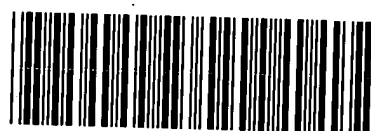


**Report of the Directors and
Financial Statements
for the Year Ended
30 September 2017
for
Phase4 Ventures III General Partner
Limited**

TUESDAY



SCT *S6YP4VQQ* 30/01/2018 #575
COMPANIES HOUSE

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

**Phase4 Ventures III General Partner
Limited**

**Contents of the Financial Statements
for the Year Ended 30 September 2017**

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**Phase4 Ventures III General Partner
Limited**

**Company Information
for the Year Ended 30 September 2017**

DIRECTORS: Dr. D Scots-Knight
C E Sermon

SECRETARY: Burness Paull LLP

REGISTERED OFFICE: 50 Lothian Road
Festival Square
Edinburgh
EH3 9WJ

REGISTERED NUMBER: SC389092 (Scotland)

AUDITOR: Ernst & Young LLP
25 Churchill Place
London
E14 5EY

**Phase4 Ventures III General Partner
Limited**

**Report of the Directors
for the Year Ended 30 September 2017**

The directors present their report with the financial statements of Phase4 Ventures III General Partner Limited (the "Company") for the year ended 30 September 2017.

PRINCIPAL ACTIVITY

The principal activity of the company is to act as the General Partner for Phase4 Ventures III GP LP ("the Partnership"). The Partnership is a private equity investment vehicle domiciled in Scotland. The company is entitled to a priority profit share from the Partnership for the services that it provides to the Partnership.

DIVIDENDS

No dividends will be distributed for the year ended 30 September 2017.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2016 to the date of this report.

Dr. D Scots-Knight
C E Sermon

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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, subject to any material departures disclosed and explained in the financial statements; 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.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

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

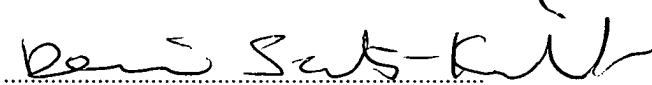
**Phase4 Ventures III General Partner
Limited**

**Report of the Directors
For the Year Ended 30 September 2017**

AUDITOR

The auditor, Ernst & Young LLP, has been appointed for the current year engagement and it will be proposed at the Annual General Meeting that they be re-appointed.

SIGNED ON BEHALF OF THE BOARD BY:

A handwritten signature in black ink, appearing to read 'D Scots-Knight', written over a dotted line.

Dr. D Scots-Knight - Director

Date: 24 January 2018

**Report of the Independent Auditors to the Members of
Phase4 Ventures III General Partner
Limited**

Opinion

We have audited the financial statements of Phase4 Ventures III General Partner Limited (the “company”) for the year ended 30 September 2017 which comprise of the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 12, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 and 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of this report. We are independent of the company in accordance with the ethical requirements in the UK that are relevant to our audit of the financial statements, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Respective responsibilities with respect to other information including in the annual report

The other information comprises the information in the Report of the Directors, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of
Phase4 Ventures III General Partner
Limited**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Report of the Directors.

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' exemptions in preparing the directors' report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

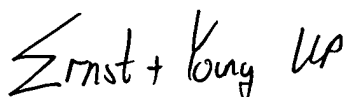
In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company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

Auditor's responsibilities for the audit of the financial statements

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

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 audit 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.

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



Neil Parker (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

Date: 24 January 2018

**Phase4 Ventures III General Partner
Limited**

**Statement of Comprehensive Income
for the Year Ended 30 September 2017**

| | Notes | 30.9.17 £ | 30.9.16 £ |
|--|-------|-----------------|-----------------|
| TURNOVER | | 167,766 | 216,544 |
| Administrative expenses | | <u>167,766</u> | <u>216,544</u> |
| OPERATING PROFIT and PROFIT BEFORE TAXATION | 4 | - | - |
| Corporation tax | 5 | <u>-</u> | <u>-</u> |
| PROFIT FOR THE FINANCIAL YEAR | | - | - |
| OTHER COMPREHENSIVE INCOME | | <u>-</u> | <u>-</u> |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u><u>-</u></u> | <u><u>-</u></u> |

All amounts are in respect of continuing activities.

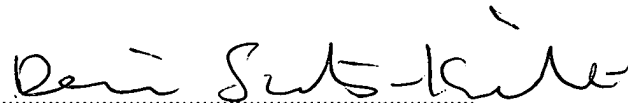
**Phase4 Ventures III General Partner
Limited (Registered number: SC389092)**

**Statement of Financial Position
As at 30 September 2017**

| | Notes | 30.9.17 £ | 30.9.16 £ |
|--|-------|-----------------|-----------------|
| CURRENT ASSETS | | | |
| Debtors: amounts falling due within one year | 6 | 1,977 | 1 |
| Cash at bank | | <u>39,021</u> | <u>-</u> |
| | | 40,998 | 1 |
| CREDITORS | | | |
| Amounts falling due within one year | 7 | <u>40,997</u> | <u>-</u> |
| NET CURRENT ASSETS | | <u>1</u> | <u>1</u> |
| NET ASSETS | | <u><u>1</u></u> | <u><u>1</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 8 | <u>1</u> | <u>1</u> |
| SHAREHOLDERS' FUNDS | | <u><u>1</u></u> | <u><u>1</u></u> |

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board of Directors on 24 January 2018 and were signed on its behalf by:



Dr. D Scots-Knight - Director

**Phase4 Ventures III General Partner
Limited**

**Statement of Changes in Equity
for the Year Ended 30 September 2017**

| | Called up share capital £ | Retained earnings £ | Total equity £ |
|-------------------------------------|------------------------------------|---------------------------|----------------------|
| Balance at 1 October 2015 | 1 | - | 1 |
| Total comprehensive income | <u>-</u> | <u>-</u> | <u>-</u> |
| Balance at 30 September 2016 | <u>1</u> | <u>-</u> | <u>1</u> |
| Total comprehensive income | <u>-</u> | <u>-</u> | <u>-</u> |
| Balance at 30 September 2017 | <u><u>1</u></u> | <u><u>-</u></u> | <u><u>1</u></u> |

The notes on pages 9 to 11 form part of these financial statements

**Phase4 Ventures III General Partner
Limited**

**Notes to the Financial Statements
for the Year Ended 30 September 2017**

1. STATUTORY INFORMATION

Phase4 Ventures III General Partner Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared on a going concern basis and under the historical cost convention.

Turnover and Management fee payable

Turnover comprises of priority profit share receivable from Phase4 Ventures III GP LP in accordance with the Limited Partnership Agreement dated 1 December 2010. A corresponding management fee is payable by this company to Phase4 Partners Limited, the Company's parent undertaking, for the management services provided by this entity on behalf of the Company. All turnover is generated in sterling and all operations are based in the United Kingdom.

Turnover is recognised on an accruals basis net of VAT. The management fee payable is also recognised on an accruals basis.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Going concern

The directors are not aware of any material uncertainties related to events or conditions that cast doubt about the ability of the company to continue as a going concern. They have therefore prepared the financial statements on the going concern basis.

Cash flow statement

The company qualifies as a small company under FRS 102, Section 1A and therefore is not required to produce a cash flow statement.

**Phase4 Ventures III General Partner
Limited**

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2017**

2. ACCOUNTING POLICIES (continued)

Debtors

Trade receivables are measured at fair value on initial recognition which equates to the amount expected to be receivable on settlement of the asset.

Creditors

Trade payables are initially measured at fair value which approximates to the amount expected to be required to settle the obligations on behalf of the Group.

3. STAFF COSTS

There were no staff costs for the year ended 30 September 2017 nor for the period ended 30 September 2016.

None of the Directors received any emoluments in respect of their service to the Company during the year.

The average number of employees of the Company during the period was nil (2016: nil).

4. OPERATING PROFIT

Auditor's remuneration of £3,000 (2016: £2,500) was borne by Phase4 Partners Limited and not recharged to the Company.

The auditor did not receive any remuneration in respect of non-audit services (2016: nil).

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30 September 2017 nor for the year ended 30 September 2016.

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 30.9.17 | 30.9.16 |
|--|--------------|----------|
| | £ | £ |
| Amounts receivable from parent undertaking | <u>1,977</u> | <u>1</u> |

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 30.9.17 | 30.9.16 |
|-------------------------------|---------------|----------|
| | £ | £ |
| Other creditors | 497 | - |
| Amount owed to parent company | <u>40,500</u> | <u>-</u> |
| | <u>40,997</u> | <u>-</u> |

**Phase4 Ventures III General Partner
Limited**

**Notes to the Financial Statements - continued
for the Year Ended 30 September 2017**

8. CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid: | | Nominal value: | 30.9.17 | 30.9.16 |
|----------------------------------|----------|-------------------|----------|----------|
| Number: | Class: | | £ | £ |
| 1 | Ordinary | £1 | <u>1</u> | <u>1</u> |

9. RESERVES

| | Retained earnings £ |
|----------------------|---------------------------|
| At 30 September 2016 | - |
| Profit for the year | <u>-</u> |
| At 30 September 2017 | <u>-</u> |

10. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

11. DEFERRED TAXATION

The company has unutilised excess management charges of £5,320,802 (2016: £5,250,482) and an unutilised non-trade loan relationship deficit of £22,335 (2016: £22,335) and which are available to offset against future investment income. The group has not recognised a deferred tax asset of £1,015,196 (2016: £1,054,676) in respect of these charges and deficit, calculated on the current small companies' corporation tax rates of 19% (2016: 20%).

The losses will only be utilised if the company has profits chargeable to corporation tax in future accounting periods. It is considered too uncertain that the company will generate such profits and it is on this basis that the deferred tax asset in respect of the losses has not been recognised.

12. CONTROLLING PARTY AND PARENT COMPANY

The Company's parent undertaking is Phase4 Partners Limited, a company registered in England & Wales. The financial statements of the Company have been included in the consolidated statements of the parent undertaking.

Copies of the consolidated financial statements are available from 4th Floor, One Cavendish Place, London, W1D 0QF.