

**Company Registration No. 1591587**

**Abingworth Management Limited**

**Annual Report and Financial Statements**

**For the year ended 30 June 2015**

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# **Abingworth Management Limited**

## **Annual Report and financial statements for the year ended 30 June 2015**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of directors' responsibilities</b>	<b>5</b>
<b>Independent auditor's report</b>	<b>6</b>
<b>Profit and loss account</b>	<b>8</b>
<b>Balance sheet</b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10</b>

# **Abingworth Management Limited**

## **Annual Report and financial statements for the year ended 30 June 2015**

### **Officers and professional advisers**

#### **Directors**

J F Abell  
M F Bigham (Resigned 26/11/2014)  
S W Bunting (Managing Director)  
D F J Leathers

#### **Company Secretary**

J G Heard

#### **Registered office**

Princes House  
38 Jermyn Street  
London SW1Y 6DN

#### **Banker**

Barclays Bank PLC  
Pall Mall Corporate Group  
London SW1A 1QB

#### **Auditor**

Deloitte LLP  
London

#### **Tax Consultant**

BDO Stoy Hayward LLP  
Chartered Accountants  
London & New York

# **Abingworth Management Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for Abingworth Management Limited (the "Company") for the year ended 30 June 2015.

### **Business review and principal activities**

The principal activities of the Company are the management of investment funds focused on biotechnology, life sciences and related areas. The Company's clients are venture capital funds (known as the Abingworth Bioventures funds).

During the year to 30 June 2015, the Company made a profit before tax of £361,027 (2014: profit of £77,938) on turnover of £1,450,770 (2014: £1,882,082). The directors consider the results satisfactory.

### **Going Concern**

The directors of the Company have acknowledged the latest guidance on going concern. While the volatility in financial and world markets has created general uncertainty, the directors consider the Company's financial position to be sound. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

### **Principal risks, financial risks and uncertainties**

#### **Cash flow risks**

The Abingworth Bioventures funds account for all of the Company's revenue. The Company will continue to operate over the remaining life of Abingworth Bioventures II, III and IV and the directors are confident that the Company has sufficient resources to continue to operate for the foreseeable future.

#### **Credit risks**

The Company's only material financial assets are bank balances and treasury deposits with fixed terms of up to one month. Cash and deposits have been placed with major UK clearing banks with a high credit rating to minimise credit and liquidity risk.

#### **Liquidity risks**

The Company's only material financial liabilities are balances in respect of group relief payable to other group companies, which are non-interest bearing. These will be repayable when the timing differences giving rise to taxable losses in the other group companies reverse. The Company manages this liquidity risk by retaining sufficient cash and investments to enable it to repay the group relief balances at any time.

# **Abingworth Management Limited**

## **Directors' report (continued)**

### **Future prospects**

The Company is a member of Abingworth LLP, a limited liability partnership, which was established in 2006 to raise and operate any new investment funds within the Abingworth group. The Company will continue to operate its existing venture capital funds and has retained the services of Abingworth LLP to enable it to do so. The directors do not expect the Company to take on new business, but the Company will continue to operate over the remaining life of Abingworth Bioventures II, III and IV.

### **Disclosures required under The Capital Requirements Directive**

The "Pillar 3" disclosure statement for the Abingworth Management Holdings Limited group is included in the group financial statements.

### **Directors**

The directors of Abingworth Management Limited who served throughout the year and to the date of this report are:

J F Abell  
M F Bigham (resigned 26/11/2014)  
S W Bunting  
D F J Leathers

### **Dividends**

The directors paid an interim dividend of £800,000 during the year (2014: £750,000). There was no final dividend payment (2014: £nil).

### **Indemnity**

The directors have been covered by liability insurance throughout the year and the policy of insurance remains in force.

### **Disclosure of information to auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

1. so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
2. the director 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

## **Abingworth Management Limited**

### **Directors' report (continued)**

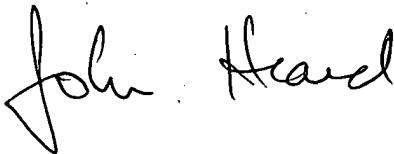
#### **Auditor**

A resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

#### **Small companies exemption**

The directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. This is in accordance with Part 15 of the Companies Act 2006. The Company has taken advantage of the exemption from the requirement to disclose an enhanced business review and prepare a strategic report on the grounds that it is a small company.

Approved by the Board of Directors  
and signed on behalf of the Board

A handwritten signature in black ink, appearing to read 'John Heard', with a stylized flourish at the end.

**J G Heard**  
Company Secretary

15 October 2015

## **Abingworth Management Limited**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

## **Independent auditor's report to the members of Abingworth Management Limited**

We have audited the financial statements of Abingworth Management Limited for the year ended 30 June 2015 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 15. 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).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditor**

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

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

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 annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2015 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.



## **Independent auditor's report to the members of Abingworth Management Limited (continued)**

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

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

### **Matters on which we are required to report by exception**

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

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



**Garrath Marshall** (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
London, United Kingdom

15 October 2015

# Abingworth Management Limited

## Profit and loss account

For the year ended 30 June 2015

	Notes	2015 £	2014 £
Turnover	2	1,450,770	1,882,082
Administrative expenses		(1,134,660)	(1,855,374)
<b>Operating profit</b>		<b>316,110</b>	<b>26,708</b>
Interest income		2,917	3,230
Other income		42,000	48,000
<b>Profit on ordinary activities before taxation</b>	3	<b>361,027</b>	<b>77,938</b>
Tax charge on profit on ordinary activities	4	(74,916)	(18,480)
<b>Profit on ordinary activities after taxation</b>	12, 13	<b>286,111</b>	<b>59,458</b>

All amounts reported are in respect of continuing operations. There have been no recognised gains or losses, other than as stated in the profit and loss account for the current year or prior period. Accordingly, no Statement of total recognised gains and losses is given.

The notes 1 to 15 form an integral part of the financial statements.

# Abingworth Management Limited

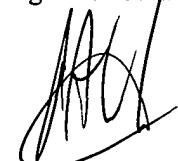
## Balance Sheet As at 30 June 2015

	Notes	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Investment in subsidiary undertaking	6		300,000		600,000
			<u>300,000</u>		<u>600,000</u>
<b>Current assets</b>					
Debtors	7	6,289		61,344	
Investments	8	714,798		2,903,490	
Cash at bank and in hand		717,096		1,352	
		<u>1,438,183</u>		<u>2,966,186</u>	
<b>Creditors: amounts falling due within one year</b>	9	(447,250)		(1,761,364)	
<b>Net current assets</b>			990,933		1,204,822
<b>Total assets less current liabilities</b>			<u>1,290,933</u>		<u>1,804,822</u>
<b>Net assets</b>			<u>1,290,933</u>		<u>1,804,822</u>
<b>Capital and reserves</b>					
Called up share capital	11		2		2
Profit and loss account	12		1,290,931		1,804,820
<b>Total equity shareholders' funds</b>	13		<u>1,290,933</u>		<u>1,804,822</u>

The notes 1 to 15 form an integral part of the financial statements.

These financial statements (company registration number 1591587) were approved by the Board of Directors and authorised for issue on 15 October 2015.

Signed on behalf of the Board of Directors



**J F Abell**  
Director

# **Abingworth Management Limited**

## **Notes to the financial statements For the year ended 30 June 2015**

### **1. Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below.

#### **Consolidation**

The Company has taken advantage of the exemption granted by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare group financial statements in the current and prior year. The results of the Company are included in the consolidated financial statements of Abingworth Management Holdings Limited, a Company registered in England and Wales. Therefore, these financial statements apply to the Company only.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **Going concern**

The Company's business activities, together with the factors likely to affect its future development and principal risks are set out in the Directors' Report on page 2. The Company funds its day-to-day working capital requirements using its cash reserves.

The Company's forecasts and projections show that the Company should be able to operate within its cash reserves and all its investments are readily realisable.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

#### **Turnover**

Turnover represents amounts receivable for services provided in the period in the normal course of business, net of VAT. It is recognised in the year the services are provided.

#### **Investments**

Fixed assets investments are recorded at cost less provision for any impairment.

Investments held as current assets are valued at the lower of cost and net realisable value.

#### **Interest**

Interest income is recognised on the accruals basis and relates to bank interest received and receivable.

#### **Other income**

Other income relates to interest received from the investment in subsidiary undertakings and is recognised on the accruals basis.

#### **Cash flow statement**

The Company has taken advantage of the exemption granted within Financial Reporting Standard 1 (Revised), Cash Flow Statements, not to prepare a cash flow statement as its ultimate parent company produces consolidated financial statements, which include a cash flow statement, which are publicly available and into which the Company's results are fully consolidated.

#### **Foreign exchange**

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions or at a contracted rate, if appropriate.

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. All translation differences are recognised in the profit and loss account for the period.

# Abingworth Management Limited

## Notes to the financial statements (continued) For the year ended 30 June 2015

### 1. Accounting policies (continued)

#### Taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation that arises because of timing differences between the treatments of certain items for taxation and accounting purposes.

Current tax is provided at amounts expected to be paid (or received) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not they will be recovered. Deferred tax assets and liabilities are not discounted.

#### Dividends

Dividends are recognised as an appropriation of profit in the year in which they are approved by shareholders or, for interim dividends declared by the Directors, when paid.

### 2. Turnover

Turnover represents fees receivable for investment management and advisory services.

	2015	2014
	£	£
The geographical analysis is:		
United Kingdom	1,400,000	1,774,737
Luxembourg	50,770	50,375
Others	-	56,970
	<u>1,450,770</u>	<u>1,882,082</u>

### 3. Profit on ordinary activities before tax

	2015	2014
	£	£
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Auditor's remuneration - audit of the company	12,830	11,000
Foreign currency exchange (gains)/losses	<u>(158,512)</u>	<u>184,731</u>

The Directors did not receive any remuneration for their services to the Company (2014: £nil).

# Abingworth Management Limited

## Notes to the financial statements (continued) For the year ended 30 June 2015

### 4. Tax charge on profit on ordinary activities

	2015 £	2014 £
Current tax:		
UK corporation tax on profit for the year	(74,916)	(17,536)
	(74,916)	(17,536)
Deferred tax:		
Timing differences, origination and reversal	-	(944)
	(74,916)	(18,480)

#### Factors affecting current tax charge

The tax assessed for the year is different to that resulting from applying the rate of 20.75% (2014: 22.5%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	361,027	77,938
Tax at 20.75% (2014: 22.5% ) thereon:	(74,916)	(17,536)
Effects of:		
Tax losses claimed as group relief	74,916	17,536
Payments made for group relief	(74,916)	(17,536)
	(74,916)	(17,536)

The tax charge in future periods will be impacted by the change in the UK corporation tax rate to 20% with effect from 1 April 2015.

### 5. Dividends

The directors paid an interim dividend of £800,000 during the year (2014: £750,000). There was no final dividend payment (2014: £nil).

### 6. Investment in subsidiary undertaking

The investment in subsidiary undertaking represents a capital contribution of £300,000 (2014: £600,000) in return for a non equity participation in Abingworth LLP, a subsidiary undertaking based in the United Kingdom. During the year £300,000 was redeemed by Abingworth LLP. The principal activities of Abingworth LLP are the promotion and management of investment funds focused on biotechnology, life sciences and related areas. The investment entitles the Company to receive an annual priority profit share of 8% of the capital contributed.

# Abingworth Management Limited

## Notes to the financial statements (continued) For the year ended 30 June 2015

### 7. Debtors

	Note	2015 £	2014 £
Deferred taxation asset	10	6,289	6,289
Amounts owed by group undertakings		-	29,287
Other debtors		-	25,710
Prepayments and accrued income		-	58
		<u>6,289</u>	<u>61,344</u>

### 8. Current asset investments

The amounts in the current and preceding years represent treasury deposits with maturity dates of up to one month.

### 9. Creditors: amounts falling due in less than one year

	2015 £	2014 £
Amounts payable to group undertakings	429,769	1,732,830
Other creditors	17,481	28,534
	<u>447,250</u>	<u>1,761,364</u>

### 10. Deferred tax

The amounts provided in the financial statements are as follows:

	2015 £	2014 £
Deferred tax asset at beginning of year	6,289	7,233
Timing differences, origination and reversal	-	(944)
Deferred taxation asset (note 7)	<u>6,289</u>	<u>6,289</u>

#### Analysis of deferred taxation balance

	2015 £	2014 £
Capital allowances in excess of depreciation	6,289	6,289
Short-term timing difference	-	-
Deferred taxation asset	<u>6,289</u>	<u>6,289</u>

Deferred taxes are calculated on all timing differences using an effective rate of 20% (2014 21%)

# Abingworth Management Limited

## Notes to the financial statements (continued) For the year ended 30 June 2015

### 11. Called up share capital

	2015 £	2014 £
<b>Called up, allotted and fully paid:</b>		
2 ordinary shares of £1 each	2	2

### 12. Reserves

	Profit and loss account £
<b>As at 1 July 2014</b>	1,804,820
Transfer from profit and loss account for the year	286,111
Dividend paid	(800,000)
<b>As at 30 June 2015</b>	1,290,931

### 13. Reconciliation of movement in equity shareholder's funds

	2015 £	2014 £
<b>Profit for the financial year</b>	286,111	59,458
Dividends paid on equity shares	(800,000)	(750,000)
<b>Net decrease in shareholder's funds</b>	(513,889)	(690,542)
<b>Opening equity shareholder's funds</b>	1,804,822	2,495,364
<b>Closing equity shareholders' funds</b>	1,290,933	1,804,822

### 14. Ultimate parent company

The ultimate parent company is Abingworth Management Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales. Abingworth Management Holdings Limited represents the immediate and ultimate parent company and ultimate controlling party of the Company. The smallest and largest group that prepares group financial statements in which the results of the Company are included is that of Abingworth Management Holdings Limited.

Copies of the group financial statements are available from the parent company's registered office at 38 Jermyn Street, London SW1Y 6DN.



## **Abingworth Management Limited**

### **Notes to the financial statements (continued) For the year ended 30 June 2015**

#### **15. Related party disclosures**

The Company has taken advantage of the exemption granted by paragraph 3(c) of the Financial Reporting Standard 8, Related Party Disclosures as a wholly-owned subsidiary of Abingworth Management Holdings Limited, not to disclose any related party transactions with group entities 100% of whose voting rights are controlled within the group.

Dr Bunting, Mr Abell, Mr Bigham and Mr Leathers, directors of the company, have made investments in, and are entitled to participate in the carried interest from, certain venture capital funds managed by the Company.

The Company paid Abingworth LLP £1,293,400 during the year (2014: £1,519,829) for providing facilities and services to enable it to operate its business. At year end there is an amount due to Abingworth LLP of £4,000 (2014: due from £29,000) for interest on the special member's capital account net of any recharged expenses.

The Company is entitled to receive a priority share of Abingworth LLPs annual profit of 8% of its capital contribution of £300,000 (2014: £600,000).

Abingworth Management Limited has a non equity interest and certain control rights in Abingworth LLP. Stephen Bunting, David Leathers, James Abell are members of Abingworth LLP.