

Company Registration No. SC211185

Abingworth Bioventures III GP Limited

Report and Financial Statements

30 June 2012

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Abingworth Bioventures III GP Limited

Report and financial statements 2012

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Abingworth Bioventures III GP Limited

Report and financial statements 2012

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
EH3 9BY

Banker

Barclays Bank PLC
Pall Mall Corporate Group
London
SW1A 1QB

Auditor

Deloitte LLP
London

Tax Consultant

BDO Stoy Hayward LLP
Chartered Accountants
London & New York

Abingworth Bioventures III GP Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 30 June 2012. This directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Activities

Abingworth Bioventures III GP Limited (the "Company") acts as the general partner of a Scottish limited partnership, Abingworth Bioventures III GP LP. Abingworth Bioventures III GP LP is the general partner of four limited partnerships that comprise a venture capital investment fund, Abingworth Bioventures III (the "Fund").

Business review

The Company made a profit after taxation of £1,000,141 (2011: profit of £198,592). During the year, the life of the partnership constituting the Fund was extended by resolutions of the limited partners by two years to 2013.

Going Concern

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

Further details regarding the adoption of the going concern can be found in the statement of accounting policies in note 1 to the financial statements.

Financial risk management

The Company does not use any derivative financial instruments or debt finance and as the Company continues to act as the general partner of Abingworth Bioventures III GP LP and receives a profit share in advance to cover its expenses, there are minimal cash flow risk and liquidity risk.

Dividends

The directors paid an interim dividend of £125,000 during the year (2011: £nil). There was no final dividend payment (2011: £nil).

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 LP.

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

Abingworth Bioventures III GP Limited

Directors' report (continued)

Disclosure of information to auditor

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

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

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

Auditor

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

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

A handwritten signature in black ink, appearing to read 'John Heard', written over a horizontal line.

J G Heard
Secretary

17 October 2012

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 law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Abingworth Bioventures III GP Limited

We have audited the financial statements of Abingworth Bioventures III GP Limited for the year ended 30 June 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2012 of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditor's report to the members of Abingworth Bioventures III GP Limited (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



Stuart McLaren (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom

17 October 2012

Abingworth Bioventures III GP Limited

Profit and loss account Year ended 30 June 2012

	Notes	2012 £	2011 £
Turnover	2	982,937	2,593,416
Administrative expenses		(982,502)	(2,552,837)
Operating profit		435	40,579
Interest income	1	3,168	9
Profit on ordinary activities before taxation	3	3,603	40,588
Tax credit on profit on ordinary activities	4	996,538	158,004
Profit on ordinary activities after taxation	10, 11	1,000,141	198,592

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 14 form an integral part of the accounts.

Abingworth Bioventures III GP Limited

Balance sheet At 30 June 2012

	Notes	2012 £	2011 £
Current assets			
Debtors	5	2,201,843	2,395,649
Cash at bank and in hand		131,264	55,855
		<u>2,333,107</u>	<u>2,451,504</u>
Creditors: amounts falling due within one year			
Other creditors	6	<u>(10,000)</u>	<u>(7,000)</u>
Net current assets		<u>2,323,107</u>	<u>2,444,504</u>
Total assets less current liabilities		<u>2,323,107</u>	<u>2,444,504</u>
Provision for liabilities and charges	7	<u>(1,257,473)</u>	<u>(2,254,011)</u>
Net assets		<u><u>1,065,634</u></u>	<u><u>190,493</u></u>
Capital and reserves			
Called up share capital	9	1	1
Profit and loss account	10	<u>1,065,633</u>	<u>190,492</u>
Total equity shareholders' funds	11	<u><u>1,065,634</u></u>	<u><u>190,493</u></u>

The notes 1 to 14 form an integral part of the accounts.

These financial statements (company registration number SC211185) were approved by the Board of Directors and authorised for issue on 17 October 2012.

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 2012

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted are described below and have been consistently adopted in the current and prior years.

Accounting convention

The financial statements are prepared under the historical cost convention.

Going concern

The Company's business, together with the factors likely to affect the future development, performance and position are set out on page 2 of the Directors' Report. The Company is also part of a Group headed up by Abingworth Management Holdings Limited and its subsidiary undertakings (together the "Group") which has considerable financial flexibility and access to additional sources of finance. As a consequence, the Company is well placed to manage its business activities despite the current uncertain economic outlook. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Turnover

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

The Company 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 the Company 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 2.0% of the Fund's committed capital until the tenth anniversary of the commencement date, after which it was reduced by negotiation with the fund's limited partners to a profit share based on the lower of cost and value of unrealised investments.

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.

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.

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.

Interest

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

Abingworth Bioventures III GP Limited

Notes to the accounts Year ended 30 June 2012

1. Accounting policies (continued)

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.

Taxation

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

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

Deferred taxation is provided in full on timing differences 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:

	2012 £	2011 £
Auditor's remuneration - audit fee (including reversal of accruals)	10,807	10,683

The directors did not receive any remuneration for services to the company during the year (2011: none). The Company did not employ any staff during the year (2011: none). The audit fee charged in 2012 also includes the audit fee paid on behalf of Abingworth Bioventures III GP LP of £4,139 for the year to 31 December 2011 (2011: £4,584).

4. Tax credit/(charge) on profit on ordinary activities

	2012 £	2011 £
The tax credit/(charge) comprises:		
UK corporation tax on profit for the year	-	220,957
Adjustment in respect of prior years	-	-
	-	220,957
Deferred taxation:		
Timing differences, origination and reversal	996,538	(62,953)
Adjustment in respect of prior years	-	-
	996,538	158,004

Abingworth Bioventures III GP Limited

Notes to the accounts Year ended 30 June 2012

4. Tax credit/(charge) on profit on ordinary activities (Continued)

Factors affecting current tax credit/(charge)

The tax assessed for the year is different to that resulting from applying the rate of 25.5% (2011: 27.5%). The differences are explained below:

	2012 £	2011 £
Profit on ordinary activities before tax	3,603	40,588
Tax charge at 25.5% (2011: 27.5%) thereon:	(919)	(11,162)
Effects of:		
Movement in short-term timing differences - advance on profit share	250,649	713,189
Adjustment in respect of prior year	-	-
Capital gains allocated from Abingworth Bioventures III LP	(556,261)	-
Group relief surrendered	-	(220,957)
Group relief payment receivable	-	220,957
Irrecoverable overseas withholding tax	-	-
Unrelieved tax losses carried forward	-	(481,070)
Tax losses utilised	306,531	-
	-	220,957

The tax charge in future periods will be impacted by the change in the UK corporation tax rate to 24% with effect from 1 April 2012.

5. Debtors

	2012 £	2011 £
Other debtors	2,201,843	-
Group relief receivable	-	2,395,649
	2,201,843	2,395,649

6. Other creditors

	2012 £	2011 £
Accruals	10,000	7,000
	10,000	7,000

Abingworth Bioventures III GP Limited

Notes to the accounts Year ended 30 June 2012

7. Provision for liabilities and charges

	2012 £	2011 £
Deferred taxation (Note 8)	1,257,473	2,254,011
	<u>1,257,473</u>	<u>2,254,011</u>

8. Deferred taxation

	2012 £	2011 £
Movement on deferred taxation balance in the period		
Opening balance	(2,254,011)	(2,191,058)
Timing differences, origination and reversal	996,538	(62,953)
Adjustment in respect of prior years	-	-
	<u>(1,257,473)</u>	<u>(2,254,011)</u>
Analysis of deferred tax balance		
Deferred tax on future known profit share	(2,385,522)	(3,788,605)
Losses	1,128,049	1,534,594
	<u>(1,257,473)</u>	<u>(2,254,011)</u>
Provision for deferred tax		
	<u>(1,257,473)</u>	<u>(2,254,011)</u>

Deferred taxes are calculated on all timing differences using an effective rate of 24% (2011: 26%).

9. Called up share capital

	2012 £	2011 £
Allotted, called up and fully paid:		
1 ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

10. Reserves

	Profit and loss account £
At 1 July 2011:	190,492
Transfer from profit and loss account for the year	1,000,141
Dividend payment	(125,000)
	<u>1,065,633</u>
At 30 June 2012	<u>1,065,633</u>

Abingworth Bioventures III GP Limited

Notes to the accounts Year ended 30 June 2012

11. Reconciliation of movement in equity shareholder's funds

	2012 £	2011 £
Profit for the year	1,000,141	198,592
Dividends paid on equity shares	1,000,141 (125,000)	198,592 -
Net increase in shareholder's funds	875,141	198,592
Opening equity shareholder's funds	190,493	(8,099)
Closing equity shareholder's funds	1,065,634	190,493

12. Dividends

The directors paid an interim dividend of £125,000 during the year (2011: £nil). There was no final dividend payment (2011: £nil).

13. 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.

14. Related party disclosures

Abingworth Bioventures III GP Limited acts as general partner to Abingworth Bioventures III GP LP ("GPLP"). During the year 2012 income of £982,937 (2011: £2,593,416) 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, directors of the Company, have made investments in, and are entitled to participate in the carried interest from the GPLP.

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 which are also 100% owned. There are no other related party transactions requiring disclosure.