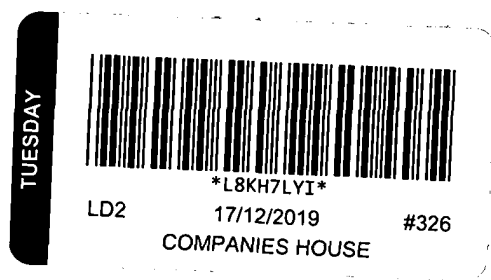


REGISTERED NUMBER: OC333709 (England and Wales)

**Report of the Members and  
Financial Statements for the 17 month Period from 1 August 2017 to 31 December 2018  
for  
Touchstone Innovations Businesses LLP**



**Contents of the Financial Statements  
for the Period 1 August 2017 to 31 December 2018**

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**Touchstone Innovations Businesses LLP**

**General Information**  
**for the Period 1 August 2017 to 31 December 2018**

**DESIGNATED MEMBERS:** IP2IPO Innovations Limited  
Touchstone Innovations Investments Limited

**REGISTERED OFFICE:** The Walbrook Building  
25 Walbrook  
London  
EC4N 8AF

**REGISTERED NUMBER:** OC333709 (England and Wales)

**AUDITORS:** KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

**Touchstone Innovations Businesses LLP (Registered number: OC333709)**

**Report of the Members  
for the Period 1 August 2017 to 31 December 2018**

The members present their report with the financial statements of the LLP for the 17 month period from 1 August 2017 to 31 December 2018.

**PRINCIPAL ACTIVITY**

The principal activity of the LLP in the period under review was that of an investment holding vehicle with investments in both start up and more established technology companies. The LLP is the vehicle for the Touchstone Innovations plc carried interest plan for employees.

**EVENTS SINCE THE END OF THE PERIOD**

Information relating to events since the end of the period is given in the notes to the financial statements.

**DESIGNATED MEMBERS**

The designated members during the period under review were:

- IP2IPO Innovations Limited
- Touchstone Innovations Investments Limited

**RESULTS FOR THE PERIOD AND ALLOCATION TO MEMBERS**

The loss for the period before members' remuneration and profit shares was £133,561,846 (2017 - £66,998,420 profit).

**MEMBERS' INTERESTS**

There were no changes to members' interests in the period.

Amounts due by members reduced by £52,350,000 as a result of repayments made towards the promissory note by IP2IPO Innovations Limited.

**GOING CONCERN**

The Company has adequate financial resources, therefore the Directors believe that the Company is well placed to manage its business risks successfully and to meet its liabilities as they fall due for at least twelve months from the date of approval of these financial statements.

**STATEMENT OF MEMBERS' RESPONSIBILITIES**

The members are responsible for preparing the Report of the Members and the financial statements in accordance with applicable law and regulations.

The Limited Liability Partnerships (Accounts and 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 UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members 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 LLP and of its profit or loss for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the LLP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the members are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the LLP's auditors are unaware, and each member has taken all the steps that he or she ought to have taken as a member in order to make himself or herself aware of any relevant audit information and to establish that the LLP's auditors are aware of that information.


Touchstone Innovations Businesses LLP (Registered number: OC333709)

**Report of the Members  
for the Period 1 August 2017 to 31 December 2018**

**AUDITORS**

The auditor KPMG LLP is deemed to have been appointed in accordance with section 487 of the Companies Act 2006.

**ON BEHALF OF THE MEMBERS:**

  
.....  
IP2IPO Innovations Limited - Designated member

Date: 12.12.2019

**Report of the Independent Auditors to the Members of  
Touchstone Innovations Businesses LLP (Registered number: OC333709)**

**Opinion**

We have audited the financial statements of Touchstone Innovations Businesses LLP ("the LLP") for the 17 month period ended 31 December 2018 which comprise the Income Statement, Balance Sheet and Reconciliation of Members' Interests and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view, of the state of affairs of the LLP as at 31 December 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006 as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the LLP in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**The impact of uncertainties due to the UK exiting the European Union on our audit**

*Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the members, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the LLP's future prospects and performance.*

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the LLP's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for an LLP and this is particularly the case in relation to Brexit.

**Going concern**

The members have prepared the financial statements on the going concern basis as they do not intend to liquidate the LLP or to cease its operations, and as they have concluded that the LLP's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the members' conclusions, we considered the inherent risks to the LLP's business model, including the impact of Brexit, and analysed how those risks might affect the LLP's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the LLP will continue in operation.

**Other information**

The members are responsible for the other information, which comprises the Report of the Members. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

**Report of the Independent Auditors to the Members of  
Touchstone Innovations Businesses LLP (Registered number: OC333709)**

**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 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
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

**Members' responsibilities**

As explained more fully in their statement set out on page 2, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the LLP'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 they either intend to liquidate the LLP or to cease operations, or have no realistic alternative but to do so.

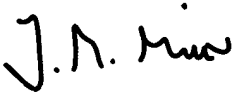
**Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the members of the LLP, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Mills (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
15 Canada Square  
London  
E14 5GL

Date: 12 December 2019

Touchstone Innovations Businesses LLP (Registered number: OC333709)

**Income Statement**  
for the Period 1 August 2017 to 31 December 2018

	Notes	Period 1/8/17 to 31/12/18 £	Year Ended 31/7/17 £
<b>TURNOVER</b>		-	9,800
Administrative expenses		<u>4,821,705</u>	<u>(8,976,633)</u>
		4,821,705	(8,966,833)
Change in fair value of investments		<u>(147,325,646)</u>	<u>75,965,253</u>
<b>OPERATING (LOSS)/PROFIT</b>		(142,503,941)	66,998,420
Profit/loss on disposal of fixed asset investments	3	<u>8,941,495</u>	-
		(133,562,446)	66,998,420
Interest receivable and similar income	4	<u>600</u>	-
<b>(LOSS)/PROFIT FOR THE FINANCIAL PERIOD BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS</b>		<u>(133,561,846)</u>	<u>66,998,420</u>

The notes on pages 10 to 17 form part of these financial statements



Touchstone Innovations Businesses LLP (Registered number: OC333709)

Balance Sheet  
31 December 2018

	Notes	£	2018	£	2017	£
<b>FIXED ASSETS</b>						
Investments	6			364,275,772		468,016,407
<b>CURRENT ASSETS</b>						
Debtors: amounts falling due within one year	7	51,945			112,674,846	
Debtors: amounts falling due after more than one year	7	6,942,275			1,676,031	
Cash in hand		<u>18,216,765</u>			<u>218,443</u>	
		25,210,985			114,569,320	
<b>CREDITORS</b>						
Amounts falling due within one year	8	<u>956,773</u>			<u>261,399</u>	
<b>NET CURRENT ASSETS</b>				<u>24,254,212</u>		<u>114,307,921</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>				388,529,984		582,324,328
<b>CREDITORS</b>						
Amounts falling due after more than one year	9		(6,054,365)			(11,083,803)
<b>PROVISIONS FOR LIABILITIES</b>	10		<u>(10,748,952)</u>			<u>(6,713,169)</u>
<b>NET ASSETS ATTRIBUTABLE TO MEMBERS</b>				<u>371,726,667</u>		<u>564,527,356</u>
<b>LOANS AND OTHER DEBTS DUE TO MEMBERS</b>	11			387,452,289		446,691,132
<b>MEMBERS' OTHER INTERESTS</b>						
Other reserves			<u>(15,725,622)</u>			<u>117,836,224</u>
			<u>371,726,667</u>			<u>564,527,356</u>
<b>TOTAL MEMBERS' INTERESTS</b>						
Loans and other debts due to members	11		387,452,289			446,691,132
Members' other interests			<u>(15,725,622)</u>			<u>117,836,224</u>
Amounts due from members	7		<u>-</u>			<u>(111,599,369)</u>
			<u>371,726,667</u>			<u>452,927,987</u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 as applied to LLPs by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 relating to small LLPs.

The financial statements were approved by the members of the LLP on 12.12.2019 and were signed by:

  
IP2IPO Innovations Limited - Designated member

Touchstone Innovations Businesses LLP (Registered number: OC333709)

Reconciliation of Members' Interests  
for the Period 1 August 2017 to 31 December 2018

	EQUITY Members' other interests	DEBT Loans and other debts due to members less any amounts due from members in debtors			TOTAL MEMBERS' INTERESTS
	Other reserves £	Members' capital (classified as debt) £	Other amounts £	Total £	Total £
Amount due to members		446,691,132	-	446,691,132	
Amount due from members		-	(111,599,369)	(111,599,369)	
Balance at 1 August 2017	117,836,224	446,691,132	(111,599,369)	335,091,763	452,927,987
Loss for the financial period available for discretionary division among members	(133,561,846)	-	-	-	(133,561,846)
Members' interests after loss for the period	(15,725,622)	446,691,132	(111,599,369)	335,091,763	319,366,141
Introduced by members	-	-	52,360,526	52,360,526	52,360,526
Impairment of unpaid promissory note	-	(61,136,719)	61,136,719	-	-
Amount due to members		385,554,413	1,897,876	387,452,289	
Amount due from members		-	-	-	
Balance at 31 December 2018	(15,725,622)	385,554,413	1,897,876	387,452,289	371,726,667

Touchstone Innovations Businesses LLP (Registered number: OC333709)

Reconciliation of Members' Interests  
for the Period 1 August 2017 to 31 December 2018

	EQUITY Members' other interests	DEBT Loans and other debts due to members less any amounts due from members in debtors			TOTAL MEMBERS' INTERESTS
	Other reserves £	Members' capital (classified as debt) £	Other amounts £	Total £	Total £
Amount due to members		356,690,948	-	356,690,948	
Amount due from members		-	(70,399,747)	(70,399,747)	
Balance at 1 August 2016	50,837,804	356,690,948	(70,399,747)	286,291,201	337,129,005
Profit for the financial period available for discretionary division among members	66,998,420	-	-	-	66,998,420
Members' interests after profit for the year	117,836,224	356,690,948	(70,399,747)	286,291,201	404,127,425
Introduced by members	-	90,000,184	(41,199,622)	48,800,562	48,800,562
Amount due to members		446,691,132	-	446,691,132	
Amount due from members		-	(111,599,369)	(111,599,369)	
Balance at 31 July 2017	117,836,224	446,691,132	(111,599,369)	335,091,763	452,927,987

**Notes to the Financial Statements - continued  
for the Period 1 August 2017 to 31 December 2018**

**1. STATUTORY INFORMATION**

Touchstone Innovations Businesses LLP is registered in England and Wales. The LLP's registered number and registered office address can be found on the General Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared on the going concern basis and in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"), the Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008, the Large and Medium Sized LLP (Accounts) Regulations 2008 and the Statement of Recommended Practice "Accounting by Limited Liability Partnerships" ("LLP SORP") issued in March 2010. The amendments to FRS 101 issued in December 2016 and effective immediately have been applied.

In preparing these financial statements, the LLP applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the LLP has applied the exemptions available under FRS 101 in respect of the following disclosures: a Cash Flow Statement and related notes; disclosures in respect of capital management; the effects of new but not yet effective IFRSs; and disclosures of transactions with a management entity that provides key management personnel services to the LLP.

The LLP proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

**Related party exemption**

In accordance with IAS 24 "Related Parties Disclosures", the LLP discloses details of material transactions between the reporting entity and related parties. However, transactions between the LLP and other Group companies have not been disclosed in accordance with the exemption in IAS 24 paragraph.

**Equity investments**

The fair values of quoted investments are based on bid prices in an active market at the reporting date. The fair value of unlisted securities is established using valuation techniques. These include the use of recent arm's length transactions, discounted cash flow analysis and earnings multiples. Wherever possible, the Company uses valuation techniques which make maximum use of market-based inputs. Accordingly, the valuation methodology used most commonly by the Company is the "price of recent investment" contained in the International Private Equity and Venture Capital Valuation Guidelines (the "IPEV Guidelines") endorsed by the British and European Venture Capital Associations. The following considerations are used when calculating the fair value of unlisted securities:

**Cost**

Where the investment being valued was itself made recently, its cost may provide a good indication of fair value unless there is objective evidence that the investment has since been impaired, such as observable data suggesting a deterioration of the financial, technical, or commercial performance of the underlying business.

Notes to the Financial Statements - continued  
for the Period 1 August 2017 to 31 December 2018

2. ACCOUNTING POLICIES - continued

**Price of recent investment**

The Company considers that fair value estimates, which are based entirely on observable market data, will be of greater reliability than those based on assumptions and, accordingly, where there has been any recent investment by third parties, the price of that investment will generally provide a basis of the valuation. The length of period for which it remains appropriate to use the price of recent investment depends on the specific circumstances of the investment and the stability of the external environment.

Given the nature of the Company's investments in seed, start-up and early-stage companies, where there are often no current and no short-term future earnings or positive cash flows, it can be difficult to gauge the probability and financial impact of the success or failure of development or research activities and to make reliable cash flow forecasts. Consequently, the most appropriate approach to determine fair value is a methodology that is based on market data, that being the price of a recent investment. Where the Company considers that the price of recent investment, unadjusted, is no longer relevant and there are limited or no comparable companies or transactions from which to infer value, the Company carries out an enhanced assessment based on milestone analysis and/or industry and sector analysis. In applying the milestone analysis approach to investments in companies in early or development stages, the Company seeks to determine whether there is an indication of change in fair value based on a consideration of performance against any milestones that were set at the time of the original investment decision, as well as taking into consideration the key market drivers of the investee company and the overall economic environment.

Where the equity structure of a portfolio company involves different class rights in a sale or liquidity event, the Company takes these different rights into account when forming a view on the value of its investment.

Where the Company considers that there is an indication that the fair value has changed, an estimation is made of the required amount of any adjustment from the last price of recent investment, or an alternative valuation technique is used where this is deemed more appropriate. Where a deterioration in value has occurred, the Company reduces the carrying value of the investment to reflect the estimated decrease. If there is evidence of value creation the Company may consider increasing the carrying value of the investment; however, in the absence of additional financing rounds or profit generation it can be difficult to determine the value that a purchaser may place on positive developments given the potential outcome and the costs and risks to achieving that outcome and, accordingly, caution is applied.

Factors that the Company considers include, inter alia, technical measures such as product development phases and patent approvals, financial measures such as cash burn rate and profitability expectations, and market and sales measures such as testing phases, product launches and market introduction.

**Other valuation techniques**

Where it is no longer deemed appropriate to use the price of recent investment as a valuation basis, the Company uses alternative methodologies in the IPEV Guidelines such as discounted cash flows ("DCF") or price-earnings multiples. DCF involves estimating the fair value of a business by calculating the present value of expected future cash flows, based on the most recent forecasts in respect of the underlying business.

When using the earnings multiple methodology, earnings before interest and tax ("EBIT") are generally used, adjusted to a maintainable level. A suitable earnings multiple is derived from an equivalent business or group of businesses, for which the average price-earnings multiple for the relevant sector index can generally be considered a suitable proxy. This multiple is applied to earnings to derive an enterprise value which is then discounted by up to 60% for non-marketability and other risks inherent to businesses in early stages of operation.

**No reliable estimate**

Where a fair value cannot be estimated reliably, the investment is reported at the carrying value at the previous reporting date unless there is objective evidence that the investment has since been impaired.

**Debt investments**

Debt investments are generally unquoted debt instruments which are convertible to equity at a future point in time. Such instruments are considered to be hybrid instruments containing a fixed rate debt host contract with an embedded equity derivative. The Company designates the entire hybrid contract at fair value through profit or loss on initial recognition and, accordingly, the embedded derivative is not separated from the host contract and accounted for separately. The fair value of debt on initial recognition is measured at fair value which is equal to cost and subsequent remeasurement will be recognised as changes in fair value in the statement of comprehensive income.

Notes to the Financial Statements - continued  
for the Period 1 August 2017 to 31 December 2018

2. ACCOUNTING POLICIES - continued

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand and short-term deposits held with financial institutions with an original maturity of three months or less.

**Financial liabilities**

The LLP operates a carried interest plan or Long-Term Incentive Carry Scheme ("LTICS") for eligible employees. Before any payment to a participant becomes due under the scheme, the LLP must first have received back the amount of their investment in the relevant vintage together with a hurdle rate of 8% per annum compound on their investment. At the point at which the hurdle rate has been exceeded a provision is included for the unrealised gain due to members of the scheme vintage. The provision is measured by reference to the fair value of the relevant investments, with movements in the provision taken to the consolidated statement of comprehensive income.

The LLP provides for liabilities in respect of revenue sharing with Imperial College London, arising under the Technology Pipeline Agreement ("TPA"), and other parties. The liability for revenue-share, based on fair value, on the future realisation of quoted and unquoted investments is recognised as part of the movement in fair value through profit or loss.

3. LOSS FOR THE FINANCIAL PERIOD / YEAR

	Period from 1/8/17 to 31/12/18 £	Year Ended 31/7/17 £
Profit/loss on disposal of fixed asset investments	<u>8,941,495</u>	<u>-</u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period from 1/8/17 to 31/12/18 £	Year Ended 31/7/17 £
Deposit account interest	<u>600</u>	<u>-</u>

5. CARRIED INTEREST PLAN

	Period from 1/8/17 to 31/12/18 £	Year ended 31/7/17 £
Long term incentive carry scheme release/(accrual)	<u>4,997,389</u>	<u>(9,006,002)</u>

Notes to the Financial Statements - continued  
for the Period 1 August 2017 to 31 December 2018

6. FIXED ASSET INVESTMENTS

	Level 1		Level 3		
			Level 3a	Level 3b	
	Equity investments in quoted spin-out companies	Equity investments in unquoted spin-out companies	Unquoted debt investments in spin-out companies	Equity investments in unquoted spin-out companies	Total
	£	£	£	£	£
At 1 August 2017	42,432,953	119,805,648	1,749,999	304,027,807	468,016,407
Investments during the period	-	38,420,331	381,833	26,380,996	65,183,160
Disposals	(5,576,576)	(1,471,089)	-	(17,820,024)	(24,867,689)
Transfers out		(766,244)			(766,244)
Change in revenue share	282,640	285,909	-	3,467,234	4,035,783
Fair value movements	(22,999,924)	18,984,174	(1,749,999)	(141,559,896)	(147,325,645)
At 31 December 2018	<u>14,139,093</u>	<u>175,258,729</u>	<u>381,833</u>	<u>174,496,117</u>	<u>364,275,772</u>

Significant equity investments

At 31 December 2018, the Company has investments where it holds 20% or more of the issued share capital in the following companies:

Name of undertaking	Registered address	Proportion of nominal value held % (note 1)
Apcintex Limited	25 Great Pulteney Street, London, W1F 9LT	27.4%
A Preference shares		46.2%
Aqdot Limited	2 Iconix Park, London Road, Cambridge, CB22 3EG	41.8%
Preference shares		79.7%
Autifony Therapeutics Limited	Stevenage Bioscience Catalyst, Gunnels Wood Road, Stevenage, SG1 2FX	28.2%
Ordinary Shares		4.0%
A Preference Shares		38.4%
A3 Preference Shares		35.5%
Cagen Limited	52 Princes Gate, Exhibition Road, London, SW7 2PG	22.5%
Calcico Therapeutics Limited	158-160 North Gower Street, London, NW1 2ND	39.4%
A Ordinary Shares		50.0%
Seed Preferred Shares		33.3%
Cardian Limited	30 Broad Street Broad Street, Great Cambourne, Cambridge, CB23 6HJ	41.8%
A Preference Shares		100.0%
Ordinary Shares		20.0%
Cell Medica Limited	8-14 St Pancras Way, London, NW1 0QG	24.6%
A Preference Shares		16.4%
B Preference Shares		30.0%
C Preference Shares		22.8%
Ordinary Shares		29.7%
Chrysalix Technologies Limited	The Walbrook Building, 25 Walbrook, London, EC4N 8AF	20.0%
Concirrus Limited	New City Court, 20 St. Thomas Street, London, SE1 9RS	41.8%
Series A Shares		88.8%

Notes to the Financial Statements - continued  
for the Period 1 August 2017 to 31 December 2018

6. FIXED ASSET INVESTMENTS – continued

Convincis Limited	52 Princes Gate, London, SW7 2PG	25.0%
Cortexica Vision Systems Limited	Wework Southbank Central, 30 Stamford Street, London, SE1 9LQ	29.9%
Digitalstitch Limited	8 Font Hills, London, N2 8LE	25.7%
Econic Technologies Limited	Block 19s Alderley Park, Macclesfield, SK10 4TG	49.7%
A Preference Shares		41.2%
B Preference Shares		50.0%
C Preference Shares		42.9%
A Ordinary Shares		86.3%
Ordinary Shares		6.9%
Embody Orthopaedic Limited	52 Princes Gate, Exhibition Road, London, SW7 2PG	31.4%
Enterprise Therapeutics Limited	Sussex Innovation Centre Science Park Square, Falmer, Brighton, BN1 9SB	28.2%
Series A Shares		47.6%
Series B Shares		16.4%
Epsilon 3 Bio Limited	Moneta Building Babraham Research Campus, Babraham, Cambridge, CB22 3AT	22.6%
A Preference Shares		28.1%
Featurespace Limited	21 J J Thomson Avenue, Cambridge, CB3 0FA	25.4%
A Preference Shares		32.3%
B Preference Shares		64.4%
C Preference Shares		63.4%
D Preference Shares		39.6%
E Preference Shares		8.6%
Garrison Technology Limited	117 Waterloo Road, London, SE1 8UL	20.3%
A Preference Shares		94.9%
A1 Preference Shares		25.0%
A2 Preference Shares		32.9%
Gripable Limited	52 Princes Gate, Exhibition Road, London, SW7 2PG	37.3%
Ieso Digital Health Limited	The Jeffreys Building, Cowley Road, Cambridge, CB4 0DS	45.5%
A Ordinary Shares		85.1%
A1 Preference Shares		45.2%
Ordinary shares		16.3%
Impression Technologies Limited	Lyons Park, 46 Sayer Drive, Coventry, CV5 9PF	52.9%
Ordinary Shares		47.6%
Series A Shares		62.5%
Series B Shares		50.0%
Inflowmatix Limited	Penningtons Manches Llp Apex Plaza, Forbury Road, Reading, RG1 1AX	54.9%
A Preference Shares		100.0%
Ordinary shares		13.7%
Inivata Limited	The Portway Granta Park, Great Abington, Cambridge, CB21 6GS	31.3%
A Preference Shares		37.5%
Series A Shares		31.7%
Series B Shares		32.9%



Notes to the Financial Statements - continued  
for the Period 1 August 2017 to 31 December 2018

6. FIXED ASSET INVESTMENTS - continued

Lomare Technologies Limited	52 Princes Gate, Exhibition Road, London, SW7 2PG	20.0%
Mission Therapeutics Limited	Babraham Hall, Babraham, Cambridge, CB22 3AT	20.6%
A Preference Shares		22.5%
B Preference Shares		22.5%
C Preference Shares		22.5%
Monolith AI Limited	12-18 Hoxton Street, London, N1 6NG	29.5%
Nascent Limited	30 Broad Street, Great Cambourne, Cambridge, CB23 6HJ	70.5%
Ordinary Shares		25.0%
Preference Shares		100.0%
Nexxon Limited	136 Eastern Avenue, Milton Park, Abingdon, OX14 4SB	33.1%
Ordinary shares		19.4%
Ordinary Shares Series A		53.6%
Ordinary Shares Series B		43.0%
Ordinary Shares Series C		37.5%
Oxford Biotrans Limited	30 Upper High Street, Thame, OX9 3EZ	39.3%
Seed Preferred		64.4%
Oxular Limited	Magdalen Centre, Robert Robinson Avenue, Oxford, OX4 4GA	24.1%
A Preference Shares		44.0%
Process Systems Enterprise Limited	Faraday House Sir William Siemens Square, Frimley, Camberley, GU16 8QD	22.7%
PsiOxus Therapeutics Limited	Abingdon Science Park, Abingdon, OX14 3YS	25.0%
A Preference Shares		52.7%
B Preference Shares		24.8%
Ordinary Shares		2.3%
Reinfer Limited	114 Whitechapel High Street, London, E1 7PT	23.1%
Seed Preference Shares		73.3%
Sam Labs Limited	Heydon Lodge Flint Cross, Newmarket Road, Heydon, Royston, SG8 7PN	26.4%
A Ordinary Shares		52.4%
C Ordinary Shares		38.5%
Sensixa Limited	53 Cavendish Road, London, SW12 0BL	35.9%
Silicon Microgravity Limited	Clarendon House, Clarendon Road, Cambridge, CB2 8FH	27.7%
B Preference Shares		47.2%
Seed Preferred Shares		71.9%
Sub Salt Solutions Limited	The Walbrook Building, 25 Walbrook, London, EC4N	28.2%
Sweetgen Limited	52 Princes Gate, Exhibition Road, London, SW7 2PG	25.0%
Thisway Global Limited	Platinum Building St John's Innovation Park, Cowley Road, Cambridge, CB4 0DS	21.5%
Series A Shares		57.2%
Topivert Limited	265 Strand, London, WC2R 1BH	29.5%
A Preference Shares		34.0%
Ordinary Shares		50.0%
TriboSim Limited	52 Princes Gate, Exhibition Road, London, SW7 2PG	22.5%

Notes to the Financial Statements - continued  
for the Period 1 August 2017 to 31 December 2018

6. FIXED ASSET INVESTMENTS - continued

Yoyo Wallet Limited	78 2nd Floor, Whitfield Street, London, W1T 4EZ	40.1%
Ordinary Shares		10.3%
Series 1 Seed Shares		31.9%
Series 2 Seed Shares		77.7%
Series A Preference Shares		83.8%
Series B1 Preference Shares		33.3%
Series B2 Preference Shares		33.3%
Zoompast Limited	35-37 Ludgate Hill, London, EC4M 7JN	31.3%

Note 1: All holdings are via ordinary shares unless separate classes are specified in the table.

All companies above are incorporated in the United Kingdom. The significant influence noted above has been determined in line with IAS 28 and Schedule 4 of The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008.

7. DEBTORS

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	51,945	1,075,477
Amounts due from members	-	111,599,369
	<u>51,945</u>	<u>112,674,846</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>6,942,275</u>	<u>1,676,031</u>
Aggregate amounts	<u>6,994,220</u>	<u>114,350,877</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	902,130	250,193
Accruals and deferred income	<u>54,643</u>	<u>11,206</u>
	<u>956,773</u>	<u>261,399</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
Amounts owed to group undertakings	19,383	19,383
Carried interest plan liability	5,739,530	10,736,918
Other creditors	<u>295,452</u>	<u>327,502</u>
	<u>6,054,365</u>	<u>11,083,803</u>

Notes to the Financial Statements - continued  
for the Period 1 August 2017 to 31 December 2018

10. REVENUE SHARE LIABILITY

	£
Balance at 1 August 2017	6,713,169
Charge to Income Statement during period	<u>4,035,783</u>
Balance at 31 December 2018	<u>10,748,952</u>

Revenue share liability relates to revenue share obligations in respect of equity investments, arising under the Technology Pipeline Agreement with Imperial College London.

11. LOANS AND OTHER DEBTS DUE TO MEMBERS

Loans and other amounts due to members rank pari passu with unsecured creditors.

12. RELATED PARTY DISCLOSURES

As the company is a wholly owned subsidiary of IP Group plc, the company has taken advantage of the exemption contained in IAS24 and has therefore not disclosed transactions or balances with entities which form part of the IP Group plc group.

13. EVENTS AFTER THE REPORTING PERIOD

On Monday 28<sup>th</sup> October 2019, the company completed the sale of its holding in Process Systems Enterprise Limited, receiving initial consideration of £23.5m, of which £13.8m will be retained by the company following the settlement of its revenue share commitments with third parties including Imperial College.

14. IMMEDIATE AND ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent company is Touchstone Innovations plc and the ultimate controlling party is considered to be IP Group plc. The immediate and ultimate parent companies were incorporated in the United Kingdom. The results of the company are consolidated in the group accounts of the ultimate parent company's financial statements. Copies of the ultimate parent company's financial statements may be obtained from the Secretary of IP Group plc, The Walbrook Building, 25 Walbrook, London, EC4N 8AF.