

**Abingworth LLP**  
**Annual Members' Report and Consolidated Financial Statements**  
**for the year ended 30 June 2017**

Registered in England and Wales  
Number: OC320188



## **Abingworth LLP**

### **Annual Report and financial statements for the year ended 30 June 2017**

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## **Abingworth LLP**

### **Annual Report and financial statements for the year ended 30 June 2017**

#### **Members' Report**

The Members present their annual report on the affairs of the Group, together with the financial statements and auditor's report of Abingworth LLP ("the LLP") for the year ended 30 June 2017.

#### **Firm Structure**

Abingworth LLP is authorised and regulated by the Financial Conduct Authority.

Abingworth LLP was incorporated in England United Kingdom on the 6 June 2016 as a Limited Liability Partnership under the Limited Liability Partnership Act 2000. Its registered office is 38 Jermyn Street London SW1Y 6DN.

The financial statements consolidate the accounts of Abingworth LLP and all its subsidiary undertakings (the "Group"), drawn up to 30 June each year.

#### **Principal activity and business review**

The principal activities of the LLP and the Group are the promotion and management of investment funds focused on biotechnology, life sciences and related areas. Since the year end the LLP achieved a first closing on new venture capital fund, Abingworth Bioventures VII.

The Group made a total comprehensive income available for discretionary division among members of £235,511 (2016: £1,625,880) on turnover of £9,828,031 (2016: £11,315,798) in the year. The consolidated statement of comprehensive income is shown on page 5 of the financial statements. The results reflect a step down in fees receivable from one of the funds managed by the LLP, Abingworth Bioventures V, which will be partly replaced by fee income from Abingworth Bioventures VII in the next financial year.

The subsidiary and associated undertakings principally affecting the profit or net assets of the Group in the year are listed in note 16 to the financial statements.

#### **Policies for Members' drawings, subscriptions, entitlements and repayment of Members' capital**

Members' entitlements to share in the profits of the LLP and to make drawings from those profits are governed by the LLP Deed dated 8 December 2011 as amended on 19 January 2016 and Members' appointment letters. Entitlement to share in profits falls into five categories which, in order of priority, are:

- An Executive Priority Profit Share for members of the LLP;
- An allocation of incentive fees paid to the LLP by Abingworth managed funds;
- Any special allocation of profits as determined by the members of the LLP;
- A preferred return of 8% per annum on Abingworth Management Ltd's capital account; and
- An allocation of any balance pro rata to the equity ownership (based on subscription for capital account units) of the Members following the sign off of the annual audited accounts.

Drawings of Executive Priority Share are made in twelve monthly instalments, incentive fees may be drawn as received and the preferred return is drawn in a single annual payment – in each case subject to the firm being in compliance with its prudential capital requirements. Drawings of equity profits may be made to the extent considered by the Board to be prudent, following a review of current and ongoing capital and liquidity requirements of the business and taking into account the projected prudential capital requirements.

The firm's capital accounts are maintained at a minimum of £1,200,000 comprised of £300,000 paid in by Abingworth Management Ltd and contributions from individual members of the LLP in proportion to their ownership of equity units. These contributions are repayable to members who leave the LLP, but repayment may be deferred if necessary to maintain both the minimum capital level of £1,200,000 and continued compliance with prudential capital requirements.

## **Abingworth LLP**

### **Annual Report and financial statements for the year ended 30 June 2017**

#### **Members' Report (continued)**

##### **Going Concern**

While volatility in the financial and world markets has created general uncertainty, the Members consider the LLP's and the Group's financial position to be sound. The Members have a reasonable expectation that the LLP and the Group have 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**

Most of the LLP Group's revenue derives from Abingworth Bioventures V LP, Abingworth Bioventures V Co-Invest Growth Equity Fund LP, Abingworth Bioventures VI LP and Abingworth Clinical Co Development Fund LP. In common with most venture capital businesses, the funds have a limited life of approximately 10 years. The level of management fee was agreed at the outset of each fund and, as this is based on fund commitments that are fixed for the life of the fund, is predictable for several years in advance.

The LLP and the Group's only material financial assets are investments in subsidiary entities, bank balances and treasury deposits with fixed terms of up to one month. Cash and deposits are placed with major UK clearing banks with high credit ratings so as to minimise credit and liquidity risk. Management fees from venture funds are paid quarterly in advance, and therefore do not give rise to debtors with an associated credit risk.

The LLP and the Group's only material financial liabilities are creditors and accruals arising in the usual course of business which do not give rise to significant liquidity risk.

##### **Future prospects**

The LLP will continue to operate in its current capacity to promote new funds and manage existing investment funds specialising in life science and also to provide services to Abingworth Management Limited in order for it to fulfil its obligations during the life of its remaining funds.

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

The "Pillar 3" disclosure statement for the Abingworth Management Holdings Limited Group is included as an addendum to the Abingworth Management Holdings Limited Group financial statements.

##### **Designated Members**

The Designated Members throughout the year and up to the date of this report were Stephen Bunting and James Abell.

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

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

1. so far as the member is aware, there is no relevant audit information of which the LLP's auditor is unaware; and
2. the member has taken all the steps that he ought to have taken as a member in order to make himself aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

##### **Auditor**

A resolution has been passed to re-appoint Deloitte LLP as auditor of the Partnership.

By Order of the Members on 19 October 2017



Stephen Bunting  
Designated Member



James Abell  
Designated Member

## **Abingworth LLP**

### **Annual Report and financial statements for the year ended 30 June 2017**

#### **Statement of Members' Responsibilities**

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

The Limited Liability Partnerships (Accounts & Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The financial statements are required by law to give a true and fair view of the state of affairs of the Partnership and of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the members are required to:

- (a) select suitable accounting policies and apply them consistently;
- (b) make judgements and estimates that are reasonable and prudent;
- (c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume the firm will continue in business.

The members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the LLP and to enable them to ensure that the financial statements comply with the Companies Act 2006, as applicable to limited liability partnerships. They are also responsible for safeguarding the assets of the LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

These responsibilities are exercised by the Board on behalf of the members.

## **Independent Auditor's Report to the Members of Abingworth LLP**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent limited liability partnership's affairs as at 30 June 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships.

We have audited the financial statements of Abingworth LLP (the 'parent limited liability partnership') and its subsidiaries (the 'group') which comprise:

- the consolidated statement of comprehensive income;
- the consolidated and parent limited liability partnership balance sheets;
- the consolidated and parent limited liability partnership statements of changes in members' interests;
- the consolidated cash flow statement;
- the accounting policies; and
- the related notes 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and of the parent limited liability partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the members' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent limited liability partnership's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

#### **Other information**

The members are responsible for the other information. The other information comprises the information included in the annual members report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

## **Independent Auditor's Report to the Members of Abingworth LLP**

### **Report on the audit of the financial statements (continued)**

#### **Responsibilities of members**

As explained more fully in the members' responsibilities statement, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the group's and the parent limited liability partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the group or the parent limited liability partnership or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the limited liability partnership's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the limited liability partnership'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 limited liability partnership and the limited liability partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Report on other legal and regulatory requirements**

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

Under the Companies Act 2006 as applied to limited liability partnerships we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.



Garrath Marshall (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
19 October 2017

**Abingworth LLP**

**Annual Report and financial statements  
for the year ended 30 June 2017**

**Consolidated statement of comprehensive income**

	Notes	30/06/2017 £	30/06/2016 £
<b>Turnover</b>	2	9,828,031	11,315,798
<b>Expenditure</b>			
Administrative expenses		(7,404,142)	(7,036,223)
<b>Operating profit</b>	3	2,423,889	4,279,575
Interest income	6	3,045	6,198
<b>Profit on ordinary activities for the year before taxation, Members' remuneration and profit shares</b>		2,426,934	4,285,773
Tax charge on profit on ordinary activities	7	(83,879)	(104,640)
<b>Profit on ordinary activities for the year after taxation, and before Members' remuneration and profit shares</b>		2,343,055	4,181,133
Members' remuneration charged as an expense		(2,091,409)	(2,585,117)
Special Member's preferred return charged as an expense		(24,000)	(24,000)
<b>Profit for the financial year available for discretionary division among Members</b>		227,646	1,572,016
Currency translation differences on foreign currency net investment		7,991	53,864
<b>Other Comprehensive Income</b>		7,991	53,864
<b>Total comprehensive income available for discretionary division among members</b>		235,637	1,625,880

All amounts shown in the above statements derive from continuing operations.

The notes 1 to 20 form an integral part of the financial statements.



**Abingworth LLP**

**Annual Report and financial statements  
As at 30 June 2017**

**Consolidated balance sheet**

	Notes	30/06/2017 £	30/06/2016 £
<b><u>Fixed Assets</u></b>			
Intangible assets	8	10,750	54,000
Tangible fixed assets	9	167,188	238,326
Investments	10	17,715	14,376
		<u>195,653</u>	<u>306,702</u>
<b><u>Current Assets</u></b>			
Investments	11	-	1,223,855
Debtors	12	1,066,382	1,061,715
Amount due from members		63,914	77,934
Cash at bank and in hand		4,063,347	2,893,993
		<u>5,193,643</u>	<u>5,257,497</u>
<b>Creditors: Amounts falling due within one year</b>	13	(845,317)	(1,036,114)
<b>Net Current Assets</b>		<u>4,348,326</u>	<u>4,221,383</u>
<b>Total assets less current liabilities</b>		<u>4,543,979</u>	<u>4,528,085</u>
<b>Creditors: amounts falling due after one year</b>	14	(6,378)	(26,178)
<b>Net assets attributable to Members</b>		<u>4,537,601</u>	<u>4,501,907</u>
<b><u>Represented by:</u></b>			
<b>Loans and other debts due to members after more than one year</b>			
Other amounts		300,000	300,000
<b>Members' other interests</b>			
Members' capital classified as equity under FRS 102		1,070,000	1,025,000
Members' other interests - Other reserves classified as equity under FRS 102		3,167,601	3,176,907
<b>Total Members' interests</b>		<u>4,537,601</u>	<u>4,501,907</u>
Amount due from members		(63,914)	(77,934)
Loans and other debts due to members		300,000	300,000
Members' capital classified as equity		4,237,601	4,201,907
		<u>4,473,687</u>	<u>4,423,973</u>

The notes 1 to 20 form an integral part of the financial statements.

The profit earned by the LLP as a stand alone entity for the year was £369,144 (2016: £1,528,085)

The financial statements (partnership registration number OC320188) were approved by the Members and authorised for issue on 19 October 2017 and signed on their behalf by:

  
Stephen Bunting  
Designated Member

  
James Abell  
Designated Member

**Abingworth LLP**

**Annual Report and financial statements  
As at 30 June 2017**

**Partnership Balance Sheet**

	Notes	30/06/2017 £	30/06/2016 £
<b><u>Fixed Assets</u></b>			
Intangible assets	8	10,750	54,000
Tangible fixed assets	9	50,897	95,054
Investments	10	217,969	214,630
		<u>279,616</u>	<u>363,684</u>
<b><u>Current Assets</u></b>			
Investments	11	-	1,223,855
Debtors	12	1,097,667	894,227
Amount due from members		63,914	77,934
Cash at bank and in hand		3,501,413	2,500,108
		<u>4,662,994</u>	<u>4,696,124</u>
<b>Creditors: Amounts falling due within one year</b>	13	<u>(457,789)</u>	<u>(744,180)</u>
<b>Net Current Assets</b>		4,205,205	3,951,944
<b>Net assets attributable to Members</b>		<u>4,484,821</u>	<u>4,315,628</u>
<b><u>Represented by</u></b>			
<b>Loans and other debts due from members after more than one year</b>			
Other amounts		300,000	300,000
<b>Equity</b>			
Members' capital classified as equity under FRS 102		1,070,000	1,025,000
Members' other interests - Other reserves classified as equity under FRS 102		3,114,821	2,990,628
		<u>4,484,821</u>	<u>4,315,628</u>
<b>Total Members' interests</b>			
Amount due from members		(63,914)	(77,934)
Loans and other debts due to members		300,000	300,000
Members' capital classified as equity		4,184,821	4,015,628
		<u>4,420,907</u>	<u>4,237,694</u>

The notes 1 to 20 form an integral part of the financial statements.

The financial statements (partnership registration number OC320188) were approved by the Members and authorised for issue on 19 October 2017 and signed on their behalf by:

The parent company has taken the advantage as permitted by Section 408 of the Companies Act 2006 not to present its statement of comprehensive income as part of these financial statements. Total comprehensive income for the year available for distribution to the members was £369,144 (2016: £1,528,085).

  
Stephen Bunting  
Designated Member

  
James Abell  
Designated Member

**Abingworth LLP**

**Annual Report and financial statements  
for the year ended 30 June 2017**

**Consolidated statement of cash flows**

	<b>30/06/2017</b>	<b>30/06/2016</b>
	£	£
Operating profit	2,423,889	4,279,575
(Increase)/decrease in fair value of investments	(3,339)	5,172
Depreciation and amortisation	148,645	144,931
Loss on disposal of fixed assets	484	788
Foreign exchange movements	(12,474)	(76,495)
Foreign exchange adjustment on fixed assets	(4,422)	(20,903)
<b>Operating cash flow before movement in working capital</b>	<b>2,552,783</b>	<b>4,333,068</b>
Decrease/(increase) in debtors	2,960	(96,439)
(Decrease)/increase in creditors	(188,310)	92,380
Cash generated by operations	2,367,433	4,329,009
Income taxes paid	(113,793)	(8,070)
<b>Net cash flows from operating activities</b>	<b>2,253,640</b>	<b>4,320,939</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of equipment	287	1,564
Purchase of equipment	(30,606)	(66,026)
Interest received	3,045	6,198
<b>Net cash flows from investing activities</b>	<b>(27,274)</b>	<b>(58,264)</b>
<b>Cash flows from financing activities</b>		
Capital distributions	-	(190,000)
Capital contributions	45,000	145,000
Members' priority profit shares	(2,091,409)	(2,585,117)
Movements on members current accounts	1,846,466	(95,553)
Special Member's preferred return payment	(24,000)	(24,000)
Discretionary distributions to Members	(2,077,389)	(2,598,500)
<b>Net cash flows from financing activities</b>	<b>(2,301,332)</b>	<b>(5,348,170)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(74,966)</b>	<b>(1,085,495)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>4,117,848</b>	<b>5,072,984</b>
Effects of foreign exchange rate changes through profit and loss	12,474	76,495
comprehensive income	7,991	53,864
<b>Cash and cash equivalents at end of year</b>	<b>4,063,347</b>	<b>4,117,848</b>
<b>Reconciliation to cash at bank and in hand:</b>		
Current asset investments	-	1,223,855
Cash in hand and at bank	4,063,347	2,893,993
<b>Cash and cash equivalents</b>	<b>4,063,347</b>	<b>4,117,848</b>

The notes 1 to 20 form an integral part of the financial statements.

**Consolidated statement of changes in members' interests**  
**For the year ended 30 June 2017**

	Members' other interests			Loans and other debts due to/(from) members			Total members' interests
	Members' capital classified as equity	Other reserves	Total equity	Members' capital classified as a liability	Members' other amounts	Total debt	
	£	£	£	£	£	£	£
<b>Members' interest at 1 July 2015 as restated</b>	<b>1,070,000</b>	<b>4,231,697</b>	<b>5,301,697</b>	<b>300,000</b>	<b>(64,551)</b>	<b>235,449</b>	<b>5,537,146</b>
Members' remuneration charged as an expense	-	-	-	-	2,585,117	2,585,117	2,585,117
Special member's preferred return charged as an expense	-	-	-	24,000	-	24,000	24,000
Profit for the financial year available for discretionary division among members	-	1,572,016	1,572,016	-	-	-	1,572,016
<b>Members' interest after profit for the year</b>	<b>1,070,000</b>	<b>5,803,713</b>	<b>6,873,713</b>	<b>324,000</b>	<b>2,520,566</b>	<b>2,844,566</b>	<b>9,718,279</b>
Currency translation difference on foreign currency net investments	-	53,864	53,864	-	-	-	53,864
<b>Total comprehensive income</b>	<b>1,070,000</b>	<b>5,857,577</b>	<b>6,927,577</b>	<b>324,000</b>	<b>2,520,566</b>	<b>2,844,566</b>	<b>9,772,143</b>
<b>Allocation of profit share to members</b>							
Members' capital introduced	145,000	-	145,000	-	-	-	145,000
Repayments of capital	(190,000)	-	(190,000)	-	-	-	(190,000)
Drawings	-	(2,680,670)	(2,680,670)	(24,000)	(2,598,500)	(2,598,500)	(5,279,170)
Amounts due to members				300,000			
Amounts due from members					(77,934)		
<b>At 30 June 2016</b>	<b>1,025,000</b>	<b>3,176,907</b>	<b>4,201,907</b>	<b>300,000</b>	<b>(77,934)</b>	<b>222,066</b>	<b>4,423,973</b>
Amounts due to members	-	-	-	300,000	-	-	-
Amounts due from members	-	-	-	-	(77,934)	-	-
<b>Members' interest at 1 July 2016</b>	<b>1,025,000</b>	<b>3,176,907</b>	<b>4,201,907</b>	<b>300,000</b>	<b>(77,934)</b>	<b>222,066</b>	<b>4,423,973</b>
Members' remuneration charged as an expense	-	-	-	-	2,091,409	2,091,409	2,091,409
Special member's preferred return charged as an expense	-	-	-	24,000	-	24,000	24,000
Profit for the financial year available for discretionary division among members	-	227,646	227,646	-	-	-	227,646
<b>Members' interest after profit for the year</b>	<b>1,025,000</b>	<b>3,404,553</b>	<b>4,429,553</b>	<b>324,000</b>	<b>2,013,475</b>	<b>2,337,475</b>	<b>6,767,028</b>
Currency translation difference on foreign currency net investments	-	7,991	7,991	-	-	-	7,991
<b>Total comprehensive income</b>	<b>1,025,000</b>	<b>3,412,544</b>	<b>4,437,544</b>	<b>324,000</b>	<b>2,013,475</b>	<b>2,337,475</b>	<b>6,775,019</b>
Members' capital introduced	45,000	-	45,000	-	-	-	45,000
Drawings	-	(244,943)	(244,943)	(24,000)	(2,077,389)	(2,101,389)	(2,346,332)
Amounts due from members					(63,914)		
<b>At 30 June 2017</b>	<b>1,070,000</b>	<b>3,167,601</b>	<b>4,237,601</b>	<b>300,000</b>	<b>(63,914)</b>	<b>236,086</b>	<b>4,473,687</b>
Amounts due to members	-	-	-	300,000	-	-	-
Amounts due from members	-	-	-	-	(63,914)	-	-

The notes 1 to 20 form an integral part of the financial statements.

Abingworth LLP

Partnership statement of changes in members' interests  
For the year ended 30 June 2017

	Members' other interests			Loans and other debts due to/(from) members			Total members' interests
	Members' capital classified as equity	Other reserves	Total equity	Members' capital classified as a liability	Members' other amounts	Total debt	
	£	£	£	£	£	£	£
<b>Members' interest at 30 June 2015 restated</b>	<b>1,070,000</b>	<b>5,803,713</b>	<b>6,873,713</b>	<b>324,000</b>	<b>2,520,566</b>	<b>2,844,566</b>	<b>9,718,279</b>
Currency translation difference on foreign currency net investments	-	53,864	53,864	-	-	-	53,864
<b>Total comprehensive income</b>	<b>1,070,000</b>	<b>5,857,577</b>	<b>6,927,577</b>	<b>324,000</b>	<b>2520566</b>	<b>2,844,566</b>	<b>9,772,143</b>
Members' capital introduced	145,000	-	145,000	-	-	-	145,000
Repayments of capital	(190,000)	-	(190,000)	-	-	-	(190,000)
Drawings	-	(2,680,670)	(2,680,670)	(24,000)	(2,598,500)	(2,622,500)	(5,303,170)
Amounts due to members				300,000			
Amounts due from members					(77,934)		
<b>At 30 June 2016</b>	<b>2,095,000</b>	<b>9,034,484</b>	<b>11,129,484</b>	<b>300,000</b>	<b>(77,934)</b>	<b>3,066,632</b>	<b>14,196,116</b>
Amounts due to members	-	-	-	300,000	-	-	-
Amounts due from members	-	-	-	-	(77,934)	-	-
<b>Members' interest at 1 July 2016</b>	<b>1,025,000</b>	<b>2,990,628</b>	<b>4,015,628</b>	<b>300,000</b>	<b>(77,934)</b>	<b>222,066</b>	<b>4,237,694</b>
Members' remuneration charged as an expense	-	-	-	-	2,091,409	2,091,409	2,091,409
Special member's preferred return charged as an expense	-	-	-	24,000	-	24,000	24,000
Profit for the financial year available for discretionary division among members	-	369,136	369,136	-	-	-	369,136
<b>Total comprehensive income</b>	<b>1,025,000</b>	<b>3,359,764</b>	<b>4,384,764</b>	<b>324,000</b>	<b>2,013,475</b>	<b>2,337,475</b>	<b>6,722,239</b>
Members' capital introduced	45,000	-	45,000	-	-	-	45,000
Repayments of capital	-	-	-	-	-	-	-
Drawings (including tax payments)	-	(244,943)	(244,943)	(24,000)	(2,077,389)	(2,101,389)	(2,346,332)
<b>At 30 June 2016</b>	<b>1,070,000</b>	<b>3,114,821</b>	<b>4,184,821</b>	<b>300,000</b>	<b>(63,914)</b>	<b>236,086</b>	<b>4,420,907</b>
Amounts due to members	-	-	-	300,000	-	-	-
Amounts due from members	-	-	-	-	(63,914)	-	-

The notes 1 to 20 form an integral part of the financial statements.

## **Abingworth LLP**

### **Annual Report and financial statements for the year ended 30 June 2017**

#### **Notes to the financial statements**

##### **1 Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

##### **Basis of preparation**

Abingworth LLP ("LLP") is registered in England and Wales under the Limited Liability Partnership Act 2000 as a partnership with liability limited by Members' contributions. The address of the registered office is given on page 1. The nature of the operations of Abingworth LLP and its subsidiary undertakings ("the Group") and its principal activities are set out in the members' report on pages 1 to 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council, except for the requirement to consolidate the limited partnerships controlled by the Group, as stated under the "basis of consolidation" section below.

The functional currency of the Group is considered to be pounds sterling because that is the currency of the primary economic environment in which the LLP and the Group operate. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

The LLP and the Group meet the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to presentation of a cash flow statement, intra-group transactions and remuneration of key management personnel.

##### **Basis of consolidation**

Subsidiary companies of the Group also include general partners of limited partnerships where the substance of the arrangements is that the Group provides investment management services in return for investment management fees.

These limited partnerships fall within the definition of subsidiary undertakings under Companies Act 2006 and Section 9 of FRS 102 by virtue of the fact that they are controlled by the Group. Subsidiary undertakings are required to be consolidated under Section 9 of FRS 102.

Since these limited partnerships were set up for the beneficial interest of external parties and the Group's beneficial interest in these limited partnerships is restricted to the fees it earns from managing these limited partnerships, the management and Members of the Group have concluded that consolidating these limited partnerships into the Group would be inconsistent with the requirement to give a true and fair view, as required by paragraph 3.2 of FRS 102.

Therefore, the Group has departed from the requirements of Section 9 of FRS 102 to consolidate these limited partnerships and have accounted for the interests in these limited partnerships at cost, in the manner set out in paragraph 3.5 of FRS 102 and as permitted by paragraph 3.4 of FRS 102. The effect of this departure is disclosed in Note 19.

##### **Going concern**

The Group's business activities, together with the factors likely to affect its future development and principal risks are set out in the Members' report on page 1. The LLP and the Group fund the day-to-day working capital requirements using cash reserves.

The Group's forecasts and projections show that the LLP should be able to generate enough cash to meet its ongoing obligations.

## **Abingworth LLP**

### **Annual Report and financial statements for the year ended 30 June 2017**

#### **Notes to the Financial Statements - continued**

##### **1. Accounting policies (continued)**

###### **Going concern (continued)**

After making enquiries, the Members have a reasonable expectation that the Group 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.

###### **Taxation**

The taxation payable on the LLP's profits is the personal liability of the members. Consequently, neither LLP taxation nor related deferred taxation are accounted for in the financial statements.

The tax expense represents the sum of the current and deferred tax relating to the corporate subsidiaries. The current tax expense is based on taxable profits of these companies.

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

Deferred tax relating to corporate subsidiaries is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Notes to the Financial Statements - continued

1 Accounting policies (continued)

**Taxation (continued)**

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

**Operating leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

**Turnover**

Turnover, which represents advances from the underlying funds, fees receivable for investment management and advisory services, fees for other services and recharges, is recognised on an accruals basis in the year in which the service is provided.

**Foreign exchange**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Other exchange differences are recognised in profit or loss in the period in which they arise except for:

- exchange differences on transactions entered into to hedge certain foreign currency risks (see above);
- exchange differences arising on gains or losses on non-monetary items which are recognised in other comprehensive income; and
- in the case of the consolidated financial statements, exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised in other comprehensive income and reported under equity.

The financial statements of foreign subsidiaries are translated into sterling at the closing rates of exchange and the differences arising from the translation of the opening net investment in subsidiaries at the closing rate and matched long-term foreign currency borrowings are taken directly to reserves.

**Tangible fixed assets**

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment, if any. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows.

- Computers - 25% per annum
- Fixtures, fittings and equipment - 20% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.



## **Abingworth LLP**

### **Annual Report and financial statements for the year ended 30 June 2017**

#### **Notes to the Financial Statements - continued**

##### **1 Accounting policies (continued)**

###### **Intangible assets**

Purchased contracts are included at cost and amortised in equal annual instalments over a period of 10 years, which is their estimated useful economic life. Provision is made for any impairment and the impaired value is amortised over the remaining estimated economic useful life of the contract.

###### **Investments in subsidiaries**

In the Group balance sheet, investments in subsidiaries are measured at fair value through profit and loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

In the LLP balance sheet, investments in subsidiaries are held as fixed assets and measured at cost less impairment, in accordance with paragraph 9.26 of FRS 102.

###### **Financial Instruments**

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and liabilities comprises: trade debtors, other debtors, overseas tax, trade creditors, taxation and social security, and other creditors, as presented in Notes 11 and 13, which are measured at undiscounted amount receivable or payable in accordance with paragraph 11.14(a) of FRS 102. Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the entity intends to either settle on a net basis, or to realise the asset or liability simultaneously.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

###### **Interest**

Interest income and expense are recognised on the accruals basis.

###### **Pension costs**

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

###### **Members' remuneration**

Profits are allocated to Members in various ways, as described in the Members' report. Allocations in respect of Executive Priority Share, incentive fees, special allocations and the preferred return are treated as expenses in the profit and loss account. Any remaining profits are shared on the basis of equity ownership of the LLP and are treated as available for discretionary division among Members.

###### **Critical accounting judgements and key sources of estimation uncertainty**

There are no critical accounting judgements or key sources of estimation certainty relevant to these financial statements except the consolidation of Limited partnership accounts as disclosed in note 19.

## Abingworth LLP

### Annual Report and financial statements for the year ended 30 June 2017

#### Notes to the Financial Statements - continued

##### 2 Turnover

The analysis by activities is :

	30/06/2017	30/06/2017	30/06/2016	30/06/2016
	Group	LLP	Group	LLP
	£	£	£	£
Fees receivable for advisory and management services	545,026	545,026	547,244	547,244
Entitlement to profit share receivable for investment management services (non refundable)	9,230,645	9,043,556	10,728,464	10,510,187
Other income	52,360	52,360	40,090	40,090
	<u>9,828,031</u>	<u>9,640,942</u>	<u>11,315,798</u>	<u>11,097,521</u>

The analysis by geographical location is:

	30/06/2017	30/06/2017	30/06/2016	30/06/2016
	Group	LLP	Group	LLP
	£	£	£	£
United Kingdom	9,230,645	9,043,556	10,728,464	10,510,187
Cayman Islands	545,026	545,026	547,244	547,244
Other	52,360	52,360	40,090	40,090
	<u>9,828,031</u>	<u>9,640,942</u>	<u>11,315,798</u>	<u>11,097,521</u>

##### 3 Operating Profit

The operating profit of the Group and the LLP is stated after charging/(crediting):

	30/06/2017	30/06/2017	30/06/2016	30/06/2016
	Group	LLP	Group	LLP
	£	£	£	£
Audit fees for audit - for auditing of the financial statements of LLP	39,616	39,616	30,900	30,900
Audit fees for audit - for auditing of the financial statements of the subsidiaries	65,527	-	45,432	-
FCA CASS audit fee – Subsidiary undertakings	4,500	4,500	2,000	2,000
Amortisation of intangible asset in administrative expenses	43,250	43,250	43,250	43,250
Loss on disposal of fixed assets	484	203	788	788
Depreciation charge	105,395	62,013	103,487	66,882
Rental under operating leases	518,052	280,878	577,430	374,488
Foreign exchange gains	<u>(12,474)</u>	<u>(12,462)</u>	<u>(76,495)</u>	<u>(78,483)</u>

##### 4 Information regarding employees and members

	30/06/2017	30/06/2017	30/06/2016	30/06/2016
	Group	LLP	Group	LLP
	£	£	£	£
Employee and executive members' costs				
Members remuneration	2,115,409	2,115,409	2,609,117	2,609,117
Wages and salaries	3,401,342	1,334,026	3,684,729	1,138,543
Social security costs	223,777	160,591	226,348	142,069
Pension and other costs	397,939	177,267	415,520	228,345
	<u>6,138,467</u>	<u>3,787,293</u>	<u>6,935,714</u>	<u>4,118,074</u>

The Group had 25 (2016: 25) employees and executive members during the year and total staff cost including pension was £6,138,467 (2016: £6,935,714) .

## Abingworth LLP

### Annual Report and financial statements for the year ended 30 June 2017

#### Notes to the Financial Statements - continued

#### 4 Information regarding employees (continued)

Pension costs represent contributions payable to defined contribution schemes. Prepaid contributions at 30 June 2017 were £nil (2016: £nil) and amounts outstanding were £4,710 (2016: £9,730).

	30/06/2017 Group	30/06/2017 Group	30/06/2016 Group	30/06/2016 Group
Monthly average staff numbers and costs were as follows:	Number	£	Number	£
Administration	<u>25</u>	<u>6,138,467</u>	<u>25</u>	<u>6,935,714</u>

#### 5 Members' remuneration

The amount of profits to be distributed is determined after the financial statements have been finalised and approved by the members. The profits are then shared amongst the members after the end of the year in accordance with agreed profit sharing arrangements. Only those profits payable to members that are automatically allocated by virtue of the members' agreement are recognised as an expense in the profit and loss account as members' remuneration.

Members do not receive any interest on their capital contributions or any remuneration other than their share of profits in accordance with profit sharing agreements and appointment letters

The average number of members during the year was 6 (2016: 6).

The share of profit (including remuneration) attributable to the member with the largest entitlement to profit, consisting of profits allocated after the balance sheet date and remuneration during the year, was £384,039 (2016: £895,782)

#### 6 Interest income

	30/06/2017 Group	30/06/2017 LLP	30/06/2016 Group	30/06/2016 LLP
	£	£	£	£
Bank interest received during the year	<u>3,045</u>	<u>2,874</u>	<u>6,198</u>	<u>6,173</u>

**Abingworth LLP**

**Annual Report and financial statements  
for the year ended 30 June 2017**

**Notes to the Financial Statements - continued**

**7 Tax charge on profit on ordinary activities**

	<b>30/06/2017</b>	<b>30/06/2016</b>
	Group	Group
	£	£
Current tax overseas tax	(110,748)	(82,366)
Over provision in respect of prior years	-	(27,228)
	<u>(110,748)</u>	<u>(109,594)</u>
<b>Deferred tax</b>		
Origination and reversals of timing differences		
Origination and reversals of timing differences - overseas	7,069	2,522
Adjustment in respect of prior years	19,800	2,432
	<u>26,869</u>	<u>4,954</u>
<b>Tax on profit on ordinary activities</b>	<u><u>(83,879)</u></u>	<u><u>(104,640)</u></u>
<b>Factors affecting tax charge for the year</b>	£	£
Profit on ordinary activities before taxation	<u>311,525</u>	<u>1,676,656</u>
Tax @ 19.75% (2016: 20.00%) thereon	(61,526)	(335,331)
Partnership profit taxable in hands of members	45,717	300,140
Expenses not deductible for tax purposes	(59,555)	(122,084)
Movements on deferred tax rates	25,921	3,865
Non taxable income	-	63,813
Overseas tax rate and other disallowables	(11,370)	(46,449)
Deferred tax not recognised	(23,066)	31,406
	<u><u>(83,879)</u></u>	<u><u>(104,640)</u></u>

The standard rate of tax applied to reported profit on ordinary activities is 19.75% (2016: 20.00%). There is no expiry date on timing differences, unused tax losses or tax credits.

# Abingworth LLP

## Annual Report and financial statements for the year ended 30 June 2017

### Notes to the Financial Statements - continued

#### 8 Intangible assets

	Group £	LLP £
<i>Cost:</i>		
Balance as at 1 July 2016	600,000	600,000
Balance at 30 June 2017	<u>600,000</u>	<u>600,000</u>
<i>Amortisation and impairment provisions:</i>		
Balance as at 1 July 2016	546,000	546,000
Amortisation during the period	43,250	43,250
Balance at 30 June 2017	<u>589,250</u>	<u>589,250</u>
<b>Net book value at 30 June 2017</b>	<u>10,750</u>	<u>10,750</u>
<b>Net book value at 30 June 2016</b>	<u>54,000</u>	<u>54,000</u>

The intangible asset recognised in the financial statements arose on the assignment of the investment management contract of Abingworth Bioequities Master Fund Limited from Abingworth Management Limited to Abingworth LLP in 2008. The contract has been amortised on a straight line basis over 10 years.

#### 9 Tangible fixed assets

	Group £	LLP £
<i>Cost:</i>		
Balance at 1 July 2016	827,868	560,864
Acquisitions	30,606	18,160
Disposals	(27,727)	(606)
Foreign exchange adjustment	3,544	-
Balance at 30 June 2017	<u>834,291</u>	<u>578,418</u>
<i>Depreciation</i>		
Balance at 1 July 2016	(589,542)	(465,810)
Depreciation charged for the year	(105,395)	(62,013)
Disposals	26,956	302
Foreign exchange adjustment	878	-
Balance at 30 June 2017	<u>(667,103)</u>	<u>(527,521)</u>
<b>Net book value 30 June 2017</b>	<u>167,188</u>	<u>50,897</u>
<b>Net book value 30 June 2016</b>	<u>238,326</u>	<u>95,054</u>

#### 10 Fixed asset investments

	Group £	LLP £
Balance at 1 July 2016	14,376	214,630
Fair value adjustment	3,339	3,339
Balance at 30 June 2017	<u>17,715</u>	<u>217,969</u>

Fixed assets investments comprise investments in subsidiary undertakings and an investment in Abingworth Bioequities LP held by Abingworth Bioequities GP Limited.

#### 11 Current asset investments

	2017 Group £	2017 LLP £	2016 Group £	2016 LLP £
Amounts due within 1 year	<u>-</u>	<u>-</u>	<u>1,223,855</u>	<u>1,223,855</u>

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

# Abingworth LLP

## Annual Report and financial statements for the year ended 30 June 2017

### Notes to the Financial Statements - continued

12 Debtors: amounts falling due within one year	30/06/2017 Group £	30/06/2017 LLP £	30/06/2016 Group £	30/06/2016 LLP £
Sundry debtors	544,242	617,186	326,920	190,261
Prepayments and accrued income	386,121	380,284	661,323	658,693
VAT receivable	100,197	100,197	45,273	45,273
Overseas deferred tax	35,822	-	28,199	-
	<u>1,066,382</u>	<u>1,097,667</u>	<u>1,061,715</u>	<u>894,227</u>

13 Creditors: amounts falling due within one year	30/06/2017 Group £	30/06/2017 LLP £	30/06/2016 Group £	30/06/2016 LLP £
Trade creditors	68,204	68,204	107,149	107,149
Accruals and deferred income	409,643	274,066	512,621	436,120
Other creditors	289,068	91,652	334,133	48,862
Due to group companies	23,553	23,867	24,874	152,049
Overseas tax	54,849	-	57,337	-
	<u>845,317</u>	<u>457,789</u>	<u>1,036,114</u>	<u>744,180</u>

14 Creditors: amounts falling due after one year	30/06/2016 Group £	30/06/2016 LLP £	30/06/2016 Group £	30/06/2016 LLP £
Deferred tax creditors	<u>6,378</u>	<u>-</u>	<u>26,178</u>	<u>-</u>

£458,405 (2016: £541,025) in deferred tax assets related to the losses in the Group was not recognised in the consolidated balance sheet at the year end on the basis that the losses are not expected to be utilised in the foreseeable future.

### 15 Operating lease commitments

At 30 June 2017, total future minimum lease payments under non cancellable operating leases are as follows:

	2017 Group £	Land and buildings 2017 LLP £	2016 Group £	2016 LLP £
Payable within 1 year				
- UK	415,730	415,730	394,200	394,200
- US	234,166	-	223,053	-
Payable within 2-5 years				
- UK	863,587	863,587	-	-
- US	384,506	-	583,402	-
Payable in more than 5 years				
- US	-	-	20,337	-
	<u>1,897,989</u>	<u>1,279,317</u>	<u>1,220,992</u>	<u>394,200</u>

Leases of land and buildings are typically subject to rent reviews at specified intervals and provide for the lessee to pay all insurance, maintenance and repair costs.

# Abingworth LLP

## Annual Report and financial statements for the year ended 30 June 2017

### Notes to the Financial Statements - continued

#### 16 Particulars of subsidiary undertakings

	Country of incorporation	Registered office	Activity	Percentage of ordinary shares and voting rights held
The following are subsidiary undertakings at 30 June 2017:				
Abingworth Management Inc (Federal ID 52-2034456) 10 Issued ordinary shares of US \$1 each	USA	3000 Sand Hill Road 94025-7113 Menlo Park USA	Investment advisory services	100%
Abingworth General Partner VII LLP (Registration number SO305710) Capital contributions totalling £100	United Kingdom	50 Lothian Road Edinburgh EH3 9WJ	General Partner of limited partnership	100%
Abingworth CCD General Partner LLP (Registration number SO305376) Capital contributions totalling £100	United Kingdom	50 Lothian Road Edinburgh EH3 9WJ	General Partner of limited partnership	100%
Abingworth CCD GP Limited (Registration number 09622429) Capital contributions totalling £1	United Kingdom	38 Jermyn Street London SW1Y 6DN	General Partner of limited partnership	100%
Abingworth General Partner VI LLP (Registration number SO303932) Capital contributions totalling £100	United Kingdom	50 Lothian Road Edinburgh EH3 9WJ	General Partner of limited partnership	100%
Abingworth Bioventures GP Limited (Registration number 08012038) 1 Issued ordinary share of £1	United Kingdom	38 Jermyn Street London SW1Y 6DN	Member of Abingworth General Partner VI LLP	100%
Abingworth Second Partner Limited (Registration number 08012043) 1 Issued ordinary share of £1	United Kingdom	38 Jermyn Street London SW1Y 6DN	Member of Abingworth General Partner VI LLP	100%
Abingworth General Partner V LLP (Registration number SO304706) Capital contributions totalling £100	United Kingdom	50 Lothian Road Edinburgh EH3 9WJ	General Partner of limited partnership	100%
Abingworth Bioventures V GP Limited (Registration number SC312191) 1 Issued ordinary share of £1	United Kingdom	50 Lothian Road Edinburgh EH3 9WJ	General Partner of limited partnership	100%
Abingworth BioEquities Fund GP Ltd (Registration number MC- 150405) 10,000 Issued ordinary shares of US \$1 each	Cayman Islands	Ugland House South Church Street Cayman Island	General Partner of limited partnership	100%

Abingworth General Partner VII LLP, Abingworth General Partner VI LLP, Abingworth General Partner V LLP and Abingworth BioEquities Fund GP Limited act as the general partners for investment funds. The group has taken advantage of the section 479a exemption from audit for Abingworth General Partner VII LLP as it is a dormant entity.

## **Abingworth LLP**

### **Annual Report and financial statements for the year ended 30 June 2017**

#### **Notes to the Financial Statements - continued**

##### **17 Related party disclosures**

Abingworth LLP has provided facilities and services to Abingworth Management Limited. During the year, no payment was made (2016: £nil) by Abingworth Management Limited in respect of these facilities and services. There is a credit due to Abingworth Management Limited totalling £23,407 at year-end (2016: £24,183), representing the interest on the special member's capital account less any recharged expenses.

Abingworth Management Limited has a non equity interest and certain control rights over Abingworth LLP as set out in the partnership agreement.

There is a credit due to Abingworth Bioventures III GP Limited totalling £90 (2016: £506) and due to Abingworth Bioventures IV GP Limited totalling £58 (2016: due from £136) at year-end, representing recharged expenses. There is also a credit due from Abingworth Management Holdings Limited totalling £6,426 at year-end (2016: due to £515), representing recharged expenses.

At the end of the year, there was an amount due from Abingworth Bioventures VII LP totalling £341,579 (2016: £91,271), £18,202 (2016: £734) from Abingworth Bioventures VI LP and £4,097 (2016: £9,660) from Abingworth Clinical co Development LP representing expenses to be recharged.

The partnership has taken advantage of the exemption granted by FRS 102 paragraph 33, Related Party Disclosures not to disclose transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party to the transaction is wholly-owned by a member of that group. Therefore, the transactions between Abingworth LLP and its wholly-owned subsidiary undertakings have not been disclosed.

##### **18 Immediate and ultimate parent companies**

Abingworth Management Limited has a right to a preferred return from the LLP's annual profits and a right to appoint new Members and therefore is treated as the controlling party of the LLP and is its immediate parent company.

The ultimate parent company is Abingworth Management Holdings Limited, a company incorporated in Great Britain and registered in England and Wales. Abingworth Management Holdings Limited represents the immediate and ultimate parent company and ultimate controlling party of Abingworth Management Limited. The Abingworth Management Holdings Group is the both the smallest and the largest group that consolidates Abingworth LLP.

Copies of the Abingworth Management Holdings Limited group accounts are available from the parent company's registered office at 38 Jermyn Street, London SW1Y 6DN.



## Abingworth LLP

### Annual Report and financial statements for the year ended 30 June 2017

#### Notes to the Financial Statements - continued

##### 19 Limited partnerships

As described in note 1, the results of certain limited partnerships are not consolidated. Had these been consolidated, the effect on the consolidated balance sheet would have been as follows:

	2017	2016
	£ 'm	£ 'm
Turnover decreases	(10)	(11)
Expenses increase	(2)	(1)
Investments increase	1	1
Capital gains increase	111	72
increases	<u>101</u>	<u>60</u>
Fixed assets	551	452
Current assets	<u>17</u>	<u>21</u>
	<u>567</u>	<u>473</u>
Minority interest	567	473
	<u>567</u>	<u>473</u>

The limited partnerships mentioned above include:

Abingworth Bioventures V

Abingworth Bioventures VI

Abingworth Clinical Co-Development

##### 20 Post Balance Sheet events

There were no post balance sheet events occurring after the balance sheet date.