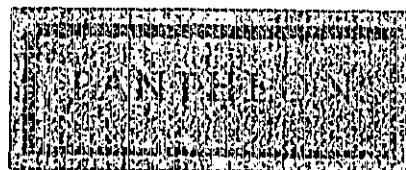


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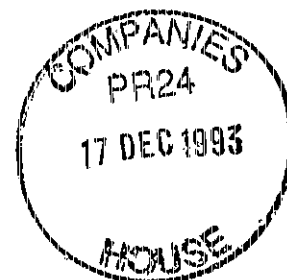
PANTHEON INTERNATIONAL PARTICIPATIONS PLC

(FORMERLY G F VENTURE INVESTMENT COMPANY PLC)

REPORT AND ACCOUNTS 1993



MANAGED BY THE PANTHEON GROUP



PANTHEON INTERNATIONAL PARTICIPATIONS PLC

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REGISTRARS

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Edinburgh EH11 4BR

BANKERS

The Northern Trust Company
155 Bishopsgate
London EC2M 3XS

AUDITORS

Robson Rhodes
Chartered Accountants
186 City Road
London EC1V 2NU

SOLICITORS

Theodore Goddard
150 Aldersgate Street
London EC1A 4EJ

INVESTMENT OBJECTIVE

The primary investment objective of the Company is to maximise capital growth by investing in funds specialising in unquoted investments, acquiring existing unquoted portfolios and participating directly in private placements.

SUMMARY OF RESULTS

	30 June 1993	30 June 1992	% change
TOTAL NET ASSETS (£'000s)	30,841	21,349	+44.5
NET ASSET VALUE PER SHARE (Assuming full conversion of warrants)	195.5p	139.7p	+39.9
NET ASSET VALUE PER SHARE (Undiluted)	211.1p	146.2p	+44.4
DIVIDEND PER SHARE	0.5p	2.5p	-80.0
EARNINGS PER SHARE	1.16p	3.01p	-61.5
MARKET PRICE PER SHARE	172.5p	93.5p	+84.5
MARKET PRICE PER WARRANT	70.5p	7.5p	+840.0



A member of the Association of Investment Trust Companies

DIRECTORS

W. Thomas J. Griffin (Chairman) Born May 1928. He is the former chairman of GT Management PLC (GT). He is also a trustee of the Charities Official Investment Fund and a director of a number of investment trust companies.

John R. Brakell* Born July 1935. He is the manager, venture capital, at Postel Investment Management Ltd. He joined Postel in 1974 and served firstly in a financial role. Since 1980 he has concentrated upon investment and investment appraisal. Apart from a short period with the Phoenix Assurance Company and the Milk Marketing Board, his earlier career was spent in practice as a partner in a provincial firm of chartered accountants. He has an honours degree in mathematics and qualified as a chartered accountant in 1962. He is a member of one of the Security Institute's examination panels.

Alain M.L. Lefebvre Born April 1930. He is a French citizen who spent his career working for Banque de Gestion Privée-SIB. He is a director of a number of continental investment companies. He is a graduate of l'École des Hautes Études Commerciales.

The Hon. Richard M.O. Stanley* Born April 1931. He is chairman of British Bus plc, a former chairman of Pantheon Ventures Limited and a director of Friends Provident Life Office. Most of his previous career was with Metal Box PLC, where he was a director.

Lionel G. Stopford Sackville* Born November 1932. He qualified as a chartered accountant in 1959. He has had extensive experience working for a wide range of companies, principally in the financial and mineral resource sectors. He has been a director of a number of major companies including Charter Consolidated P.L.C., Selection Trust Limited, Mineral and Resources Corporation and Anglo American Corporation of South Africa Limited. He was chairman of Cape Industries PLC from 1979 to 1980, having been a director since 1970, and of Beralit Tin and Wolfram Limited from 1972 to 1980. He is currently a director of Dartmoor Investment Trust plc and chairman of Union Jack Oil Plc.

Rhoderick M. Swire Born March 1951. He is managing director of Pantheon Holdings Limited. He joined GT Management PLC in 1981, with responsibility for long-term investment in unquoted companies. After graduating in engineering, he qualified as a chartered accountant with Peat Marwick. He subsequently joined John Swire & Sons Limited, where he had various assignments in Hong Kong, Australia and the United Kingdom before joining GT. He was a director of GT until the reorganisation of the Company's Manager Pantheon Ventures Limited.

All of the above Directors have served since the launch of the Company.

**Members of the Audit Committee.*

THE VENTURE CAPITAL PROCESS

The following is a summary of some of the key factors involved in the venture capital fund investment process. This is intended to provide investors with a better understanding of the nature of the financial sector in which the Company is involved.

1. LONG TERM OBJECTIVES

Private venture capital funds usually have a fixed duration of ten years with typically most of the capital and gains distributed back to investors between years seven and ten. Investors in such funds must possess a long term investment perspective as it is difficult to sell their equity in the fund. The Company is one of the few established buyers of such secondary interests referred to below.

2. DIVERSIFIED PORTFOLIO

Venture capital funds typically comprise investment portfolios of between twenty and thirty different companies (referred to in this report as either 'portfolio' or 'underlying' companies). This enables the investment risk to be spread over a number of different risk variables, including geographic, industry type, and maturity of company.

The nature of venture capital investment is such that some underlying companies will fail. However, the successful underlying companies should normally generate sufficient gains to cause the return from the fund to be above the average for quoted shares.

3. MANAGEMENT INVOLVEMENT

Venture capital fund managers profess to varying levels of management involvement in their portfolio companies. The more successful managers tend to undertake a greater degree of involvement. The Company in turn aims to add value to the investment process by monitoring and encouraging venture capital fund managers more actively than other institutional investors.

4. SECONDARY INTERESTS

These refer to investments in venture capital funds which, for a variety of reasons, an original investor in a venture fund may wish to sell before the termination of the fund. The market for such interests is very small and normally operates through direct negotiation.

The benefit of purchasing secondary interests in venture funds of primarily unquoted companies derives not only from the potential to negotiate a discount but from the common experience that most company failures occur early in the life of a venture fund. In contrast the successful companies will generally take longer to emerge. Thus, buying a fund or an unquoted investment well into its life enables participation in the successful realisations, without so many of the normal losses, thereby enhancing returns.

5. CALCULATION OF NET ASSET VALUE BY EACH OF THE VENTURE FUNDS

The venture capital fund managers will adopt their own valuation policy for their portfolio. There are variations among funds and different countries adopt different standards.

In the USA normal practice is to value unquoted investments at cost unless there has been a material transaction involving unrelated third parties to update the price. A significant decline in operating performance may lead to the value being written down.

Whilst the above approach still applies in Europe, greater emphasis is placed on earnings when valuing companies with a profitable track record. A discount to the price earnings ratio of a similar quoted company would generally be applied in such cases. This approach is consistent with the British and European Venture Capital Associations' guidelines.

6. VALUATION POLICY

The majority of purchases by the Company in venture funds are made at a discount to their underlying net asset value ("NAV") as calculated by the managers of the venture funds. The valuation policies usually adopted by the managers of these funds are as detailed above. After their purchase these funds are normally revalued immediately within the portfolio of the Company back to their stated NAV's, irrespective of the purchase price, unless an ongoing provision is considered prudent. This generally results in an immediate uplift in NAV for the Company's shareholders.

THE VENTURE CAPITAL PROCESS continued

This policy is adopted because:

- The Company thereby values its holdings in private venture funds on the same basis as the other holders of that fund. In addition, this provides the Company with a consistent and objective valuation policy for its portfolio.
- The Company believes that investors who are seeking early exits from venture funds, and who are prepared to accept a reduced price, offer attractive opportunities for a fund willing to invest for the long term and to hold the venture funds until maturity. Consequently, the discount achieved on such purchases is a short term anomaly which is not appropriate as a valuation benchmark for the Company, which has a long term perspective. Indeed, if a holding in a private venture fund were purchased at a premium to its stated NAV, then the NAV would also be used as the valuation basis for the Company.

The Company is, therefore, being fully consistent with the normal industry standards, and with its own investment objectives and horizons, in using the NAV and not the purchase price of the underlying private venture funds as the valuation basis for the portfolio.

Valuations used in the Company's accounts are derived from the most recent accounts available, which may be audited or unaudited, prepared by the venture fund managers. In the USA quarterly reports are the norm whereas in Europe half yearly reporting is more usual.

7. IN SPECIE DISTRIBUTIONS

When an investment held by a venture capital fund has reached maturity, one mechanism for realising any gain on this investment is through flotation on a stock exchange. The fund manager is then faced with a choice. He can either sell the shareholding and pass the cash back to the investors, or he can make an in specie distribution of the shares in the ratio of the investors' holdings in the fund.

In this way the individual investors can decide whether they wish to hold that stock in expectation of further appreciation.

8. CONFLICTS OF INTEREST

Pantheon manages a significant portfolio of venture funds for other clients. On occasion this may give rise to potential conflicts of interest. In all cases the Board of the Company will be alerted to any potential conflict of interest prior to any commitment.

9. DEFINITIONS OF STAGES IN THE VENTURE CAPITAL PROCESS

These definitions are taken from the 1993 European Venture Capital Association Yearbook.

SEED:	Financing provided to research, develop and assess an initial concept before a business has reached the start-up stage.
START-UP:	Financing provided to companies for product development and initial marketing. Companies may be in the process of being set up or may have been in business for a short time, but have not sold their product commercially.
EXPANSION:	Financing provided for the growth and expansion of a company which is breaking even or trading profitably. Capital may be used to finance increased production capacity, market or product development and/or to provide additional working capital.
MANAGEMENT BUY-OUT:	Financing provided to enable current operating management and investors to acquire an existing product line or business.
TURNAROUND:	Financing made available to established businesses which have experienced trading difficulties, with a view to re-establishing prosperity.

CHAIRMAN'S STATEMENT

OVERVIEW

Your Company has again made a significant advance with an increase in fully diluted net asset value per share of 39.9%. The increase in share price of 84.5% has been even more dramatic and reflects both the reawakening of institutional and private investor interest in the venture capital sector and a greater awareness of your Company and its investment strategy. The main constituents of the gain are dealt with in more detail in the Manager's Review.

The reorganisation of the Convertible Loan Stock enabled the company to crystallise a gain of 9p per share through the redemption of £4.5m nominal of Loan Stock and the payment of the accrued premium thereon at a 30% discount at 31 December 1992. £6.8m of this Loan Stock together with the accrued premium of £0.7m remains outstanding and this can be redeemed at a 25% discount until 31 December 1993, and 20% in 1994.

It is particularly gratifying to see cash from distributions and sales rising to a record £9.8m. This process lies at the heart of the Company's affairs as it generates the fire-power to make more acquisitions of funds at attractive prices. A significant contribution came from the realisation of Women's Federal, one of the rare direct investments which your Company has made. This company had been closely followed by the Manager for a number of years and its sale realised five times the cost after two years.

The portfolio is well diversified as can be evidenced by the wide range of underlying companies. The exposure to Europe has increased over the last 12 months, which will leave the Company well positioned for the European economic recovery. The UK portfolio in particular should create further significant realisations and continue to benefit from flotations of venture backed companies such as Holliday Chemicals.

DIVIDEND

In my statement last year I warned that the payment of interest on the Loan Stock would absorb most, if not all, of the Company's net income, and that there would have to be a substantial reduction in the dividend. In the event your Directors are able to recommend a dividend of 0.5p per share (1992 - 2.5p) payable on 26 November to shareholders on the register on 4 November 1993.

WARRANTS

Warrantholders should note that the final opportunity to exercise their subscription rights arises on 24 November; a separate letter has been sent to all warrant holders which sets out the action that should be taken if you wish to exercise your rights.

HEDGING

Your Company has maintained its previous discretionary policy of defensively hedging up to 50% of your Company's dollar assets against sterling. During the year this policy realised a profit of £495,000, with no open contracts at the year-end or at the time of writing.

FUNDS ADVISED BY THE MANAGER

You will note that your Company has invested in two funds advised by the Manager, Juno International Participations and Janus Participations. These investments are managed by a fellow subsidiary of the Manager. By investing through these funds your Company has participated in major deals which it could not have undertaken on its own. Your Board believes that the deployment of a limited proportion of the Company's assets in this manner is well merited.

CHAIRMAN'S STATEMENT continued

SAVINGS SCHEME

I was sorry to have to advise you during the year that GT Management had asked your Company to withdraw from the GT Savings and Investment Plan as GT no longer has an equity interest in the Manager or the Company.

While the subscribers to the Plan were not great in number, the scheme did benefit those who subscribed by lowering their costs of investing. As the costs of setting up a separate scheme for the Company on its own would be prohibitive, we are reviewing the possibility of joining another Savings Scheme.

CADBURY REPORT

Your Board has taken note of the Cadbury Report and its recommended Code of Best Practice for corporate governance. The Code is based on openness, integrity and accountability and your Board will abide by those principles as it always has done. An Audit Committee consisting of three non-executive directors has been formed, and its terms of reference include monitoring the management of the Company's assets by the Manager, Pantheon Ventures Limited, compliance with the requirements of the relevant regulatory bodies and a review of the financial statements and accounting policies. It will also meet from time to time with the Auditors to discuss matters arising from the audit.

FUTURE OUTLOOK

Your Company has made great strides over the last year and looks to the future with confidence. The original thesis which underlaid the Company's foundation, that the venture capital funds in which we invest would generate substantial flows of cash, has been fully justified and we remain able to redeploy this cash to great benefit in undervalued funds.

W.T.J. Griffin

14 October 1993

MANAGER'S REVIEW

MARKET ENVIRONMENT

UK and Continental Europe

There is very good news on exits from European companies already this year. With difficulty in new fund-raising heavy emphasis is being placed on realised performance before managers are able to raise further capital. This pressure, combined with a high stock market in the UK, has resulted in a number of successful flotations and realisations. How long this will continue is a moot point as the quality of some of the smaller companies currently being floated is questionable.

Against this, while in the UK there is at least some good economic news (inflation rates lower than forecasts, interest rates perhaps coming even lower and an outlook for zero unit labour cost growth) the continuing weaknesses of the Continental European economies make it difficult to foresee any export growth, and thus only a moderate recovery, gathering pace very slowly, can be expected. The outlook for Germany, in the near-term, remains gloomy with perhaps another two years of recession to come whereas the slackening of interest rates from their impossibly high real levels in France must mean that we can expect to see growth again in the near-term in a relatively stable environment.

USA

The fund raising environment remains difficult other than for established funds with strong track records. With the exception of state and local government "public" pensions plans, there are few new sources of capital available to the private equity market. Most public plans are investing in large funds where they can subscribe a minimum of \$10 million. New or small to medium sized funds, some of which are likely to be the emerging stars of tomorrow, are not being supported so readily.

Overall, commitments to venture capital will probably grow modestly in 1993. Given the lower level of capital funding over the last few years there is unlikely to be an oversupply of capital in the industry. The number of active venture funds today continues to shrink from the peak level of 1987. The survivors tend to be the more experienced groups with well established investment disciplines. These combined factors represent a very attractive market profile for investment in new or secondary interests.

Despite the record number of public flotations, (Initial Public Offerings or IPOs), the number of venture backed IPOs was down slightly to 63 versus 81 over the same period in 1992. Most analysts expect the pace of venture backed IPOs to remain at present levels during the remainder of 1993, with a potential surge in healthcare/biotechnology IPOs in the last quarter once the proposed healthcare reforms become clearer. There is usually at least a six months delay between an IPO and its distribution or sale.

Japan

The outlook for a quick recovery from the recessionary climate of the past two years is not encouraging. Whilst there was a period of temporary optimism earlier in the year, this has proved unfounded. The economy continues to be hampered by slow monetary growth, comparatively high inventory levels caused by sluggish domestic demand, and an ever-strengthening currency which is impacting the profitability of exporters. For the first time in post World War II Japan, companies are being forced to "down-size", creating considerable uncertainty in the previously paternalistic role of the company providing a guarantee of life-time employment.

1992 was the low water mark for new listings, with only 26 being recorded. On the OTC market there were only 15 listings compared to a high in 1991 of 95. Predictions for total new listings in 1993 are an optimistic 100, with the number of listings being rationed to ensure a more orderly market.

MANAGER'S REVIEW continued

THE PORTFOLIO

The table below summarises the cost and values of the current portfolio. Foreign holdings are valued at the sterling equivalent using the exchange rate prevailing at 30 June 1993.
(£1 = US\$1.496, 1992 : US\$1.9029)

Portfolio summary as at 30 June 1993

	Number	Cost £'000	Value £'000	Value %
UK venture funds	16	8,699	6,818	21.1
UK unquoted companies	4	2,051	2,900	9.0
UK gilts	1	2,053	1,985	6.2
Continental European venture funds	4	2,158	2,321	7.2
US venture funds	25	9,238	15,048	46.6
US unquoted companies	22	1,132	1,695	5.3
US quoted companies	7	182	549	1.7
Japanese venture funds	2	320	922	2.9
Total	81	25,833	32,238	100.0

Overview

As can be seen from the section on performance overleaf, your Company achieved substantial growth in assets during the year as well as receiving a record amount by way of distributions and sale of quoted shares.

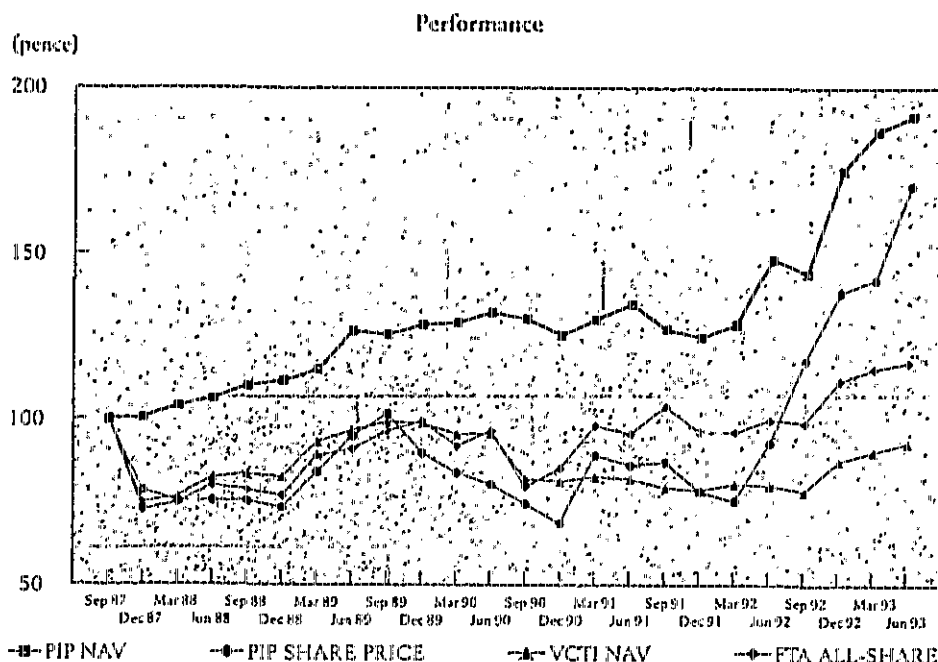
Through the Company's investments in venture funds it can obtain a significant interest in some of the underlying companies contained in these fund portfolios. Using the Company's percentage interest in the fund and combining holdings where more than one fund is invested in the same company the approximate exposure to each underlying company can be obtained.

Some of the businesses supported by the Company are described below. The list contains the largest interests, combining any direct holding with the underlying interests contained within the venture fund portfolios.

Quote	Name	No. of Holdings	Aggregate Value £'000s	Brief Description
-	Scotia	4	2,629	See description under top ten venture capital investments (page 15).
-	Celltech Group	1	750	A European emerging pharmaceutical company.
OTC*	MedImmune	1	480	Develops, manufactures and markets therapeutics and vaccines for the treatment and prevention of certain infectious diseases.
-	Computacenter	5	478	The leading UK organisation for the sale and support of microcomputer based systems solutions to corporate customers.
OTC	Dallas Semiconductor	2	334	Develops, manufactures and markets complementary metal oxide silicon integrated circuits and semiconductor-based subsystems.
-	Credence Systems	4	325	Supplies application specific integrated circuit test systems.
OTC*	Progress Software	1	319	Develops, markets and supports an integrated application development environment consisting of a fourth generation programming language, a flexible, fully featured relational database management system and associated software development tools.
OTC	Fyxsis	1	305	Provides computer services to about 3,000 hospitals.
OTC*	Integrated Health	2	263	Operates 42 geriatric care facilities.
OTC*	Syquest	2	262	Designs, develops, manufactures and markets removable cartridge winchester disk drives and the data storage cartridges used with them.
-	Creative Biomolecules	5	250	Focused on the development of a new class of proprietary products for the regeneration of hard and soft tissues.
-	Gemplus	2	246	European leader for the development and marketing of smart cards. Applications are pre-paid telephone cards, credit cards and health cards.
OTC*	Genetic Therapy	3	246	Developing ways of treating disease with gene therapy.

Quoted companies are marked above as OTC, the USA over the counter market, which is a recognised stock exchange. Holdings marked with * are held at a discount of between 15% and 20% to the market value ruling on the effective accounts date of the latest accounts of the fund in which it is held.

MANAGER'S REVIEW continued



The Company has outperformed the FT Actuaries All-Share and the NatWest Securities Venture Capital Trust Index (VCTI) in respect of both net asset value per share and share price.

Notwithstanding that the strong overall investment performance of 21% during the year has been assisted by the relative strength of the dollar against sterling; indications are that the portfolio is well positioned, properly diversified and should continue to generate substantial realisations.

The Company's share price has increased 84.5% in the year and the diluted net asset value per share has increased by 39.9%.

The increase in asset value in the current year was, in effect, earned over the last few years but has been crystallised as 60% of the Company's Loan Stock was repaid at a 30% discount to the nominal value.

A combination of the fund of funds investment approach, care with the price and quality of assets acquired and a properly diversified portfolio should lead to the outperformance of the FT Actuaries All-Share Index over the long term.

Short term performance is dependent upon a great many different factors such as currency rates, the timing of realisations, specific underlying company performance etc. Also important is the relationship between reported asset value and share price, currently at its narrowest discount at approximately 11% to asset value. The narrowing of the discount is partly accounted for by a revitalisation of interest in investment trusts generally and the view that venture capital in particular should benefit strongly from economic recovery.

The Company is not dependent upon the performance of any one economy or any one particular company and this makes it different from other venture capital trusts. The statistical review that follows demonstrates the diversification of the Company which has more than 1,000 underlying investments. Perhaps most importantly its risk profile is different from the traditional venture capital investment, cash flow has been more consistent and extreme volatility is less likely.

Purchases during the year

Total purchases of investments during the year amounted to £3.5 million and further draw downs of existing funds amounted to £0.1 million.

There were four significant purchases during the year. The largest was Janus Participations Limited (Janus) in which the Company committed to invest FF 15 million

MANAGER'S REVIEW continued

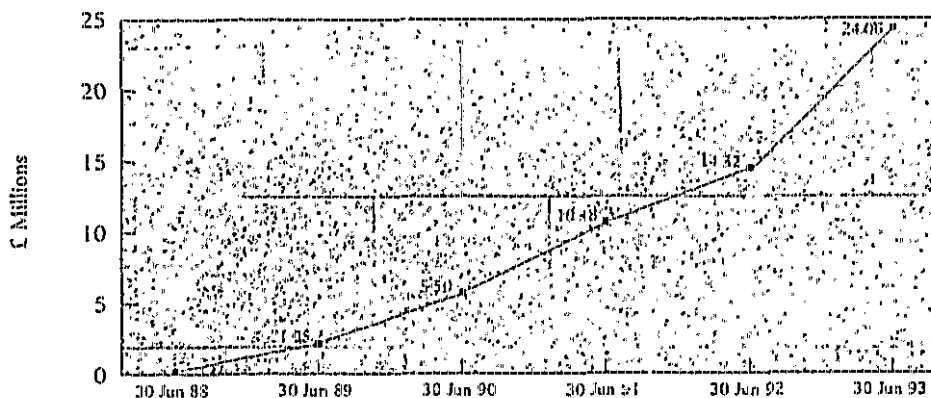
(approximately £1.8 million) for a 15% holding. Janus is a specialised company that itself acquired several secondary fund investments from the liquidator of a number of Maxwell pension funds. Janus is mostly invested in France. It is managed by Pantheon Ventures (Guernsey) Limited, a fellow subsidiary of the Manager of the Company. Further details of this investment are contained in the section headed Top Ten Venture Capital Investments on page 15.

An indirect interest in HealthCare Ventures Fund I LP was acquired for \$1.8 million through the purchase of a 9.5% interest in the general partner. This investment is also described further in the Top Ten Venture Capital Investments schedule. A stake in a late-stage French fund, Capital Privé Investissements was acquired for FF 4.5 million (£0.5 million).

The fourth significant investment was acquired in GT Western Land when the Company acquired 138,000 shares for \$0.6 million. This fund is not a typical investment for the Company as it was formed to acquire real estate and water rights in Colorado. It is however an investment that is well known to the Company and meets its strategic objectives.

Sales and Distributions

Cumulative Realisations



Total cash received during the year by the Company from venture capital investments in respect of income, capital distributions and sales, amounted to £9.8 million (1992: £3.7 million).

The chart above depicts the accumulated cash received since inception. The increasing trend is encouraging. Included in the total for the current year is the sale of Women's Federal Savings & Loan. (WFSL). This was sold having generated more than 5 times cost and a sterling internal rate of return of 120%.

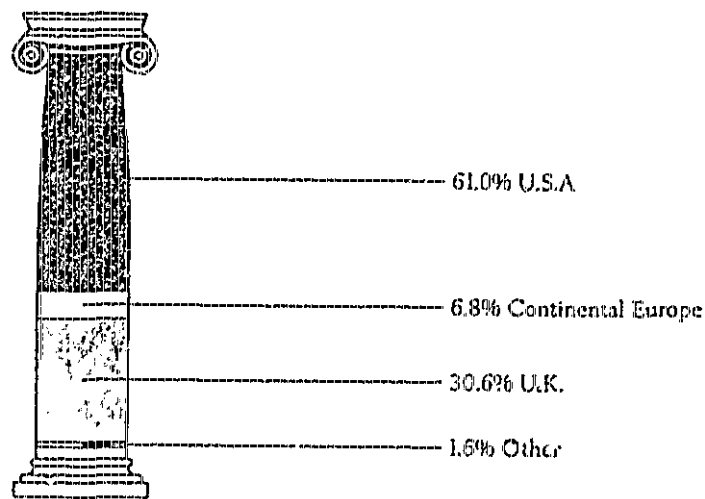
WFSL was an investment made directly by the Company i.e. not through a fund and is therefore unusual. In this case, WFSL was well known and met the investment criteria of the Company. In particular, a local manager was actively involved with WFSL and committed to provide an exit.

There have been eight complete realisations of funds and direct investments since inception for total proceeds of £5.6 million. This does not take into account the substantial realisations of underlying companies from the venture funds which have occurred amounting in total to approximately £18 million. If the seven existing holdings which have been fully provided against are included, the internal rate of return for complete sales to date is 43%.

MANAGER'S REVIEW continued

Geographic Diversification

GEOGRAPHIC ANALYSIS BY VALUE AS A PERCENTAGE



The above chart analyses the geographic breakdown of the Company's assets, excluding cash balances.

The USA remains the dominant market for venture capital, which is recognised by the significant allocation. Investment in Continental European funds is expected to continue. Existing commitments of £800,000 would increase the Continental European allocation to approximately 10% by value.

The UK has previously represented about 40% of the Company's assets. The relative weighting has lowered over the last two years and the Company is continuing to benefit from a number of significant realisations which may further reduce the relative investment level. Good investment opportunities in the UK could now be acquired while maintaining appropriate diversification.

The nature of the current strategy of acquiring existing funds (secondaries) means that the Company is opportunistic to a large extent. However the relative geographical allocation of the existing portfolio will affect the level of interest in acquiring further assets in a particular region.

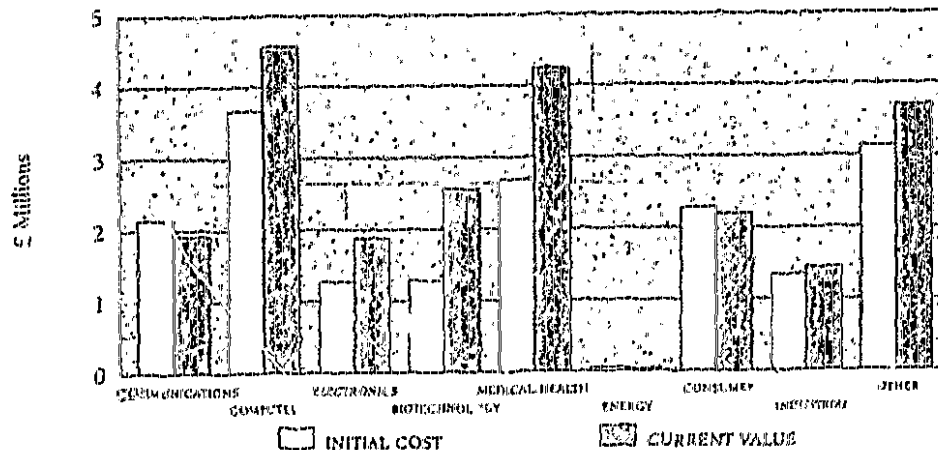
Statistical Review

There are over 1,000 underlying investments within 46 venture funds held by the Company. By weighting the holdings to take account of the Company's percentage ownership of each fund we are able to aggregate and monitor the overall portfolio composition.

MANAGER'S REVIEW continued

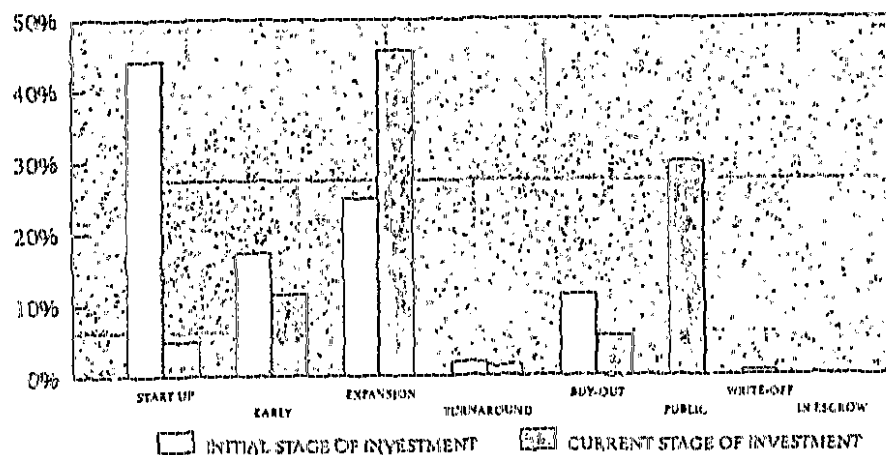
The graphs below review the diversification of the 47 fund investments.

Sectoral Analysis
Comparison of cost to value by sector



There remains a broad spread of underlying investments within the portfolio. Most notably the Biotechnology and Medical/Health sectors look promising as their current values are significantly above cost.

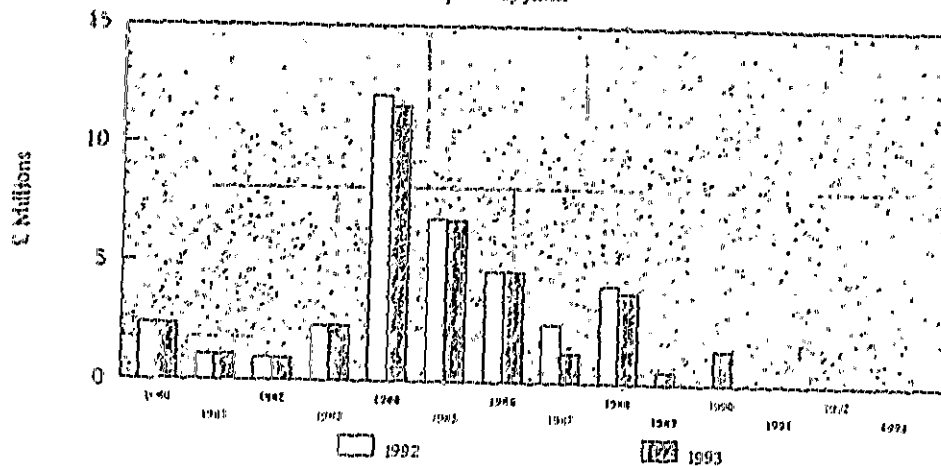
Comparison of initial and current stage of investment
By % of value



The percentage of the current portfolio held within public companies has remained at about 30%. The Company has obtained significant distributions by way of cash and quoted stock which have been partly replenished through further flotations during the year.

MANAGER'S REVIEW *continued*

Vintage Year Analysis
Inception of fund



In order to achieve diversification by time, the amount of money invested in funds with an original commitment date in a given year is monitored (the year that a fund started is its vintage year irrespective of the date it was acquired by the Company).

Typically funds have an initial fixed life of ten years and should generate a substantial proportion of their realisations in the last few years. Often some form of extension is then also required to complete the realisations of the underlying companies.

The 1984-1986 vintage funds are generating most of the Company's current realisations.

Future Outlook

The Company is uniquely positioned being the only UK quoted fund of funds investor committed to private equity.

There continues to be a strong flow of potential investments ranging from small secondary fund investments to large portfolios. The Company is well placed to take full advantage of the best of these opportunities.

LARGEST INVESTMENTS

by valuation at 30 June

1993 (1992)		VENTURE CAPITAL INVESTMENTS	% Interest in investment	Cost (£'000s) (note a)	Income & Capital Returned to the Company (£'000s)	Value (£'000s)	% of Portfolio
1	(1)	JUNO Fund investing primarily in North America	7.0	2,176	651	2,632	8.2
2	(2)	SCOTIA UK registered company (note b)	2.0	1,578	0	2,079	6.4
3	(6)	N.E.A. III Fund investing primarily in USA	3.2	1,193	1,127	1,524	4.7
4	(7)	APA EXCELSIOR Fund investing primarily in USA	10.1	1,081	807	1,331	4.1
5	(3)	SEQUOIA IV Fund investing primarily in USA	3.3	1,240	2,828	1,303	4.0
6	(-)	IANUS Fund investing primarily in France	15.1	1,145	0	1,273	3.9
7	(4)	GROSVENOR TECHNOLOGY Fund investing primarily in UK	18.4	1,148	874	1,262	3.9
8	(-)	N.E.A. IV Fund investing primarily in USA	1.3	938	401	1,217	3.8
9	(5)	APAX II Fund investing primarily in UK	4.0	777	865	1,082	3.4
10	(-)	HEALTHCARE PARTNERS I Fund investing primarily in USA	1.3	1,201	4	1,051	3.3
						14,754	45.7
		UK GOVERNMENT SECURITIES Treasury 10% Loan 1994	-	2,053		1,985	6.2
						15,499	48.1
						32,238	100
						Divided into:	
						Equities	29,176 90.5
						Convertibles	40 0.1
						Loan Stock	1,037 3.2
						Fixed Interest	1,985 6.2
						32,238	100

Those venture capital investments which were included in the ten largest in the previous year:

20	(8)	SOUTHWEST ENTERPRISE	5.5	784	1,146	517	1.6
11	(9)	FLEMING VENTURES	0.7	712	424	991	3.1
19	(10)	EAST OF SCOTLAND	7.2	1,143	476	602	1.9

note (a) The cost is the original cost of the investment. Adjusted where applicable by a reduction to recognise the true cost of loan stock issued by the Company (following its early redemption at a discount), which was used to finance many of the investments.

note (b) Further indirect interests are held by venture capital funds in which the Company has invested amounting to approximately £550,000 at current value.

TOP TEN VENTURE CAPITAL INVESTMENTS

1. JUNO INTERNATIONAL PARTICIPATIONS LIMITED

Juno is a specialist vehicle established in Guernsey which is quoted on the Irish Stock Exchange. The original capital raised by Juno was \$53 million of which 34% had been redeemed by 3 August 1993. Juno acquired 19 funds from the Ontario Municipal Employees Retirement System which were predominantly invested in North America. The Company's investment represents approximately 7% of Juno and gives it exposure to this large portfolio, which could not have been acquired by the Company alone.

2. SCOTIA HOLDINGS PLC

The UK based Scotia Holdings originally founded in 1979 as Efamol Limited, an emerging pharmaceutical company, is expected to achieve a flotation on the UK Stock Market in October 1993. It has particular expertise in the field of lipid technology and applications of certain lipids for therapeutic benefit. It already has three product licences, and generates in-market sales of about £20m p.a., for treatments for eczema, breast pain and seborrhoeic dermatitis. It also has potential treatments in human clinical trials for diabetic neuropathy, cancer, arthritis, cardiovascular disease and certain viral conditions.

3. NEW ENTERPRISE ASSOCIATES III LP

NEA III specialises in the medical, life sciences, communications, computers, retailing and financial services market sectors. The fund is not fully invested and is working with its portfolio companies to enhance value and obtain liquidity. A number of successful IPOs within the portfolio over the last eighteen months has contributed to an increase in portfolio value. The eleven public companies represent 66% of the value of the investment. The three largest investments are Progress Software, Syquest Technology and Integrated Health all of which are traded on the OTC Market and are held at discounts of between 15 and 20%. These three companies represent approximately 40% of the investment. For the year to 30 June 1993 the Company received \$556,000 in distributions.

4. APA EXCELSIOR VENTURE CAPITAL HOLDINGS (JERSEY) LIMITED

APA Excelsior Venture Capital is a Jersey registered limited liability company denominated in US dollars, with an original capital of \$29.8m now fully drawn down. The company has an initial termination date of 31 July 1994. Three portfolio companies were able to go public in the last year. The three largest investments are Harrington, Business Insurance Company and Resource BancShares, which represent approximately 38% of the investment. Distributions of \$201,000 were received during the year.

5. SEQUOIA CAPITAL IV LP

Sequoia Capital is fully drawn down and has a termination date of 31 January 1994, but can be extended by a two-thirds majority of the limited partners. The fund was a seed or first round investor in applied technology companies on the west coast of the USA. Sequoia is now fully invested. The fund continues to appreciate on the back of six IPOs and the sale of its remaining holding in *risco Systems*. The three largest investments remaining are S3, Microchip Technology and Synergy Semiconductor, which represent 35% of the value of the investment. The first two companies are public. For the year ended 30 June 1993 distributions of \$797,000 were received.

6. JANUS PARTICIPATIONS LIMITED

Janus is a specialist vehicle established in July 1992 with FF100 million commitments. Janus acquired seven fund investments from the Maxwell Pension Funds at the end of 1992 and has subsequently acquired one further investment. The largest investments in the portfolio are in Schroder French Buy Out Fund, Euro Synergies Investments SCA and Baring European Capital Trust.

TOP TEN VENTURE CAPITAL INVESTMENTS continued

7. GROSVENOR TECHNOLOGY FUND LP

Grosvenor Technology is a UK limited partnership with subscribed capital of £9.5m and an initial termination date of 31 December 1995. The fund is predominantly invested in the UK, across all stages of investment with no specific market focus beyond a technology bias. Distributions totalling £355,000 were received for the year ended 30 June 1993 largely from the realisation of the fund's holding in Mitchanol. Wain, a Chester based house builder, and Aims, an exceptionally successful start-up which provides marketing services to the pharmaceutical industry, are key investments in the remaining portfolio.

8. NEW ENTERPRISE ASSOCIATES IV LP

New Enterprise Associates IV LP is a limited partnership raised in 1986 with a capital of \$151.5m. It has a similar strategy to NEA III (see previous page) but is more slanted towards the medical and health industry. The fund became fully drawn down in June 1992, and now has 21 quoted companies representing 70% of the value. The three largest investments are Pyxis, Molecular Dynamics and Integrated Health, all three of which are public. Together these three companies represent 32.5% of the value of the investment. The Company received \$331,000 by way of distributions in the year to 30 June 1993.

9. APAX VENTURES II LTD

Apax Ventures II is a Jersey registered limited liability investment company formed in 1984 with subscribed capital of approximately £30m and an initial termination date of 30 June 1994. Distributions totalling £496,000 were received during the year to 30 June 1993, largely from the successful partial realisation of Holliday Chemicals following its flotation in April. Key investments remaining in the portfolio are now Computacenter Limited and Scotia Holdings PLC.

10. HEALTHCARE PARTNERS I LP

HealthCare Partners I LP is the general partner of HealthCare Ventures I LP. HealthCare Ventures is a limited partnership formed in 1985 to invest in the healthcare and biotechnology industries, including investments in seed, start-up, early stage and emerging companies. The partnership is to continue to 31 December 1995; however, it may be extended for up to three successive one-year periods. The fund's \$59.7m committed capital has been fully drawn down and is currently valued at \$130.6m. The three largest investments are MedImmune, Genetic Therapy and Oncologix, the first two of which are public and are valued at a 25% discount.

The following investments were included in the ten largest venture capital investments at 30 June 1992.

SOUTHWEST ENTERPRISE ASSOCIATES LP

Southwest Enterprise Associates (SEA) was formed on 29 August 1983 under the provisions of the Delaware Revised Uniform Partnership Act with a subscribed capital of \$20m. The original term of SEA expired on 31 December 1990 but has been extended for three one-year periods by the general partners and may be extended further. The majority of the funds assets are in one public investment, Dallas Semiconductor. An amount of \$1,843,000 was received during the year by way of distribution of stock in Dallas Semiconductor.

FLEMING VENTURES LIMITED

Fleming Ventures is a Jersey registered limited liability company formed in 1985 with subscribed capital of £20m. The company invests in the US and Europe in electronics and telecommunications. Distributions of £166,000 were received in the year to 30 June 1993 from various realisations. Gemplus, the fast growing French smart card supplier, is the most significant investment in the remaining portfolio.

EAST OF SCOTLAND INDUSTRIAL INVESTMENTS PLC

East of Scotland was a limited liability investment company formed in 1980. During the year the company was reorganised and part of the capital repaid to shareholders generating a total for the year of £292,000 for the Company. The remaining unquoted investments were merged with the management company Quayle Munro Ltd. which has subsequently achieved a successful flotation in the UK. Since your Company's year end its entire holding has been placed realising a further £614,000.

PANTHEON INTERNATIONAL PARTICIPATIONS PLC

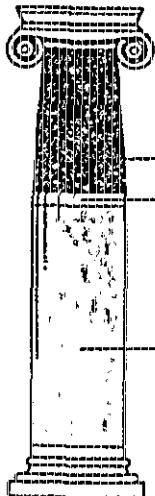
DISTRIBUTION OF THE PORTFOLIO

Based on a total value of £32,238,000 (1992 £31,089,000)	1993				1992
	UK %	North America %	Japan %	Europe %	Total %
EQUITIES (including convertibles)					
Capital Goods					
Electronics	--	2.6	--	--	2.6
Building Materials	--	0.3	--	--	0.3
Computer Software	--	0.8	--	--	0.8
	--	3.7	--	--	3.7
Consumer Goods (durable)					
Health and Household	--	0.3	--	--	0.3
Financial					
Venture Capital	21.1	38.6	2.9	1.7	64.3
Offshore Funds	--	1.7	--	--	1.7
Other Groups					
Chemicals	9.0	--	--	--	9.0
Miscellaneous	--	9.3	--	5.5	14.8
	9.0	9.3	--	5.5	23.8
TOTAL EQUITIES	30.1	53.6	2.9	7.2	93.8
FIXED INTEREST	6.2	--	--	--	6.2
Total at 30 June 1993	36.3	53.6	2.9	7.2	100.0
Total at 30 June 1992	43.8	51.4	3.1	1.7	100.0
Quoted	15.2	9.8	--	--	25.0
Unquoted	21.1	43.8	2.9	7.2	75.0
	36.3	53.6	2.9	7.2	100.0

Number of holdings: 81 (1992:75)

ANALYSIS OF ORDINARY SHAREHOLDERS

(at 30 June 1993)



Type of Shareholder	Number of Shareholders	Number of Shares	Percentage
Institutions	27	5,204,866	36%
Individuals	150	474,448	3%
Banks and Bank Nominee Companies	51	8,930,243	61%
Total	228	14,609,557	100%

FINANCIAL CALENDAR

RESULTS

Half year announced in February
 Full year announced in September
 Report and Accounts posted to shareholders in October
 Annual General Meeting held in London in November.

DIVIDEND PAYMENTS

Ordinary Shares:
 announced in September; payable in November.

HISTORICAL RECORD

ASSETS

Year ended 30 June	Total assets less current liabilities (£'000s)	Long term loans & interest (£'000s)	Available for ordinary shares (£'000s)	Net asset value per share (p)	Middle-market price per share (p)
1988	12,361	--	12,361	103.0	75
1989	35,516	18,556	16,960	125.6	95
1990	39,323	19,107	20,216	138.4	80.5
1991	40,690	19,658	21,032	144.0	86.5
1992	33,849	12,500	21,349	146.2	93.5
1993	38,341	7,500	30,841	211.1	172.5

INCOME

Year ended 30 June	Profit available for distribution (£'000s)	Earnings per share		Dividend per share (p)
		basic (p)	diluted (p)	
1988	141	1.17	0.98	1.0
1989	377	3.00	2.08	2.0
1990	462	3.39	1.60	2.5
1991	468	3.20	1.51	2.5
1992	438	3.01	--	2.5
1993	169	1.16	--	0.5

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited accounts of the Company for the year to 30 June 1993.

STATUS AND ACTIVITIES

The Inland Revenue has approved the Company as an Investment Trust under Section 842 of the Income and Corporation Taxes Act 1988 for accounting periods up to 30 June 1991. Since that date the Company has so directed its affairs as to enable it to seek further approval under that Section.

The Company is not a close company. It is registered as an investment company under Section 266 of the Companies Act 1985 and operates as such.

A review of the year's activities and an indication of likely future developments is given in the Chairman's Statement on pages 5 & 6 and the Manager's Review on pages 7 to 13.

RESULTS AND DIVIDENDS

	£'000s
Net profits available for distribution	169
Dividends:	
Recommended – 0.5p per share	(73)
Transfer to Reserves	<u>96</u>

INVESTMENTS

A list of the top ten venture capital investments is set out on page 14. The percentage distribution, by areas and industries, of the investment portfolio appears on page 17.

NET ASSET VALUE

The net asset value per share at 30 June, on the basis of the exercise of all warrants (Note 12), was:

	1993	1992
	£'000s	£'000s
Net assets	30,841	21,349
Add: Amounts payable on exercise of warrants	<u>2,391</u>	<u>2,398</u>
Adjusted net assets	<u>33,232</u>	<u>23,747</u>
Number of ordinary shares in issue	14,609,557	14,602,757
Number of ordinary shares in issue assuming warrants exercised	17,000,557	17,000,557
Net asset value per share (undiluted)	211.1p	146.2p
Net asset value per share (diluted)	195.5p	139.7p

MANAGEMENT

Pantheon Ventures Limited acts as manager and investment adviser to the Company under an agreement entered into on 16 July 1992 which is terminable by either party at any time by the giving of two years' notice in writing. The agreement provides for a fee (calculated and payable monthly) at the rate of 0.125% per calendar month (excluding VAT) on the funds under management subject to a monthly minimum fee of £46,000 plus a charge of £55,000 per annum (payable monthly and excluding VAT) in respect of secretarial and accountancy services rendered. The management fee for the year amounted to £567,000 (1992: £572,000) of which £507,000 (1992: £512,000) has been charged directly to capital reserve in accordance with the accounting policy set out in Note 1(a) to the accounts.

Mr. W.T.J. Griffin and Mr. R.M. Swire are directors of and shareholders in Pantheon Holdings Limited, the holding company of Pantheon Ventures Limited.

DIRECTORS' REPORT continued

DIRECTORATE

The Board has discussed the reappointment of Mr. A.M.L. Lefebvre and the Hon. R.M.O. Stanley and is unanimous in its recommendation that their terms of office should, subject to shareholder approval, be renewed for a further three years. Accordingly Mr. A.M.L. Lefebvre and the Hon. R.M.O. Stanley retire by rotation and being eligible offer themselves for re-election at the forthcoming Annual General Meeting.

No Directors are under contracts of service with the Company and save as mentioned above under the heading of 'Management' no contract subsisted during or at the end of the financial year in which any other Director was materially interested and which was significant in relation to the Company's business.

The following were the Directors of the Company throughout the year to 30 June 1993. Their shareholdings at the year-end are shown below:

	1993		1992	
	Beneficial and Family		Beneficial and Family	
	Shares	Warrants	Shares	Warrants
W.T.J. Griffin	110,000	130,000	110,000	130,000
J.R. Brakell	2,000	—	2,000	—
A.M.L. Lefebvre	82,500	16,500	82,500	16,500
R.M.O. Stanley	2,000	45,000	2,000	45,000
L.G. Stopford Sackville	5,000	1,000	5,000	1,000
R.M. Swire	13,800	1,000	13,800	1,000

There have been no alterations in the above holdings since 30 June 1993 other than in respect of R.M.O. Stanley who has disposed of 25,386 warrants.

Amendment and partial redemption of Unsecured Loan Stock 1999

The Company entered into an agreement on 23 June 1992 (the "Agreement") with the holders of the whole of the outstanding £18.354m nominal of Convertible Unsecured Loan Stock 1999 (the "Loan Stock"), under which it has the right to redeem the whole of the Loan Stock at a significant discount to the nominal amount and the accrued premium thereon at 30 June 1992, which sum amounted to £20.2m. The discount to be applied will be 25% for redemptions made up to 31 December 1993, declining by 5% per annum thereafter. The Loan Stock has now been renamed as Unsecured Loan Stock 1999.

An initial redemption amounting to £7m nominal of Loan Stock, together with the accrued premium thereon amounting to £0.7m, was made on 30 June 1992, involving a payment of £5.395m, which was funded out of existing cash resources.

A second redemption amounting to £4.5m nominal of Loan Stock, together with the accrued premium thereon amounting to £0.5m, was made on 31 December 1992, involving a payment of £3.557m, which was again funded out of existing cash resources. Following this redemption, the aggregate amount outstanding of the Loan Stock, including the accrued premium is approximately £7.5m.

Under the Agreement the rights of the holders of the Loan Stock to convert it into ordinary shares of the Company were cancelled with effect from 30 June 1992 and the premium on the Loan Stock ceased to accrue from that date. However, interest at 3% per annum is payable from 1 July 1992 on the remaining balance, currently £7.5m. The Company will apply 25% of the net cash proceeds from the realisation of any of the Company's investments (excluding UK Gilts), together with 50% of the net amount of any new monies raised (other than in connection with an acquisition), in any year from 1 July 1992 in further redemption of the Loan Stock at the appropriate discount.

Authority to allot shares

The authorities given to the Directors at the Annual General Meeting held on 11 November 1992 to allot unissued shares of the Company are due to expire at the forthcoming Annual General Meeting.

The Notice of Meeting on pages 31 and 32 sets out Resolution numbered 5 which, if passed, will extend for a further year the powers of the Directors to allot shares.

DIRECTORS' REPORT continued

The nominal amount of £2,434,926 ordinary shares which may be allotted pursuant to Resolution numbered 5 is equal to one third of the existing issued ordinary share capital of the Company. In addition the authority granted to the Directors by a special resolution on 11 November 1992 to allot shares in respect of the warrants is to be renewed. None of the shares reserved to meet the warrants for subscription will be issued for any other purpose without the prior approval of shareholders in general meeting.

The holders of the warrants are entitled under the conditions subject to which the warrants were issued to exercise their rights to subscribe for shares at a price of 100p per share (such number of shares and such price being subject to adjustment as provided in the conditions). The exercise price was established at the time of the issue by Brown, Shipley & Co. Limited of a placing document in relation to the issue of 12,000,000 ordinary shares of 50p each in the Company (with warrants attached) on 14 September 1987 when the ordinary shares were allotted at 100p per share. The Directors consider that the exercise price remains a reasonable price. The Directors consider the allotment of shares in respect of the exercise of subscription rights by holders of warrants to be in the interests of the Company and recommend that shareholders vote in favour of Resolution numbered 5. Any subscription rights conferred by the warrants which are not exercised on or prior to 24 November 1993 will lapse in accordance with the terms of the warrants.

SPECIAL BUSINESS

Disapplication of pre-emption rights

Resolution numbered 6 complies with the London Stock Exchange Guidelines on pre-emption rights.

The Directors intend to exercise the authorities to allot shares in conformity with those guidelines and to propose the renewal of the authorities at subsequent Annual General Meetings.

CHANGE OF NAME

On 8 December 1992, following the passing of a special resolution at the Annual General Meeting on 19 November 1992, the Company changed its name from GT Venture Investment Company PLC to Pantheon International Participations PLC.

SUBSTANTIAL SHAREHOLDERS

At the date of this report, as far as the Directors are aware, the only holdings of the issued share capital of the Company disclosed under sections 198 to 210 of the Companies Act 1985 as amended by Disclosure of Interests in Shares in Public Companies (Amendment) Regulations 1993 were:

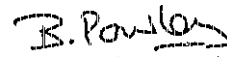
	Shares	%
Equitable Life Assurance Society	2,665,000	18.3
Merchant Investors Assurance Company Limited	2,585,000	17.7
Lloyd's Bank Pension Trust Corporation Limited	1,320,000	9.0
Royal Insurance Group Pension Scheme	1,075,000	7.4
British Airways Pension Trustees Limited	1,000,000	6.9
London and Manchester Group PLC	845,000	5.8
National Provident Institute	675,000	4.6

AUDITORS

Robson Rhodes, Chartered Accountants, have indicated their willingness to continue in office and a resolution will be proposed at the forthcoming Annual General Meeting re-appointing them as auditors and authorising the Directors to fix their remuneration for the ensuing year.

The report of the Directors was approved by the Board on 14 October 1993 and is signed on its behalf by the Secretary.

London
14 October 1993


By order of the Board
A.B. Powley
Secretary

DIRECTORS' RESPONSIBILITIES

in respect of the preparation of financial statements

The Directors are required by company law to prepare financial statements which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year to that date. The financial statements must be prepared in compliance with the required formats and disclosures of the Companies Act 1985 and with applicable accounting standards. In addition, the Directors are required:

- to select suitable accounting policies and then apply them consistently;
- to make judgements and estimates that are reasonable and prudent;
- to take account of expenses and income relating to the period being reported on, whether or not they have been paid or received in that period; and
- to prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors confirm that the financial statements comply with the above requirements. The Directors are also responsible for maintaining adequate accounting records so as to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE SHAREHOLDERS OF PANTHEON INTERNATIONAL PARTICIPATIONS PLC

We have audited the financial statements on pages 23 to 30 which have been prepared on the basis of the accounting policies set out on page 26.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described above the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

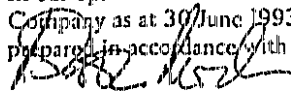
BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 30 June 1993 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Robson Rhodes
Chartered Accountants and Registered Auditors

London
14 October 1993

PROFIT & LOSS ACCOUNT

		Year ended 30 June 1993 £'000s	Year ended 30 June 1992 £'000s
	<i>Notes</i>		
INCOME FROM INVESTMENTS	2	904	654
OTHER INCOME			
Deposit interest		120	178
Other		-	35
		<u>1,024</u>	<u>867</u>
INTEREST PAYABLE			
Interest on Loan Stock		(293)	-
MANAGEMENT EXPENSES	3	<u>(529)</u>	<u>(388)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		202	479
TAXATION	5	<u>(33)</u>	<u>(41)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		169	438
DIVIDENDS			
On ordinary shares of 50p: Proposed at 0.5p (1992 - 2.5p)		<u>(73)</u>	<u>(365)</u>
PROFIT RETAINED FOR THE YEAR		96	73
Retained profit brought forward		<u>401</u>	<u>328</u>
RETAINED PROFIT CARRIED FORWARD		<u>497</u>	<u>401</u>
EARNINGS PER SHARE	6	<u>1.16p</u>	<u>3.01p</u>

STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES

	1993 £'000s	1992 £'000s
CAPITAL PROFIT ON INVESTMENTS		
Realised and unrealised gains and losses	8,396	(1,619)
Management Fee	(507)	(512)
Tax credit on management fee	-	62
Discount on redemption of Unsecured Loan Stock	<u>1,500</u>	<u>2,313</u>
CAPITAL SURPLUS FOR THE YEAR	9,389	244
REVENUE PROFIT AVAILABLE FOR DISTRIBUTION	<u>169</u>	<u>438</u>
TOTAL RECOGNISED GAINS & LOSSES FOR THE YEAR	<u>9,558</u>	<u>682</u>
DISTRIBUTABLE PROFITS		
Revenue profit available for distribution	169	438
Dividends	<u>(73)</u>	<u>(365)</u>
TRANSFER TO/(FROM) DISTRIBUTABLE RESERVES	96	73
NON-DISTRIBUTABLE PROFITS		
Transfer to non-distributable reserves	<u>9,389</u>	<u>244</u>
	<u>9,485</u>	<u>317</u>

The notes on pages 26 to 30 form part of these accounts

PANTHEON INTERNATIONAL PARTICIPATIONS PLC

BALANCE SHEET

		30 June 1993 £'000s	30 June 1992 £'000s
	<i>Notes</i>		
FIXED ASSETS			
Investments	7	32,238	31,089
CURRENT ASSETS			
Debtors	8	730	1,023
Cash at bank		5,984	2,354
		<u>6,714</u>	<u>3,377</u>
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR			
Taxation		37	122
Proposed dividend		73	365
Other creditors		501	130
		<u>611</u>	<u>617</u>
NET CURRENT ASSETS		<u>6,103</u>	<u>2,760</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>38,341</u>	<u>33,849</u>
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
Unsecured loan stock 1999	9	6,812	11,353
Accrued premium on unsecured loan stock 1999		688	1,147
		<u>7,500</u>	<u>12,500</u>
		<u>30,841</u>	<u>21,349</u>
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	10	7,305	7,301
RESERVES			
Share premium account	11	6,493	6,490
Capital reserve	13	16,546	7,157
Profit and loss account		497	401
		<u>23,536</u>	<u>14,048</u>
	18	<u>30,841</u>	<u>21,349</u>

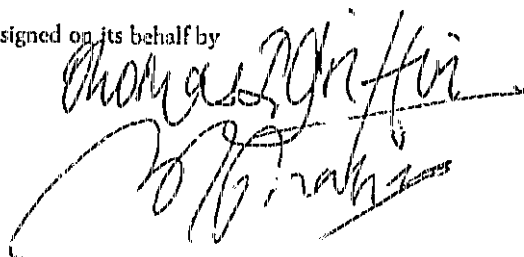
Approved by the Board and signed on its behalf by

W.T.J. Griffin

J.R. Brakell

Directors

14 October 1993



The notes on pages 26 to 30 form part of these accounts

CASH FLOW STATEMENT

		Year ended 30 June 1993 £'000s	Year ended 30 June 1992 £'000s
	<i>Notes</i>		
OPERATING ACTIVITIES			
Cash received from investments		855	601
Interest received		120	180
Underwriting commission		-	35
Investment management fees paid		(60)	(79)
Cash paid to and on behalf of directors		(61)	(63)
Other cash payments		(420)	(258)
NET CASH INFLOW FROM OPERATING ACTIVITIES	15	434	416
RETURNS ON INVESTMENT & SERVICING OF FINANCE			
Interest paid		(535)	(707)
Dividends paid		(365)	(365)
NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS & SERVICING OF FINANCE		(900)	(2,072)
TAXATION			
UK corporation tax paid		(139)	(85)
Income tax paid		(73)	(76)
Overseas tax paid		(7)	(10)
TOTAL TAX PAID		(219)	(171)
INVESTING ACTIVITIES			
Purchase of investments		(11,552)	(15,265)
Management fee		(507)	(508)
Realised currency profits		1,595	82
Sale of investments		17,813	19,328
NET CASH INFLOW FROM INVESTING ACTIVITIES		7,349	3,617
NET CASH INFLOW BEFORE FINANCING		6,664	2,790
FINANCING			
Redemption of loan stock		(3,041)	(4,689)
Issue of ordinary share capital		7	-
NET CASH OUTFLOW FROM FINANCING		(3,034)	(4,689)
INCREASE/(DECREASE) IN CASH AT BANK	16	3,630	(1,899)

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

- (a) The accounts are prepared in accordance with applicable accounting standards under the historical cost basis of accounting modified to include the revaluation of fixed asset investments.
- (b) i) Unquoted fixed asset investments are stated at Directors' valuation. In the case of investments in specialist funds this is based on the net asset value of those funds ascertained from periodic valuations provided by the managers of the funds. Such valuations are necessarily dependent upon the reasonableness of the valuations by the fund managers of the underlying investments. The Directors have no reason to suppose that any such valuations are unreasonable. In the case of other unquoted investments the Directors' valuation is based on cost. Where special factors apply, such as indications of a market value through subsequent issues of capital or dealings between third parties, cost is adjusted to an appropriate valuation. Provision is made against cost where a permanent diminution in value has arisen.
- ii) Quoted investments are valued at the mid-market price on the relevant stock exchange, except when such investments are subject to restrictions on transferability.
- (c) Gains and losses on fixed asset investments and currencies, whether realised or unrealised, are taken to capital reserve. (Note 13.)
- (d) Capital distributions from investments are accounted for on a reducing cost basis, cash received is first applied to reducing the historic cost of an investment, a realised gain will be recognised only when the cost has been reduced to nil.
- (e) Given that the primary investment objective of the Company is to maximise capital growth, the Directors consider that it is appropriate to charge a significant part of the management fee directly to capital reserve. This reflects the additional time and cost incurred in the selection and monitoring of those investments whose performance will be determined by their capital appreciation.
- (f) Dividends and interest on investments (other than UK Government Securities) are credited to profit and loss account by reference to payment dates, provided they are received by the Company within two weeks of its accounting date.
- (g) Interest arising from holdings of UK Government Securities is taken to credit in the profit and loss account upon these securities being listed ex-interest. On all holdings of fixed interest securities the full amount of the interest receivable is credited, without apportionment to capital, irrespective of the period of ownership.
- (h) Expenses and other income are charged or credited to profit and loss account in the period to which they relate.
- (i) The charge for taxation is based on the profit in the accounts after adjusting income from fixed interest securities to reflect the period of ownership as required by the 'accrued income scheme'. The taxation arising in respect of accrued income where no income has been received is charged to capital reserve.
- (j) Transactions in foreign currencies during the period are recorded at the rates of exchange applicable on the dates of such transactions. Assets and liabilities in foreign currencies at the year end are expressed in sterling at the rates of exchange ruling on that date.

NOTES TO THE ACCOUNTS continued

2. INCOME FROM INVESTMENTS

	1993		1992	
	Franked £'000s	Unfranked £'000s	Franked £'000s	Unfranked £'000s
Listed investments	216	584	186	258
Unlisted investments	16	88	27	183
Total	232	672	213	441
	<u>904</u>		<u>654</u>	

3. MANAGEMENT EXPENSES

	1993 £'000s	1992 £'000s
Management fees (Note 1(e))	567	572
Directors' fees (Note 4)	63	63
Audit fees	11	11
Other management expenses	395	254
Less: Management fee charged to capital reserve	1,036	900
	(507)	(512)
	<u>529</u>	<u>388</u>

4. DIRECTORS' FEES

	1993 £'000s	1992 £'000s
The Chairman and highest paid Director	13	13
Number of other Directors within the range: £5,001 - £10,000	5	5

5. TAXATION

	1993 £'000s	1992 £'000s
UK Corporation Tax at 25% (1992 - 25%) based on profit for the year	-	63
Tax attributable to UK dividends	49	53
Overseas taxation	8	10
Prior year adjustment	-	(109)
ACT provision	(24)	24
	<u>33</u>	<u>41</u>

6. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit on ordinary activities after taxation of £169,000 (1992 - £438,000) and 14,606,724 ordinary shares in issue during the year (1992 - 14,602,757).

If full conversion of the warrants (Note 12) is assumed the calculation of earnings per share would be based on earnings of £311,000 and 17,000,557 shares in issue.

NOTES TO THE ACCOUNTS continued

7. FIXED ASSET INVESTMENTS

a)	1993		1992	
	Value £'000s	Cost £'000s	Value £'000s	Cost £'000s
Listed				
On the London Stock Exchange				
Fixed interest	1,985	2,053	2,558	2,481
On stock exchanges overseas	2,745	1,466	106	147
Unlisted				
Dealt on the Over-the-Counter Market in the United States reported by NASDAQ	436	182	405	364
Dealt under Stock Exchange Rules 535(2) and 535(3)	2,900	1,977	905	1,684
Unquoted investments	24,172	20,155	27,115	23,397
	<u>32,238</u>	<u>25,833</u>	<u>31,089</u>	<u>28,073</u>

b) The movement on fixed asset investments:	1993 £'000s	1992 £'000s
Cost at 1 July	28,073	30,906
Purchases at cost	11,552	15,285
Sales at cost	(13,792)	(18,326)
Premium on unsecured loan stock (Note 9)	-	208
Cost at 30 June	<u>25,833</u>	<u>28,073</u>

c) At 30 June 1993 the Company held the following investments which were in excess of 10% of the nominal value of any class of shares in the undertaking.

	Percentage held		Country of incorporation
Darnaway Venture Capital plc	Ordinary Shares	19.2%	England & Wales
Janus Participations Limited	Units	15.11%	Guernsey
Prelude Technology Fund Limited Partnership 280 Science Park Milton Road, Cambridge	Capital Shares	16.2%	-
	Loan Stock	20.0%	
Grosvenor Technology Limited Partnership 2-6 Bath Road Slough, Berks SL1 3RZ	Capital Shares	18.4%	-
	Loan Stock	20.1%	
APA Excelsior Venture Capital Holdings (Jersey) Ltd	'A' Ordinary Shares	10.07%	Jersey
	'B' Ordinary Shares	10.07%	Jersey
Lazard Leisure Limited Partnership 21 Moorfields London EC2P 2HT	Units	11.1%	-
Venture Link Software Tectonic Place, Holyport Road Maidenhead, Berks SL6 2YG.	Syndicate Interest	12.6%	-

d) At 30 June 1993 there were financial commitments outstanding of £800,000 (1992 - £264,000) in respect of investment in partly paid shares and interests in venture funds.

NOTES TO THE ACCOUNTS continued

8. DEBTORS	1993	1992
	£'000s	£'000s
ACT (recoverable after more than one year)	21	99
Other debtors	3	452
Taxation	617	390
Due from brokers	89	82
	<u>730</u>	<u>1,023</u>

9. UNSECURED LOAN STOCK 1999	1993		1992	
	Loan Stock	Premium	Loan Stock	Premium
Balance at 1 July	11,353	1,147	18,354	1,304
Premium accrued in year	-	-	-	551
Redemption 30 June 1992	-	-	(7,001)	(708)
Redemption 31 December 1992	(4,541)	(459)	-	-
Balance at 30 June	<u>6,812</u>	<u>688</u>	<u>11,353</u>	<u>1,147</u>

A premium of 3% gross per annum (calculated on a simple basis) accrued on the principal amount outstanding of the Loan Stock until 30 June 1992. The premium will be realised only upon redemption of the Loan Stock. The premium has been accounted for as deferred consideration and added to the cost of the relevant investments as it accrued.

Interest at 3% per annum was payable from 1 July 1992 on the outstanding balance.

10. CALLED UP SHARE CAPITAL	Authorised		Allotted and fully paid	
Ordinary Shares of 50p each	£'000s	Number	£'000s	Number
Balance at 1 July 1992	20,000	40,000,000	7,301	14,602,757
Allotment of shares on 30 November on the exercise of warrants	-	-	4	6,800
Balance at 30 June 1993	<u>20,000</u>	<u>40,000,000</u>	<u>7,305</u>	<u>14,609,557</u>

11. SHARE PREMIUM	1993	1992
	£'000s	£'000s
Balance at 1 July	6,490	6,490
Premium arising on issue of shares	3	-
Balance at 30 June	<u>6,493</u>	<u>6,490</u>

12. WARRANTS

There were 2,391,000 warrants outstanding at 30 June 1993 (30 June 1992: 2,397,800). Each warrant confers the right to subscribe for one ordinary share. The warrants are exercisable on 1 November 1993 at a subscription price of 100 pence per ordinary share.

NOTES TO THE ACCOUNTS continued

13. CAPITAL RESERVE	1993	1992
	£'000s	£'000s
Realised		
Balance at 1 July	4,005	1,133
<i>Movement in year</i>		
Gains less losses on listed fixed asset investments and currencies	1,482	574
Gains less losses on unlisted fixed asset investments	3,662	435
Management expenses (net of corporation tax relief of nil 1992: £62,000)	(507)	(450)
Discount on redemption of £7,001,000 convertible unsecured loan stock 1999	1,500	2,313
	<u>10,142</u>	<u>4,005</u>
Unrealised		
Gains less losses on listed fixed asset investments and currencies	1,210	36
Gains less losses on unlisted fixed asset investments	5,194	2,978
Gains on forward currency contracts	-	138
Balance at 30 June	<u>16,546</u>	<u>7,157</u>
14. CONTINGENT LIABILITIES		
There were no contingent liabilities at 30 June 1993 (1992: Nil).		
15. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES.	1993	1992
	£'000s	£'000s
Income before interest payable and taxation	495	479
Increase/(decrease) in accrued income	(1)	2
(Increase) in other debtors	-	14
(Decrease) in creditors	(11)	(26)
Tax on franked investment income	(49)	(53)
	<u>434</u>	<u>416</u>
16. ANALYSIS OF CHANGES IN CASH AT BANK	1993	1992
	£'000s	£'000s
Balance at 1 July	2,354	4,253
Net cash inflow/(outflow)	3,630	(1,899)
	<u>5,984</u>	<u>2,354</u>
17. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR	£'000s	£'000s
	Share Capital & Share Premium	Loan Stock
Balance at 1 July 1992	13,791	11,353
Redemption of loan stock	-	(4,541)
Conversion of warrants	7	-
Balance at 30 June 1993	<u>13,798</u>	<u>6,812</u>
18. RECONCILIATION OF SHAREHOLDERS' FUNDS	1993	1992
	£'000s	£'000s
Total recognised gains	9,558	682
Dividends	(73)	(365)
Share issue	7	-
Increase in shareholders' funds	9,492	317
Opening shareholders' funds	21,349	21,032
	<u>30,841</u>	<u>21,349</u>

NOTICE OF MEETING

Notice is hereby given that the Annual General Meeting of Pantheon International Participations PLC will be held at 43-44 Albemarle Street, London W1X 3FE on 25 November 1993 at 12.00 pm for the purpose of transacting the following business:

1. To receive and adopt the Directors' Report and Accounts for the year ended 30 June 1993.
2. To declare a dividend.
3. To re-elect the following Directors:-
 - (a) A.M.L. Lefebvre
 - (b) R.M.O. Stanley
4. To re-appoint the Auditors and authorise the Directors to fix their remuneration.

To consider and, if thought fit, pass the following resolution which will be proposed as an ordinary resolution.

5. THAT:-

(A) the Directors be and are hereby generally and unconditionally authorised for the purposes of Section 80 of the Companies Act 1985 ("the Act") to exercise all the powers of the Company to allot relevant securities up to but not exceeding an aggregate nominal amount of £2,434,926 and the Directors be specifically authorised for the purposes of Section 80 of the Act to exercise all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £1,195,500 in respect of warrants to subscribe for 2,391,000 Ordinary Shares of 50p each which were issued in connection with the issue of 12,000,000 Ordinary Shares of 50p each on 17 September 1987 provided that these authorities shall (unless previously renewed, revoked or varied by the Company in general meeting) expire at the conclusion of the period commencing with the date hereof and expiring at the conclusion of the Annual General Meeting next following the passing of this Resolution and, in any event, fifteen months from the date hereof ("the period of authority") save that the Company may before the expiry of the period of authority make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired and all other unexercised authorities granted to the Directors pursuant to Section 80 of the Act be and are hereby revoked; and

(B) words and expressions defined in or for the purposes of the Act shall bear the same meaning in this Resolution.

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolution which will be proposed as a Special Resolution.

6. THAT:-

(A) subject to the passing of the Resolution numbered 5 above the Directors be and are hereby empowered pursuant to Section 95 of the Act to allot equity securities for cash pursuant to the general and specific authorities conferred upon them under Resolution 5 above as if Section 89(1) of the Act did not apply to any such allotment and so that the power conferred by this Resolution 6 shall enable the Company to make any offer or agreement before the expiry of the period of authority as defined in Resolution 5 which would or might require equity securities to be allotted after the expiry of such period and so that notwithstanding such expiry the Directors may allot equity securities pursuant to any such offer or agreement previously made by the Company as if the power conferred hereby had not expired provided however that the power conferred by this Resolution 6 in respect of the general authority conferred upon the Directors under Resolution 5 above shall:-

NOTICE OF MEETING continued

(a) be limited:-

- (i) to the allotment of equity securities in connection with or pursuant to any arrangement whereby the holders of shares at a record date or dates adopted for the purposes of the arrangement are entitled to acquire any shares of the Company issued for cash pursuant to such arrangement, in the proportion (as nearly as may be) to such holders' holdings of shares (or, as appropriate, to the numbers of such shares which such holders are for this purpose deemed to hold) subject to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements, statutory restrictions or legal or practical problems under or resulting from the apparent application or application of the laws of any territory or the requirements of any recognised regulatory body or stock exchange in any territory; and
- (ii) to the allotment (otherwise than pursuant to sub-paragraph (i) above) of equity securities having an aggregate nominal value not exceeding £365,238 being 5% of the issued ordinary share capital shown by the latest published audited financial statements of the Company; and

(b) expire at the conclusion of the period of authority (as defined in Resolution 5), except to the extent that the same is renewed or extended on or before that date; and

(B) words and expressions defined in or for the purposes of the Act shall bear the same meaning in this Resolution.

Dated 25 October 1993

Alban Gate
14th Floor
125 London Wall
London EC2Y 5AS

By Order of the Board
A.B. Powley
Secretary

Notes

1. A member entitled to attend and vote at the above meeting may appoint one or more proxies to attend and, on a poll, vote instead of him. A proxy need not also be a member of the Company. A proxy card is enclosed with this document.
2. The Register of Directors' Interests is available for inspection at the Company's registered office during normal business hours on any weekday.
3. There are no contracts of service in existence between the Directors and the Company.
4. There will be available for inspection at the registered office of the Company during usual business hours (Saturdays, Sundays and Public Holidays excepted) from the date of this Notice until the time of the Annual General Meeting on 25 November 1993 a copy of the London Stock Exchange Guidelines regarding the allotment of shares for cash.

If the ordinary dividend recommended is approved, the dividend will be payable on 26 November 1993.

PANTHEON VENTURES LIMITED

Pantheon Ventures Limited is part of an independent group, which is dedicated to venture capital investment, specialising in acquiring and managing investments in private equity funds worldwide.

RESOURCES

The group has 16 full-time employees with offices in London, Guernsey, San Francisco and Hong Kong. It also has the benefit of three non-executive directors who have considerable expertise in the venture capital field. The group manages assets of approximately £300m. Executives are based in the UK, USA and Hong Kong enabling them to look after the Company's interests efficiently with the benefit of their local knowledge and network.

BACKGROUND

The group started in 1981 as the venture capital division of GT Management PLC. In 1986, recognising the specialist nature of investing in venture capital a separate subsidiary was formed, which subsequently became fully independent and is now wholly owned by the executives and directors.

ACTIVITIES

Pantheon Ventures Limited manages the Company's investments, appraising further investments carefully in the context of a pre-agreed strategy. On behalf of all of its clients, the group manages investments in 150 private equity funds in North America, Europe and Asia and has developed a statistical database of the 2,500 underlying companies against which to compare the performance of individual venture capitalists and investments.

Pantheon Ventures Limited
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