the Consolidated Balance Sheet as a debtor in the current year (see note 11) and as Deferred Taxation on the face of the balances sheet in the prior year. This has arisen as a result of timing differences between depreciation and capital allowances allowed for tax purposes and the difference in timing in the recognition of General Partner Profit Share for tax and accounting purposes.

**Company**

The Company has no liability for deferred taxation (2012: £nil).

**PARALLEL PRIVATE EQUITY HOLDINGS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**14. CALLED UP SHARE CAPITAL**

	2013 and 2012 £
<b>AUTHORISED</b>	
10,000 (2012: 10,000) 'A' Ordinary shares of £1 each	10,000
30,000 (2012: 30,000) 'B' Ordinary shares of £1 each	30,000
	<u>40,000</u>
<b>ISSUED AND FULLY PAID</b>	
10,000 (2012: 10,000) 'A' Ordinary shares of £1 each	10,000
30,000 (2012: 30,000) 'B' Ordinary shares of £1 each	30,000
	<u>40,000</u>

The A and B shares carry equal voting rights and rank pari passu in any distribution.

**15. OTHER RESERVE**

	2013 £	2012 £
At 1 January and 31 December	<u>971,822</u>	<u>971,822</u>

This reserve represents the difference between the fair value of the net assets of subsidiaries acquired in a prior period (£1,011,821) and the nominal value of the shares issued as consideration (£39,999).

**16. RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH  
(OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES**

	Year ended 31 Dec 2013 £	Year ended 31 Dec 2012 £
Operating (loss)/profit	(784,234)	516,396
Depreciation of fixed assets	17,352	35,924
(Increase)/decrease in debtors	(103,481)	62,215
Decrease/(increase) in prepayments and accrued income	34,327	(5,372)
Increase in debtors and loans due to Members	2,710	-
Increase in creditors	18,107	128,462
Decrease in accruals and deferred income	(93,895)	(37,404)
	<u>(909,114)</u>	<u>700,221</u>

**17. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**

	Year ended 31 Dec 2013 £	Year ended 31 Dec 2012 £
(Decrease)/increase in cash in the year	<u>(793,355)</u>	<u>713,496</u>
Change in net cash resulting from cash flows and movement in net cash in the year	(793,355)	713,496
Balance at 1 January	5,666,702	4,953,206
Balance at 31 December	<u>4,873,347</u>	<u>5,666,702</u>

**PARALLEL PRIVATE EQUITY HOLDINGS LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

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**18. RECONCILIATION OF SHAREHOLDERS' FUNDS**

	<b>Group £</b>	<b>Company £</b>
(Loss)/ profit for the financial year	<u>(944,288)</u>	<u>2</u>
Total shareholders' funds at 1 January 2013	5,358,950	54,228
Total shareholders' funds at 31 December 2013	<u>4,414,662</u>	<u>54,230</u>

**19. OTHER COMMITMENTS**

As at 31 December 2013 the Group had annual commitments under non-cancellable operating leases as follows:

	<b>Land and Buildings 2013 £</b>	<b>Land and Buildings 2012 £</b>
Expiry date:		
Between two and five years	<u>37,296</u>	<u>-</u>

**20. ULTIMATE CONTROLLING PARTY**

In the opinion of the Directors, Dr PM Whitney is the ultimate controlling party of the Company.

Advantage has been taken of the exemption in FRS 8 not to disclose transactions with entities that are part of the Group.