

**Company Registration No. SC211185**

**Abingworth Bioventures III GP Limited**

**Annual Report and Financial Statements**

**For the year ended 30 June 2014**



# **Abingworth Bioventures III GP Limited**

## **Annual Report and financial statements for the year ended 30 June 2014**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of directors' responsibilities</b>	<b>4</b>
<b>Independent auditor's report</b>	<b>5</b>
<b>Profit and loss account</b>	<b>7</b>
<b>Balance sheet</b>	<b>8</b>
<b>Notes to the financial statements</b>	<b>9</b>

# **Abingworth Bioventures III GP Limited**

## **Annual Report and financial statements for the year ended 30 June 2014**

### **Officers and professional advisers**

#### **Directors**

S W Bunting  
J F Abell  
D F J Leathers

#### **Company 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  
Chartered Accountants and Statutory  
Auditors  
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 2014. 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 loss after taxation of £19,722 (2013: profit of £712,620). The directors consider the results satisfactory.

### **Going Concern**

The directors expect that both the Fund and the Company will cease to operate in the next financial year. As required by FRS 18 Accounting Policies, the directors have prepared the financial statements on a basis other than that of a going concern. This did not result in any material adjustments within the financial statements.

### **Financial risk management**

The Company does not use any derivative financial instruments or debt finance and as the Company has sufficient cash resources to fund its operating costs for the foreseeable future.

### **Dividends**

The directors do not recommend a dividend payment (2013: £600,000). There was no final dividend payment (2013: £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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

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

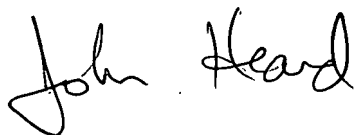
#### **Auditor**

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

#### **Small companies exemption**

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

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



**J G Heard**  
Company Secretary

16 October 2014

## **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 judgements 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 2014 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 statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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

### **Emphasis of matter – Financial statements prepared other than on a going concern basis**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

### **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 2014 of its loss 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 forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements, which explains that the financial statements have been prepared on a basis other than that of a going concern.

### **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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from preparing a Strategic Report or Directors' Report.



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

16 October 2014



## Abingworth Bioventures III GP Limited

### Profit and loss account For the year ended 30 June 2014

	Notes	2014 £	2013 £
Turnover	2	60,046	380,838
Administrative expenses		(86,173)	(402,088)
Operating loss		(26,127)	(21,250)
Interest income	1	1,053	3,515
Loss on ordinary activities before taxation	3	(25,074)	(17,735)
Tax credit on loss on ordinary activities	4	5,352	730,355
Profit on ordinary activities after taxation	10, 11	(19,722)	712,620

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 financial statements.

# Abingworth Bioventures III GP Limited

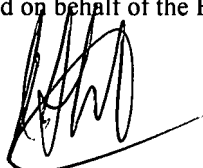
## Balance sheet As at 30 June 2014

	Notes	2014 £	2013 £
<b>Fixed assets</b>			
Investments	5	90	-
<b>Current assets</b>			
Debtors	6	1,096,119	1,598,345
Cash at bank and in hand		83,472	108,475
		<u>1,179,591</u>	<u>1,706,820</u>
<b>Creditors: amounts falling due within one year</b>			
Other creditors	7	(21,149)	(528,566)
<b>Net current assets</b>		<u>1,158,442</u>	<u>1,178,254</u>
<b>Total assets less current liabilities</b>		<u>1,158,532</u>	<u>1,178,254</u>
<b>Net assets</b>		<u><u>1,158,532</u></u>	<u><u>1,178,254</u></u>
<b>Capital and reserves</b>			
Called up share capital	9	1	1
Profit and loss account	10	1,158,531	1,178,253
<b>Total equity shareholders' funds</b>	11	<u><u>1,158,532</u></u>	<u><u>1,178,254</u></u>

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

These financial statements (company registration number SC211185) were approved by the Board of Directors and authorised for issue on 16 October 2014.

Signed on behalf of the Board of Directors



J F Abell

Director

# **Abingworth Bioventures III GP Limited**

## **Notes to the financial statements For the year ended 30 June 2014**

### **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. As stated in the Directors' report, the directors expect that both the Fund and the Company will cease to operate in the next financial year. No material adjustments arise as a result of preparing the financial statements on a basis other than that of a going concern.

#### **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 comprised 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 agreement with the fund's limited partners to a profit share based on the lower of cost and value of unrealised investments. With effect from 1 October 2013 the investment manager waived its fee and the company waived its entitlement to receive further General Partner's Share. The balance of General Partner's Share, held as an interest free loan, is recoverable only against future allocations of net income and capital gains.

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 financial statements, which include a cash flow statement, which are publicly available, and into which the Company's results are fully consolidated.

#### **Foreign exchange**

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

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

#### **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 financial statements (continued) For the year ended 30 June 2014

### 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. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	2014 £	2013 £
Auditor's remuneration - audit fee (including reversal of accruals)	10,102	12,384
Foreign currency exchange loss/(gains)	7,857	(2,264)

The directors did not receive any remuneration for services to the Company during the year (2013: none). The Company did not employ any staff during the year (2013: none). The audit fee charged in 2014 also includes the audit fee paid on behalf of Abingworth Bioventures III GP LP of £3,102 for the year to 31 December 2013 (2013: £4,360).

### 4. Tax credit on loss on ordinary activities

	2014 £	2013 £
Current tax charge comprises:		
UK corporation tax – group relief	3,035	(508,566)
Adjustment in respect of prior years	-	(18,552)
	3,035	(527,118)
Deferred taxation:		
Timing differences, origination and reversal	2,317	899,585
Adjustment in respect of prior years	-	357,888
	5,352	730,355

# Abingworth Bioventures III GP Limited

## Notes to the financial statements (continued) For the year ended 30 June 2014

### 4. Tax credit on loss on ordinary activities (continued)

#### Factors affecting current tax credit

The tax assessed for the year is different to that resulting from applying the rate of 22.5% (2013: 23.75%).  
The differences are explained below:

	2014 £	2013 £
Loss on ordinary activities before tax	(25,074)	(17,735)
Tax credit at 22.5% (2013: 23.75% ) thereon:	5,642	4,212
Effects of:		
Movement in short-term timing differences - advance on profit share	-	90,449
Adjustment in respect of prior year	-	(18,552)
Capital gains allocated from Abingworth Bioventures III	-	(1,735,548)
Group relief claimed	3,035	508,566
Group relief payment	(3,035)	(508,566)
Non taxable income	13,510	-
Tax losses carried forward	(16,117)	-
Tax losses utilised	-	1,132,321
	3,035	(527,118)

The tax charge in future periods will be impacted by the change in the UK corporation tax rate to 21% with effect from 1 April 2014.

### 5. Investments

	2014 £	2013 £
Membership interest in Abingworth General Partner III LLP at cost representing 90% of the capital	90	-
	90	-

### 6. Debtors

	2014 £	2013 £
Deferred tax	2,317	-
Amount owed by group undertakings	1,093,802	1,598,345
	1,096,119	1,598,345

# Abingworth Bioventures III GP Limited

## Notes to the financial statements (continued) For the year ended 30 June 2014

### 7. Other creditors

	2014 £	2013 £
Accruals	20,000	20,000
Group relief payable	-	508,566
Amount due to group companies	1,149	-
	<u>21,149</u>	<u>528,566</u>

### 8. Deferred taxation provision

	2014 £	2013 £
<b>Movement on deferred taxation balance in the period</b>		
Opening balance	-	(1,257,473)
Timing differences, origination and reversal	-	899,585
Adjustment in respect of prior years	-	357,888
	<u>-</u>	<u>-</u>
<b>Analysis of deferred tax balance</b>		
Deferred tax on future known profit share	-	-
Losses	-	-
	<u>-</u>	<u>-</u>
Provision for deferred tax	-	-
	<u>-</u>	<u>-</u>

Deferred taxes are calculated on all timing differences using an effective rate of 21% (2013: 23%).

### 9. Called up share capital

	2014 £	2013 £
<b>Allotted, called up and fully paid:</b>		
1 ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

### 10. Reserves

	Profit and loss account £
<b>At 1 July 2013:</b>	1,178,253
Transfer from profit and loss account for the year	(19,722)
<b>At 30 June 2014</b>	<u>1,158,531</u>

# Abingworth Bioventures III GP Limited

## Notes to the financial statements (continued) For the year ended 30 June 2014

### 11. Reconciliation of movement in equity shareholders' funds

	2014 £	2013 £
(Loss)/profit for the year	(19,722)	712,620
Dividends paid on equity shares	(19,722) -	712,620 (600,000)
Net (decrease)/increase in shareholders' funds	(19,722)	112,620
Opening equity shareholders' funds	1,178,254	1,065,634
Closing equity shareholders' funds	1,158,532	1,178,254

### 12. Dividends

The directors do not recommend a dividend payment (2013: £600,000). There was no final dividend payment (2013: £nil).

### 13. Ultimate parent company

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

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

### 14. Related party disclosures

Abingworth Bioventures III GP Limited acts as general partner to Abingworth Bioventures III GP LP ("GPLP"). During the year 2014 income of £60,046 (2013: £380,838) 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 is the Managing Member of Abingworth General Partner III LLP "the LLP". During the year the LLP was formed but remained dormant.

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.

At year end there is an amount due to Abingworth LLP of £1,059 (2013: £nil) for recharged expenses.