

**Company Registration No. SC211185**

**Abingworth Bioventures III GP  
Limited**  
**Report and Financial Statements**

**30 June 2008**

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# **Abingworth Bioventures III GP Limited**

## **Report and financial statements 2008**

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# **Abingworth Bioventures III GP Limited**

## **Report and financial statements 2008**

### **Officers and professional advisers**

#### **Directors**

S W Bunting  
J F Abell  
D F J Leathers

#### **Secretary**

J G Heard

#### **Registered office**

50 Lothian Road  
Edinburgh  
Midlothian  
EH3 9BY

#### **Bankers**

Barclays Bank PLC  
Pall Mall Corporate Group  
London  
SW1A 1QB

#### **Auditors**

Deloitte & Touche LLP  
London

# **Abingworth Bioventures III GP Limited**

## **Directors' report**

The directors present their annual report and the audited financial statements for the financial year ended 30 June 2008. This directors' report has been prepared in accordance with the special provisions relating to small companies under section 246(4) of the Companies Act 1985.

### **Activities**

Abingworth Bioventures III GP Limited acts as the general partner of a Scottish Limited partnership, Abingworth Bioventures III GP L P.

### **Review of developments**

The Company made a profit after taxation of £303,620 (2007 – £160,590).

### **Dividends**

The directors have paid an interim dividend for 2008 of £140,000 and an interim dividend for 2007 of £55,000 during the year (2007 – paid £250,000 interim dividend for 2006).

### **Indemnity**

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

### **Future prospects**

The Company will continue to act as the general partner of Abingworth Bioventures III GP L P.

### **Directors**

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

S W Bunting  
J F Abell  
D F J Leathers

### **Disclosure of information to auditors**

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

1. so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
2. the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

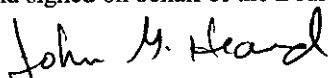
## **Abingworth Bioventures III GP Limited**

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

#### **Auditors**

A resolution to re appoint Deloitte & Touche LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting

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



J G Heard  
Secretary

22 Oct 2008

# **Abingworth Bioventures III GP Limited**

## **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). The financial statements are required by law to give true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- (a) select suitable accounting policies and then apply them consistently,
- (b) make judgements and estimates that are reasonable and prudent,
- (c) state whether applicable UK accounting standards have been followed, and
- (d) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Independent auditors' report to the members of Abingworth Bioventures III GP Limited**

We have audited the financial statements of Abingworth Bioventures III GP Limited ("the Company") for the year ended 30 June 2008 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. These financial statements have been prepared under the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements are in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion, the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

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

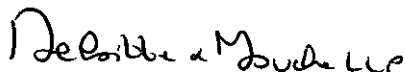
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

## **Independent auditors' report to the members of Abingworth Bioventures III GP Limited (continued)**

### **Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, of the state of the Company's affairs as at 30 June 2008 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements



**Deloitte & Touche LLP**

Chartered Accountants and Registered Auditors  
London, United Kingdom

22 October 2008



## Abingworth Bioventures III GP Limited

### Profit and loss account Year ended 30 June 2008

	Notes	2008 £	2007 £
Turnover	2	2,664,586	2,914,200
Administrative expenses		(2,652,627)	(2,875,140)
Operating profit		11,959	39,060
Bank interest received		276	222
Profit on ordinary activities before taxation	3	12,235	39,282
Tax credit on profit on ordinary activities	4	291,385	121,308
Profit on ordinary activities after taxation	11,12	303,620	160,590

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

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

# Abingworth Bioventures III GP Limited

## Balance sheet 30 June 2008

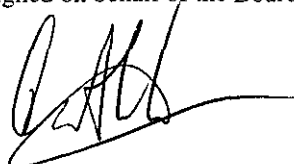
	Notes	2008 £	2007 £
<b>Fixed assets</b>			
Investments	5	4,430	4,430
<b>Current assets</b>			
Debtors	6	1,428,219	1,683,219
Cash at bank and in hand		124,030	35,777
		<u>1,552,249</u>	<u>1,718,996</u>
<b>Creditors: amounts falling due within one year</b>			
Other creditors including taxation and social security	7	<u>(21,044)</u>	<u>(5,026)</u>
<b>Net current assets</b>		<u>1,531,205</u>	<u>1,713,970</u>
<b>Total assets less current liabilities</b>		<u>1,535,635</u>	<u>1,718,400</u>
<b>Provision for liabilities and charges</b>	8	<u>(1,229,069)</u>	<u>(1,520,454)</u>
<b>Net assets</b>		<u>306,566</u>	<u>197,946</u>
<b>Capital and reserves</b>			
Called up share capital	10	1	1
Profit and loss account	11	<u>306,565</u>	<u>197,945</u>
<b>Total equity shareholders' funds</b>	12	<u>306,566</u>	<u>197,946</u>

The notes 1 to 15 form an integral part of the accounts

These financial statements were approved by the Board of Directors and authorised for issue on

22 October 2008

Signed on behalf of the Board of Directors



J F Abell

Director

# **Abingworth Bioventures III GP Limited**

## **Notes to the accounts**

**Year ended 30 June 2008**

### **1. Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom law and in accordance with special provisions relating to small companies under part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective January 2007). The particular accounting policies adopted are described below and have been consistently adopted in the current and prior years.

#### **Consolidation**

The Company has taken advantage of the exemption granted by virtue of Section 228 of the Companies Act 1985 from the requirement to prepare Group accounts in the current and prior period. The results of the Company are included in the consolidated financial statements of Abingworth Management Holdings Limited, a company registered in England and Wales. Therefore these financial statements apply to the Company only.

#### **Accounting convention**

The financial statements are prepared under the historical cost convention.

#### **Turnover**

Turnover comprises the Company's share of profits made by Abingworth Bioventures III GP LP.

Abingworth Bioventures III GP Ltd is the General Partner of Abingworth Bioventures III GP LP, which is in turn the General Partner of four partnerships comprising the investment fund Abingworth Bioventures III (the "Fund"). Under the Fund's Limited Partnership Agreements, Abingworth Bioventures III GP LP is entitled to receive a "General Partner's Share" which is passed on to Abingworth Bioventures III GP Ltd and is used to meet the payment of the Fund's investment management fee to Abingworth Management Limited. The General Partner's Share comprises the first charge on net income and capital gains of the Fund, an annual profit share equivalent to 2.5% of the Fund's committed capital. If net income and capital gains less capital losses in any accounting period are less than the General Partner's Share, the deficiency is paid as an interest free loan, which is recoverable only against future allocations of net income and capital gains. The Company is entitled to this share quarterly in advance. As these advances are not repayable under the terms of the Limited Partnership Agreement, the advances are recognised as turnover as they are earned.

#### **Foreign exchange**

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

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

#### **Investments**

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

#### **Interest**

Interest income is recognised on the accruals basis.

#### **Dividend**

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

#### **Cash flow statement**

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

# Abingworth Bioventures III GP Limited

## Notes to the accounts

Year ended 30 June 2008

### 1. Accounting policies (continued)

#### Taxation

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

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

### 2 Turnover

In the opinion of the directors the Company's activities, as described in the Directors' Report, can be regarded as a single business segment.

In addition, the Company operated in the United Kingdom which in the opinion of the directors can be regarded as a single geographical market.

### 3 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	2008 £	2007 £
Auditors' remuneration      audit fee	4,500	4,100

The directors did not receive any remuneration for services to the Company during the year (2007 – £nil). The Company did not employ any staff during the year (2007 – nil).

### 4 Tax credit on profit on ordinary activities

	2008 £	2007 £
The tax charge comprises		
Current tax		
Adjustment in respect of prior years		148,584
Deferred taxation		
Timing differences, origination and reversal	192,453	121,308
Adjustment in respect of prior years	(2,605)	(148,584)
Prior year deferred tax charge/(credit) due to changing rates	101,537	
	<u>291,385</u>	<u>121,308</u>

# Abingworth Bioventures III GP Limited

## Notes to the accounts Year ended 30 June 2008

### 4 Tax credit on profit on ordinary activities (continued)

#### Factors affecting current tax credit

The tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK of 30 % (2007 30%) The differences are explained below

	2008 £	2007 £
Profit on ordinary activities before tax	12,235	39,281
Tax at 30% (2007 30% ) thereon	(3,670)	(11,785)
Effects of		
Expenses not deductible for tax purposes	(6)	(698)
Movement in short term timing differences advance on profit share	(792,384)	(1,028,642)
Utilisation of tax losses	589,622	907,334
Difference between accounting profit on disposal and chargeable gains	206,377	133,791
Prior year group relief adjustment		148,584
Effect of change in tax rate	61	
		148,584

The tax charge in future periods will be impacted by the change in the UK corporation tax rate to 28% with effect from 1 April 2008

### 5. Investments

	Interests in partnerships £
At Cost and Net Book Value	
As at 1 July 2007 and 30 June 2008	4,430

The investment was related to a non equity participation in Abingworth Bioventures III GP LP, a Scottish Limited partnership which is the general partner of four partnerships comprising Abingworth Bioventures III

### 6 Debtors

	2008 £	2007 £
Amount due from holding company		55,000
Group relief receivable	1,428,219	1,628,219
	1,428,219	1,683,219

# Abingworth Bioventures III GP Limited

## Notes to the accounts Year ended 30 June 2008

### 7. Other creditors including taxation and social security

	2008 £	2007 £
Accruals	18,000	5,026
Balance due to group companies	3,044	
	<u>21,044</u>	<u>5,026</u>

### 8. Provision for liabilities and charges

	2008 £	2007 £
Deferred taxation (Note 9)	1,229,069	1,520,454
	<u>1,229,069</u>	<u>1,520,454</u>

### 9. Deferred taxation

	2008 £	2007 £
<b>Movement on deferred taxation balance in the period</b>		
Opening balance	(1,520,454)	(1,493,178)
Timing differences, origination and reversal	192,453	121,308
Adjustment in respect of prior years	(2,605)	(148,584)
Prior year deferred tax charge/(credit) due to changing rates	101,537	
	<u>(1,229,069)</u>	<u>(1,520,454)</u>
<b>Analysis of deferred tax balance</b>		
Deferred tax on future known profit share	(1,833,312)	(2,770,078)
Losses	604,243	1,249,624
	<u>(1,229,069)</u>	<u>(1,520,454)</u>

Deferred taxes are calculated on all timing differences using effective rate of 28% (2007 30%)

### 10 Called up share capital

	2008 £	2007 £
<b>Authorised</b>		
1,000 ordinary shares of £1 each	1,000	1,000
	<u>1</u>	<u>1</u>
<b>Allotted, called up and fully paid</b>		
1 ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

# Abingworth Bioventures III GP Limited

## Notes to the accounts Year ended 30 June 2008

### 11. Reserves

	Profit and loss account £
At 1 July 2007:	197,945
Transfer from profit and loss account for the year	303,620
Dividends	(195,000)
	<hr/>
At 30 June 2008	306,565
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Of the £195,000 dividends paid, £140,000 relates to current year and the other £55,000 relates to dividend recommended in 2007 but paid in current year

### 12 Reconciliation of movement in equity shareholders' funds

	2008 £	2007 £
Profit for the year	303,620	160,590
	<hr/>	<hr/>
Dividends paid on equity shares	303,620 (195,000)	160,590 (250,000)
	<hr/>	<hr/>
Net increase/(decrease) in shareholders' funds	108,620	(89,410)
Opening equity shareholders' funds	197,946	287,356
	<hr/>	<hr/>
Closing equity shareholders' funds	306,566	197,946
	<hr/>	<hr/>

### 13. Contingent liability

In order to satisfy the requirements of the Limited Partnerships Act 1907, the Company acts as partner with unlimited liability in respect of Abingworth Bioventures III GP LP, which in turn acts as partner with unlimited liability in respect of Abingworth Bioventures III A LP and Abingworth Bioventures III B LP, Abingworth Bioventures III C LP and Abingworth Bioventures III Executives LP

### 14 Ultimate parent company

All of the share capital is owned by 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 Bioventures III GP Limited. The smallest and largest group that prepares group accounts in which the results of the Company are included is that of Abingworth Management Holdings Limited.

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

## **Abingworth Bioventures III GP Limited**

### **Notes to the accounts**

**Year ended 30 June 2008**

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

Abingworth Bioventures III GP Limited acts as General Partner to Abingworth Bioventures III GP LP ("GPLP"). During the year 2008 an income of £2,664,586 (2007 £2,914,200) was credited on account of the GPLP's entitlement to receive a share of net income and capital gains from Abingworth Bioventures III A LP and Abingworth Bioventures III B LP, Abingworth Bioventures III C LP and Abingworth Bioventures III Executives LP.

Dr Bunting, Mr Abell and Mr Leathers have made investments in, and are entitled to participate in the carried interest from GP LP.

The Company has taken advantage of the exemption granted by paragraph 3(c) of Financial Reporting Standard 8, Related Party Disclosures, as a wholly owned subsidiary of Abingworth Management Holdings Limited, not to disclose related party transactions with group entities. There are no other related party transactions requiring disclosure.