

PARALLEL VENTURES GENERAL PARTNER II LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR
ENDED 31 DECEMBER 2011

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PARALLEL VENTURES GENERAL PARTNER II LIMITED

COMPANY INFORMATION

Directors	Dr P M Whitney (Chairman and Chief Executive) G C Haggith G S Cox N S Peters
Secretary	I D Richardson
Company Number	SC211186
Registered Office	50 Lothian Road Edinburgh EH3 9WJ
Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT

PARALLEL VENTURES GENERAL PARTNER II LIMITED

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PARALLEL VENTURES GENERAL PARTNER II LIMITED

DIRECTORS' REPORT For the year ended 31 December 2011

The directors present their report and the audited financial statements for the year ended 31 December 2011. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

COMPANY NUMBER

The company's registered number is SC211186.

RESULTS AND DIVIDENDS

The profit of the Company for the year ended 31 December 2011, after providing for taxation, amounted to £96,700 (2010: loss of £24,548). No dividend was paid during the year (2010: £50,000).

PRINCIPAL ACTIVITIES AND FUTURE OUTLOOK

The Company's principal activity during the year under review was that of acting as a general partner of private equity partnerships investing funds in European unquoted investments. The Directors do not envisage that there will be any change in the operations of the Company in the foreseeable future. The position as at the end of the year is reflected in the balance sheet set out on page 5.

DIRECTORS

The directors who served during the period were:

Dr P M Whitney (Chairman)
G C Haggith
G S Cox
N S Peters
J D Mackie

J D Mackie resigned as a director with effect from 20 December 2011.

Dr Paul Whitney holds a beneficial interest (via a retirement benefit scheme) in 100% of the share capital of Parallel Private Equity Holdings Limited, this company's parent undertaking. None of the other directors holds any beneficial interest in the share capital of that company, or any of its subsidiary undertakings.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

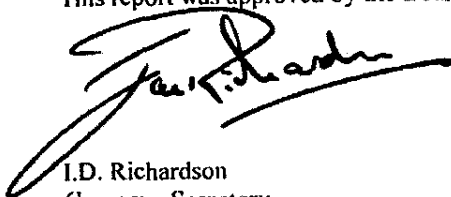
Each director in office at the date of approval of this report confirms that:

- so far as he is aware, there is no relevant audit information of which the Company's 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 11 May 2012 and signed on its behalf by:



I.D. Richardson
Company Secretary

PARALLEL VENTURES GENERAL PARTNER II LIMITED

DIRECTORS' REPORT **For the year ended 31 December 2011**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 Directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

PARALLEL VENTURES GENERAL PARTNER II LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARALLEL VENTURES GENERAL PARTNER II LIMITED

We have audited the financial statements of Parallel Ventures General Partner II Limited for the year ended 31 December 2011 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).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 and of its profit 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

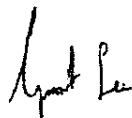
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

PARALLEL VENTURES GENERAL PARTNER II LIMITED
INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF PARALLEL VENTURES GENERAL PARTNER II
LIMITED (CONT'D)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report



Grant Lee (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
11 May 2012

PARALLEL VENTURES GENERAL PARTNER II LIMITED

PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2011

	Notes	Year ended 31 December 2011 £	Year ended 31 December 2010 £
TURNOVER	1.2	123,349	61,106
Administrative expenses	2	(9,163)	(51,465)
OPERATING PROFIT	3	114,186	9,641
Interest receivable and similar income	6	529	230
Interest payable and similar charges	7	(3)	(3)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		114,712	9,868
Tax (charge)/credit on profit on ordinary activities	8	(18,012)	14,680
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		96,700	24,548
Dividends paid		-	(50,000)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR	14	96,700	(25,452)
PROFIT AND LOSS ACCOUNT BROUGHT FORWARD		65,581	91,033
PROFIT AND LOSS ACCOUNT CARRIED FORWARD		162,281	65,581

There were no recognised gains and losses for the period 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 7 to 11 form part of these financial statements.




PARALLEL VENTURES GENERAL PARTNER II LIMITED

BALANCE SHEET
As at 31 December 2011

	Notes	31 December 2011 £	31 December 2010 £
INVESTMENTS	9	3,820	4,226
CURRENT ASSETS			
Debtors	10	29,360	146,761
Cash at bank		<u>178,242</u>	<u>60,850</u>
		207,602	207,611
CREDITORS: amounts falling due within one year	11	<u>(45,814)</u>	<u>(133,259)</u>
NET CURRENT ASSETS		161,788	74,352
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>165,608</u>	<u>78,578</u>
Deferred taxation	12	(1,827)	(11,497)
NET ASSETS		<u>163,781</u>	<u>67,081</u>
CAPITAL AND RESERVES			
Called up share capital	13	1,500	1,500
Profit and loss account		<u>162,281</u>	<u>65,581</u>
EQUITY SHAREHOLDERS' FUNDS	14	<u>163,781</u>	<u>67,081</u>

The financial statements were approved by the Board on 11 May 2012 and signed on its behalf by:


P M Whitney
Director

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

PARALLEL VENTURES GENERAL PARTNER II LIMITED

NOTES TO THE FINANCIAL STATEMENTS **For the year ended 31 December 2011**

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. The accounting policies detailed below have been consistently applied.

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

Parallel Ventures General Partner II Limited acts a general partner to Parallel Ventures Syndications II Limited Partnership, St James Limited Partnership, St James II Limited Partnership, Parallel Private Equity 2005 Limited Partnership, Parallel Private Equity 2006 B.A. Feeder Limited Partnership, PPE Germany Limited Partnership, PPE TCR Limited Partnership and MPV English Limited Partnership (the Partnerships). St James Limited Partnership technically falls within the definition of subsidiary undertaking as defined by the Companies Act and FRS 2 – “Accounting for subsidiary undertakings”. This Company has taken advantage of the intermediate holding company exemption from the requirement to prepare consolidated accounts.

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

1.2 Turnover

The Company, as General Partner of the Partnerships, is entitled to an annual priority share of the profits of these Partnerships. If there are insufficient profits in a Partnership in a particular year to satisfy this entitlement, a loan is made to the Company 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 profit and loss account of the Company when such a loan is made.

1.3 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.

1.4 Investments

Investments held as fixed assets are stated at cost less any provision for impairment in value as determined by the directors.

2. ADMINISTRATIVE EXPENSES

The Company received a priority share of profits for being the General Partner of the Partnerships during the year. The Company has delegated the responsibility for managing these partnerships to a fellow subsidiary undertaking, Parallel Private Equity LLP, to whom a management fee of £5,156 (2010: £48,162) was payable. Audit fees payable to the Company's auditors amounted to £3,072 (2010: £3,070). Other administrative expenses are immaterial for individual disclosure.

PARALLEL VENTURES GENERAL PARTNER II LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011

3. OPERATING PROFIT

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

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Audit services		
Fees payable to the Company's auditors for the audit of the statutory accounts	<u>3,072</u>	<u>3,070</u>

4. STAFF COSTS

The staff involved in the Company's operations were, throughout the financial year, all employees or members of Parallel Private Equity LLP, a subsidiary of Parallel Private Equity Holdings Limited. The total staff costs have been borne by Parallel Private Equity LLP without recharge. No staff costs have therefore been included in these financial statements.

5. DIRECTORS' REMUNERATION

The directors are all members of Parallel Private Equity LLP. No director has received any emoluments or other benefits in respect of services from the Company. The total staff costs have been borne by Parallel Private Equity LLP without recharge and therefore no staff costs have been included in these financial statements.

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Bank interest receivable	<u>529</u>	<u>230</u>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Bank charges	<u>(3)</u>	<u>(3)</u>

PARALLEL VENTURES GENERAL PARTNER II LIMITED

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011

8. TAX (CHARGE)/CREDIT ON PROFIT ON ORDINARY ACTIVITIES

The charge is made up as follows:

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Corporation tax @ 26.5% (2010: 28%)	<u>(27,880)</u>	<u>-</u>
Current tax charge for the period	<u>(27,880)</u>	<u>-</u>
Group relief	198	9,764
Deferred taxation (see note 12)	<u>9,670</u>	<u>4,916</u>
	<u>(18,012)</u>	<u>14,680</u>

The tax assessed for the year is lower than the standard rate of corporation tax in the UK (2011:26.5%, 2010:28%).

The differences are explained below:

	Year ended 31 December 2011 £	Year ended 31 December 2010 £
Profit on ordinary activities before taxation	<u>114,712</u>	<u>9,868</u>
Profit on ordinary activities multiplied by the standard rate of tax in the UK 26.5% (2010: 28%)	30,398	2,763
Effects of:		
Non-taxable investment income	-	(280)
Utilisation of losses brought forward	(15,167)	-
General Partner Share accounted for in current year but taxable in future years	(598)	(13,006)
Income and gains accounted for in prior year but taxed in current year	25,626	759
Allocated cost of assets realised in the year	(13,989)	-
Proceeds taxed in year but still to be received	1,610	-
Losses surrendered to fellow group undertaking for payment	-	9,764
Current tax charge for the period	<u>27,880</u>	<u>-</u>

The level of future corporation tax charges will be dependent upon the level of non-taxable investment income taken to satisfy General Partner Share. During the year, as a result of the changes in the UK main corporation tax rate to 26% that was substantively enacted on 29 March 2011 and that will be effective from 1 April 2011, and to 25% that was substantively enacted on 5 July 2011 and that will be effective from 1 April 2012, the relevant deferred tax balances have been re-measured.

Further reductions to the UK corporation tax rate were announced in the March 2011 Budget. The changes, which are expected to be enacted separately each year, propose to reduce the rate by 1% per annum to 23% by 1 April 2016. The changes had not been substantively enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

PARALLEL VENTURES GENERAL PARTNER II LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2011

9. INVESTMENTS

	Subsidiary Undertakings	Other Investments	Total
	£	£	£
Cost of investments at 1 January 2011	533	3,693	4,226
Acquisitions	-	157	157
Disposals	-	(563)	(563)
Cost of investments at 31 December 2011	533	3,287	3,820

Of the fixed assets investments of £3,820 (2010: £4,226), £533 (2010: £533) relates to investments in subsidiary undertakings, £21 (2010: £21) relates to capital contributions to other limited partnerships to which this Company is the general partner and the balance relates to interests in limited partnerships acquired from a former employee of the manager. Details of the investments classified as the subsidiary undertakings during the year are as follows:

Name of Undertaking	Details of registration/incorporation or principal place of business
St James Limited Partnership	50 Lothian Road, Edinburgh, EH3 9WJ

The Company was the General Partner of the above private equity partnership during the year. This partnership is not consolidated as explained in accounting policies note 1.1.

10. DEBTORS

	2011 £	2010 £
Due within one year		
Amounts owed by subsidiary undertakings	943	5,552
Amounts owed by other investments	11,557	124,196
Amounts owed by fellow group undertakings	16,860	17,013
	<u>29,360</u>	<u>146,761</u>

As at 31 December 2011 and 31 December 2010 amounts owed by subsidiary undertakings and fellow group undertakings are unsecured, non-interest bearing and repayable on demand.

11. CREDITORS: Amounts falling due within one year

	2011 £	2010 £
Amounts owed to subsidiary undertakings	7	358
Amounts owed to fellow group undertakings	11,743	129,788
Amounts owed to other investments	-	1
Corporation tax	27,880	-
Other creditors	6,184	3,112
	<u>45,814</u>	<u>133,259</u>

As at 31 December 2011 and 31 December 2010 amounts owed to subsidiary undertakings and fellow group undertakings are unsecured, non-interest bearing and repayable on demand.

PARALLEL VENTURES GENERAL PARTNER II LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2011**

12. DEFERRED TAXATION

	2011 £	2010 £
Provision for deferred taxation at 1 January	11,497	16,413
Movement in provision for the year	<u>(9,670)</u>	<u>(4,916)</u>
Provision for deferred taxation at 31 December	<u>1,827</u>	<u>11,497</u>

The provision for deferred taxation in the current and prior years relates to the tax effect of short term timing differences on income.

There is no unrecognised deferred tax asset at the end of the current year (2010:nil)

13. CALLED UP SHARE CAPITAL

	2011 £	2010 £
Authorised		
5,000 ordinary shares of £1 each	<u>5,000</u>	<u>5,000</u>
Allotted, called up and fully paid		
1,500 ordinary shares of £1 each	<u>1,500</u>	<u>1,500</u>

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £	2010 £
Balance at 1 January	67,081	92,533
Profit/(loss) for the financial year	<u>96,700</u>	<u>(25,452)</u>
Balance at 31 December	<u>163,781</u>	<u>67,081</u>

15. RELATED PARTIES

During the year the Company paid fees to a fellow group undertaking, Parallel Private Equity LLP, of £5,156 (2010: £48,162). The fees were in respect of management services provided. It received entitlements to general partner priority profit shares during the year of £5,156 (2010: £48,162) from the partnerships for which it acts as general partner.

As at the year end debtor balances of £11,557 (2010: £124,196) remain outstanding from fellow subsidiary companies in respect of group relief.

As at the year end creditor balances of £11,743 (2010: £129,788) remain owing to Parallel Private Equity LLP in respect of management fees.

16. PARENT COMPANY AND ULTIMATE CONTROLLING PARTY

In the opinion of the Directors 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 Limited are available from 49 St James's Street, London SW1A 1JT.