



MVM (GP) Limited

Annual Report and Financial Statements

Registered Number 3322043

For the year ended 31 March 2018

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MVM (GP) Limited

Annual Report & Financial Statements for the year ended 31 March 2018

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MVM (GP) Limited
Annual Report & Financial Statements for the year ended 31 March 2018

Directors and Officers

Directors

MVM Partners LLP
Mr N Akhurst

Registered office

30 St. George Street
London, W1S 2FH

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London, SE1 2RT

Bankers

NatWest Bank Plc
Castle Square Branch
Castle Square
Brighton, BN1 1DP

MVM (GP) Limited

Annual Report & Financial Statements for the year ended 31 March 2018

Directors' Report

For the Year Ended 31 March 2018

The directors present their report and the company's audited financial statements for the year ended 31 March 2018.

Principal activity and review of the business and future developments

The company was the General Partner of the UK Medical Ventures Fund No 1 Limited Partnership (the "Fund"). On 29 March 2018, the liquidation and wind-up of the affairs of the Fund was completed.

The result for the financial year amounted to £nil (2017: £nil). The Company has ceased trading and is expected to be dormant in the next financial year. As such, the financial statements have been prepared on a basis other than going concern.

Dividends

The directors do not recommend the payment of a dividend (2017: £nil).

Strategic Report

The company is entitled to the small company exemption from the requirement to prepare a strategic report and has elected to take this exemption.

Key Performance Indicators

Given the simple nature of the business, the directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

MVM Partners LLP
Mr N Akhurst

MVM Partners LLP owned all the share capital of the company at 31 March 2017 and 31 March 2018.

Registered Number

3322043

Disclosure of information to auditors

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

- (a) so far as each of them is aware, there is no information relevant to the audit of the company's financial statements for the year ended 31 March 2017 of which the auditors are unaware; and
- (b) the director has taken all steps that he/she ought to have taken in his/her duty as a director in order to make him/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

MVM (GP) Limited

Annual Report & Financial Statements for the year ended 31 March 2018

Directors' Report (continued)

For the Year Ended 31 March 2018

Statement of the Directors' Responsibilities

The following statement sets out the responsibilities of the directors in relation to the financial statements of the company. The report of the auditors, shown on pages 4 to 6, sets out their responsibilities in relation to the financial statements.

The directors are responsible for preparing the Directors' 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102). 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:

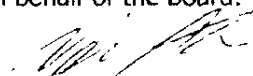
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify the members in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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.

Small Company

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the Board:



Neil Akhurst
Director
31 May 2018

MVM (GP) Limited

Annual Report & Financial Statements for the year ended 31 March 2018

Independent auditors' report to the members of MVM (GP) Limited

Report on the audit of the financial statements

Opinion

In our opinion, MVM (GP) Limited's financial statements:

give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its result for the year then ended;

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and

have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2018; the Statement of Comprehensive Income and Retained Earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the basis of preparation. As General Partner to the now liquidated UK Medical Ventures Fund No 1 Limited Partnership, the entity is expected to cease trading and will be dormant in the next financial year. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 2 to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

MVM (GP) Limited

Annual Report & Financial Statements for the year ended 31 March 2018

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of the Directors' Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

Auditors' responsibilities in 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 auditors' 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.

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

Intended users of the report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

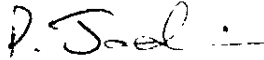
- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified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

We have no exceptions to report arising from this responsibility.

MVM (GP) Limited**Annual Report & Financial Statements for the year ended 31 March 2018**

entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Peter Jourdiar (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

31 May 2018

MVM (GP) Limited

Annual Report & Financial Statements for the year ended 31 March 2018

Statement of Comprehensive Income and Retained Earnings for the year ended 31 March 2018

Note	Year to 31.03.18 £	Year to 31.03.17 £
Turnover	-	-
Administrative expenses	-	-
Operating result for the year	-	-
Result on ordinary activities before taxation	-	-
Tax on result on ordinary activities	-	-
9 Result for the financial year	-	-
Total comprehensive income	-	-
Opening retained earnings	-	-
Closing retained earnings	-	-

All results shown in the Statement of Comprehensive Income are from discontinued operations. The financial statements have been prepared on a basis other than going concern.

There were no gains or losses in the year other than those included in the above Statement of Comprehensive Income.

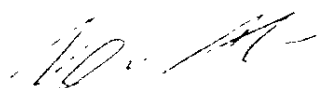
The notes on pages 9 to 12 form an integral part of these financial statements.

MVM (GP) Limited
Annual Report & Financial Statements for the year ended 31 March 2018

Balance Sheet as at 31 March 2018

Note		As at 31.03.18 £	As at 31.03.17 £
	Current Assets		
5	Debtors	100	100
	Net current assets	100	100
	Net Assets	100	100
	Capital and reserves		
6	Called up share capital	100	100
9	Retained earnings	-	-
7	Total shareholders' funds	100	100

The financial statements on pages 7 to 12 were approved by the Board of Directors and were signed on its behalf on 31 May 2018 by:



Neil Akhurst
Director

The notes on pages 9 to 12 form an integral part of these financial statements

Registered number: 3322043

MVM (GP) Limited

Annual Report & Financial Statements for the year ended 31 March 2018

**Notes to the financial statements
For the year ended 31 March 2018**

1. Statement of Compliance with FRS 102, as applicable to Smaller Entities

The financial statements have been prepared in accordance with the Companies Act 2006 and in compliance with United Kingdom Accounting Standards, including the Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102'), as applicable to Smaller Entities.

2. Principal Accounting Policies

A summary of the principal accounting policies, which have been applied consistently, is as follows:

Basis of Preparation

The financial statements have been prepared in accordance with FRS 102, as applicable to Smaller Entities. The company was the General Partner of the UK Medical Ventures Fund No 1 Limited Partnership (the "Fund"). On 29 March 2018, the liquidation and wind-up of the affairs of the Fund was completed. The partnership has ceased trading and is expected to be dormant in the next financial year. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described below. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Exemptions for qualifying entities under FRS 102, as applicable to Smaller Entities

FRS 102, as applicable to Smaller Entities, allows a qualifying entity certain disclosure exemptions. The company has not taken any advantage of any available exemptions for qualifying entities.

Cash flow statement

The company is exempt under FRS 102, as applicable to Smaller Entities, from the requirement to prepare a cash flow statement as it is classified as a small company under section 382 of the Companies Act 2006.

Income

Income is management profit share or advances against management profit share from the UK Medical Ventures Fund No 1 Limited Partnership and is accounted for on an accruals basis. Income arises from activities in the United Kingdom. The company recognises income when the amount can be measured reliably and it is probable that the economic benefit associated with the transaction will flow to the company.

Advance in lieu of management profit share

The company is entitled to receive an interest free advance (the "GP's Entitlement") in lieu of management profit share from UK Medical Ventures Fund No 1 Limited Partnership (the "Fund"). In the event that the loan is not matched by management profit share from the Fund, the Fund does not have the right to receive repayment or any other recourse in respect of this loan. Loans in advance of the management profit share are therefore recognised as income in the Statement of Income and Retained Earnings as they fall due.

MVM (GP) Limited
Annual Report & Financial Statements for the year ended 31 March 2018

Notes to the financial statements
For the year ended 31 March 2018 (continued)

2. Principal Accounting Policies (continued)

Financial instruments

The company has chosen to apply the provisions of both Section 11 of FRS 102, as applicable to Smaller Entities, in full.

Basic financial assets, including trade and other receivables and cash and bank balances and are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other payables and other amounts due to fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Foreign currencies

The partnership's functional and presentation currency is pounds sterling.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of financial statements in conformity with FRS 102, as applicable to Smaller Entities, requires management to make estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities. The estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and constitute management's best judgement at the date of the financial statements. In the future, actual experience could differ from those estimates.

The management does not consider the company to have any critical accounting estimates or judgements that could have a significant effect upon the financial results.

MVM (GP) Limited
Annual Report & Financial Statements for the year ended 31 March 2018

Notes to the financial statements
For the year ended 31 March 2018 (continued)

3. Directors and employees

The directors did not receive any emoluments in respect of their services to the company (2017: £nil). No remuneration was paid to the directors during the year ended 31 March 2018 (2017: £nil) or any individuals considered to be key management personnel (2017: £nil). There were no employees of the company during the year (2017: nil).

4. Tax on result/(loss) on ordinary activities

In the current and prior years there was no net profit chargeable to corporation tax and therefore no tax charge.

5. Debtors

	As at 31.03.18 £	As at 31.03.17 £
Amounts owed by group undertakings	100	100

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

6. Called up share capital

	As at 31.03.18 £	As at 31.03.17 £
Authorised		
1,000 (2016: 1,000) ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
100 (2016: 100) ordinary shares of £1 each	100	100

MVM (GP) Limited
Annual Report & Financial Statements for the year ended 31 March 2018

Notes to the financial statements
For the year ended 31 March 2018 (continued)

7. Reconciliation of movements in shareholders' funds

	As at 31.03.18	As at 31.03.17
	£	£
Opening shareholders' funds	100	100
Result for the financial year	-	-
Closing shareholders' funds	100	100

8. Controlling party

MVM Partners LLP is the immediate and ultimate parent and controlling party of MVM (GP) Limited. Copies of the annual financial statements of MVM Partners LLP can be obtained from the following correspondence address:

MVM Partners LLP
30 St. George Street
London W1S 2FH

9. Retained earnings

	2018	2017
	£	£
At 1 April	-	-
Result for the financial year	-	-
At 31 March	-	-

10. Auditors' remuneration

Fees payable to the company's auditors for the audit of the statutory financial statements amounted to £2,675 (2017: £2,575). The full cost of such fees was borne by MVM Partners LLP in both the current and prior years.



UK Medical Ventures Fund No 1

Annual Partnership Financial Statements

Registered Number LP005399

For the period ended 29 March 2018

THESE PARTNERSHIP
ACCOUNTS FORM
PART OF THE ACCOUNTS
OF COMPANY
No. 3322043

UK Medical Ventures Fund No 1

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MVM PARTNERS LLP

UK Medical Ventures Fund No 1
Annual Financial Statements for the period ended 29 March 2018

GENERAL PARTNER AND ADVISERS

General Partner

MVM (GP) Limited

Fund Manager

MVM Partners LLP

Registered office

30 St George Street
London
W1S 2FH

Bankers

National Westminster Bank Plc
Castle Square Branch
8-11 Pavilion Buildings
Castle Square
Brighton
BN1 1DP

Independent Auditors

PricewaterhouseCoopers LLP
7 More London Riverside
London SE1 2RT

Registered number

LP005399

**UK Medical Ventures Fund No 1
Annual Financial Statements for the period ended 29 March 2018**

Report of the Fund Manager

Wind up of the affairs of the Limited Partnership

Under the Limited Partnership Agreement the initial life of the Limited Partnership was ten years to 26 January 2008. In accordance with the Limited Partnership Agreement, the life of the Limited Partnership was extended for two additional years. Subsequently, pursuant to limited partner special consents, ratified by the general partner and carried interest partner, the life of the Limited Partnership was further extended, and most recently on 25 January 2016, the life of the Limited Partnership was extended by one year to 26 January 2017. On 26 January 2017, the Limited Partnership entered liquidation. During the liquidation phase, no further activities or operations were conducted except for such action as was necessary for the winding-up of the affairs of the Limited Partnership and the distribution of the assets amongst the partners. The liquidation and wind-up of the affairs of the Limited Partnership was completed on 29 March 2018 and as a result, the financial statements have been prepared on a basis other than going concern, as described in Note 2 to these financial statements.

Statement of Investments, Other Property and Assets

No further investments were made during the period.

The Limited Partnership sold its interests in Pulmagen Therapeutics (Asthma) Limited, Pulmagen Therapeutics (Inflammation) Limited and Pulmagen Therapeutics (Holdings) Limited (the "Pulmagen Entities") for initial consideration of £56,217 and deferred consideration, payable in December 2017, of £561,313. The deferred consideration was received during the period. Interest income of £23,251 was recognised on the unwinding of the discount applied for time value of money to the deferred consideration.

Review of the business and future developments

The Fund Manager is satisfied with the results for the final period.

The Financial Statements

During the period bank interest of £32 (2017: £289) was received. The profit and loss account has been debited with expenses of £28,699 (2017: £35,183). The total loss for the period was £5,416 (2017: £543,861 profit).

Strategic Report

The Limited Partnership is entitled to the small company exemption from the requirement to prepare a strategic report and has elected to take this exemption.

UK Medical Ventures Fund No 1
Annual Financial Statements for the period ended 29 March 2018

Report of the Fund Manager (continued)

Key Performance Indicators

Given the simple nature of the business, the Fund Manager is of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance or position of the business.

Statement of the Fund Manager's Responsibilities

The Fund Manager is responsible for preparing the Report of the Fund Manager and the Financial Statements in accordance with applicable law and regulations.

The Partnerships (Accounts) Regulations 2008 require the Fund Manager to prepare financial statements for each financial year. Under that law the Fund Manager has elected to prepare the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Under Company Law, as applicable to qualifying partnerships, the Fund Manager 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 Limited Partnership and of the profit or loss of the Limited Partnership for that period. In preparing these financial statements, the Fund Manager is required to:

select suitable accounting policies and then apply them consistently;

make judgments and estimates that are reasonable and prudent;

state whether applicable UK Accounting Standards, including FRS 102, 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 Limited Partnership will continue in business.

The Fund Manager is responsible for keeping adequate accounting records that are sufficient to show and explain the Limited Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Limited Partnership and to enable it to ensure that the financial statements comply with the Companies Act 2006 as applicable to qualifying partnerships. It is also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of Information to Auditors

The Fund Manager is also required to:

ensure so far as the Members of the Fund Manager are aware, there is no relevant audit information of which the Limited Partnership's auditors are unaware; and

ensure the Members of the Fund Manager have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Limited Partnership's auditors are aware of that information.



MVM PARTNERS LLP

UK Medical Ventures Fund No 1
Annual Financial Statements for the period ended 29 March 2018

Report of the Fund Manager (continued)

Registered Number

LP005399


N Akhurst

Member of MVM Partners LLP (Fund Manager)

31 May 2018

UK Medical Ventures Fund No 1**Annual Financial Statements for the period ended 29 March 2018*****Independent auditors' report to the partners of UK Medical Ventures Fund No 1*****Report on the financial statements****Our opinion**

In our opinion, UK Medical Ventures Fund No. 1's financial statements:

- give a true and fair view of the state of the limited partnership's affairs as at 29 March 2018 and of its loss and cash flows for the 12 month period (the "period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the provisions of the Limited Partnership Agreement.

We have audited the financial statements, included within the Annual Partnership Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 29 March 2018, the Statement of Comprehensive Income and the Cash Flow Statement for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We remained independent of the limited partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - Basis of preparation

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the basis of preparation. The Limited Partnership was liquidated during the period. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described in note 2 to the financial statements. No adjustments were necessary in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The fund manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

UK Medical Ventures Fund No 1**Annual Financial Statements for the period ended 29 March 2018*****Independent auditors' report to the partners of UK Medical Ventures Fund No 1 (continued)*****Responsibilities for the financial statements and the audit***Responsibilities of the fund manager for the financial statements*

As explained more fully in the Statement of the Fund Manager's Responsibilities set out on page 3, the fund manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The fund manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the fund manager is responsible for assessing the limited partnership'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 fund manager either intends to liquidate the limited partnership or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 auditors' 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.

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

Use of this report

This report, including the opinion, has been prepared for and only for the partners as a body in accordance with the Limited Partnership Agreement and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, including without limitation under any contractual obligations of the limited partnership, save where expressly agreed by our prior consent in writing.



PricewaterhouseCoopers LLP
Chartered Accountants
London
31 May 2018

UK Medical Ventures Fund No 1 Limited Partnership
Annual Financial Statements for the period ended 29 March 2018

Statement of Comprehensive Income for the period ended 29 March 2018

Note		Period to 29.03.18 £	Year to 31.03.17 £
3	Income	23,283	7,965
4	Administrative expenses	(28,699)	(35,183)
	Operating loss	(5,416)	(27,218)
	Dividends received from investments	-	505,096
	Realised gains from investments	-	65,983
	(Decrease)/increase in net assets attributable to the partners from operations	(5,416)	543,861

All results shown in the Statement of Comprehensive Income are from discontinued operations. The financial statements have been prepared on a basis other than going concern.

The Limited Partnership has no recognised gains and losses other than the results above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 10 to 14 form part of these financial statements.

UK Medical Ventures Fund No 1 Limited Partnership
Annual Financial Statements for the period ended 29 March 2018

Balance Sheet as at 29 March 2018

Note		As at 29.03.18 £	As at 31.03.17 £	As at 31.03.16 £
	Fixed Assets			
	Investments	-	-	520,621
	Current Assets			
5	Other receivables	-	538,062	-
	Prepayments	-	482	750
	Cash at bank and in hand	-	92,149	132,429
		-	630,693	133,179
	Current Liabilities			
6	Creditors: amounts falling due within one year	-	(34,755)	(40,410)
	Net current assets	-	595,938	92,769
7	Net assets attributable to the partners	-	595,938	613,390

The notes on pages 10 to 14 form part of these financial statements.

UK Medical Ventures Fund No 1 Limited Partnership
Annual Financial Statements for the period ended 29 March 2018

Cash Flow Statement for the period ended 29 March 2018

Note	Period to 29.03.18 £	Year to 31.03.17 £
A		
Net cash inflow/(outflow) from operating activities	498,373	(40,280)
Cash flow from financing activities:		
Partnership distributions	(590,522)	(561,313)
Net cash used in financing activities	(590,522)	(561,313)
Cash flow from investing activities:		
Dividends received from investments	-	505,096
Sale of investments	-	56,217
Net cash generated from investing activities	-	561,313
B		
Decrease in net cash	(92,149)	(40,280)

Notes to the Cash Flow Statement	Period to 29.03.18 £	Year to 31.03.17 £
A		
Cash flow from operating activities		
Reconciliation of operating loss to net cash inflow/(outflow) from operating activities		
Operating loss	(5,416)	(27,218)
Decrease/(increase) in operating debtors and prepayments	538,544	(7,407)
Decrease in creditors	(34,755)	(5,655)
Total net cash inflow/(outflow) from operating activities	498,373	(40,280)
B		
Reconciliation of cash flow to movement in net cash		
Net cash at beginning of year	92,149	132,429
Net cash outflow from activities	(92,149)	(40,280)
Net cash at end of period/year	-	92,149

The notes on pages 10 to 14 form part of these financial statements.

UK Medical Ventures Fund No 1 Limited Partnership
Annual Financial Statements for the period ended 29 March 2018

Notes to the financial statements

1. Statement of Compliance with FRS 102

The financial statements have been prepared in accordance with the Companies Act 2006 and with United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ('FRS 102').

2. Principal Accounting Policies

A summary of the principal accounting policies, which have been applied consistently, is as follows:

Basis of Preparation

Under the Limited Partnership Agreement the initial life of the Limited Partnership was ten years to 26 January 2008. In accordance with the Limited Partnership Agreement, the life of the Limited Partnership was extended for two additional years. Subsequently, pursuant to limited partner special consents, ratified by the general partner and carried interest partner, the life of the Limited Partnership was further extended, and most recently on 25 January 2016, the life of the Limited Partnership was extended by one year to 26 January 2017. On 26 January 2017, the Limited Partnership entered liquidation. During the liquidation phase, no further activities or operations were conducted except for such action as was necessary for the winding-up of the affairs of the Limited Partnership and the distribution of the assets amongst the partners. The liquidation and wind-up of the affairs of the Limited Partnership was completed on 29 March 2018. Accordingly, the going concern basis of preparation is no longer appropriate and the financial statements have been prepared on a basis other than going concern as described below. As the liquidation and wind up of the affairs of the Limited Partnership is complete, no adjustments were made in these financial statements to reduce assets to their realisable values, to provide for liabilities arising from the decision, or to reclassify fixed assets and long-term liabilities as current assets and liabilities.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain financial assets and financial liabilities as described below, and in accordance with the Companies Act 2006 and FRS 102.

As the Limited Partnership is not a parent, it does not prepare consolidated financial statements.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions. The partnership has not taken any advantage of any available exemptions for qualifying entities.

Financial Instruments

The Limited Partnership has chosen to apply the provisions of both Section 11 and Section 12 of FRS 102 in full.

Basic financial assets, including receivables and cash and bank balances and are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

UK Medical Ventures Fund No 1 Limited Partnership
Annual Financial Statements for the period ended 29 March 2018

Notes to the financial statements (continued)

2. Principal Accounting Policies (continued)

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except as otherwise set out below.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including payables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Currency

The partnership's functional and presentation currency is pounds sterling.

Income and expenses

Interest income is recognised using the effective interest rate method. Dividend income is recognised when the right to receive payment is established. Administrative expenses are recognised on an accruals basis.

Taxation

No provision for taxation has been made as the individual partners are responsible for settling their own tax liabilities.

Net assets attributable to the partners

The Partnership's contributed capital consists of two different classes. Net assets attributable to the partners are classified as a financial liability, due to a finite life and contractual payment provisions to each of the partners within the LPA. Net assets attributable to partners' capital are carried at amortised cost consistent with other amounts classified as borrowings.

UK Medical Ventures Fund No 1 Limited Partnership
Annual Financial Statements for the period ended 29 March 2018

Notes to the financial statements (continued)

2. Principal Accounting Policies (continued)

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of financial statements in conformity with FRS 102 requires management to make estimates and assumptions that affect the reported amounts of expenses, assets and liabilities. The estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and constitute management's best judgement at the date of the financial statements. In the future, actual experience could differ from those estimates.

The principal estimates that could have a significant effect upon the financial results relate to the opening valuation of investments in associates and the effective interest rate applicable to other debtors. The estimate of fair value was made in accordance with the International Private Equity and Venture Capital Valuation Guidelines.

	Period to 29.03.18 £	Year to 31.03.17 £
3. Income		
Interest income	23,283	7,965
	23,283	7,965

	Period to 29.03.18 £	Year to 31.03.17 £
4. Administrative Expenses		
Auditors' remuneration	5,359	5,408
Bank charges and custodian fees	339	399
Legal and professional	23,001	29,376
	28,699	35,183

The general partner received no remuneration during the period (2017: £nil).

UK Medical Ventures Fund No 1 Limited Partnership
Annual Financial Statements for the period ended 29 March 2018

Notes to the financial statements (continued)

	29.03.18	31.03.17
	£	£
5. Other receivables		
Other receivables	-	538,062
	-	538,062

Other receivables represent deferred consideration due to the Limited Partnership resulting from the sale of investments during the prior year.

	29.03.18	31.03.17
	£	£
6. Creditors: amounts falling due within one year		
Accruals	-	16,517
MVM Partners LLP	-	18,238
	-	34,755

7(a) Net assets attributable to partners – movement during the period

Balance at 31.03.17	Decrease in net assets attributable to the partners from operations	Distributions to partners	Balance at 28.03.18
£	£	£	£
595,938	(5,416)	(590,522)	-

7(b) Limited Partners' funding commitments to the Limited Partnership

Initial Commitment to the Fund	Cumulative drawdowns to date	Early realisation repayment	Balance of Commitment 28.03.18
£	£	£	£
40,000,000	(38,462,563)	2,099,630	3,637,067

The liquidation and wind-up of the affairs of the Limited Partnership was completed on 29 March 2018, after which no balance of commitments remained outstanding.

UK Medical Ventures Fund No 1 Limited Partnership
Annual Financial Statements for the period ended 29 March 2018

Notes to the financial statements (continued)

	29.03.18	31.03.17
	£	£
8. Categories of financial assets and financial liabilities		
Financial assets measured at fair value through profit or loss		
Financial assets that are debt instruments measured at amortised cost	-	538,544
Financial assets that are equity instruments measured at cost less impairment	-	-
Financial liabilities measured at fair value through profit or loss	-	-
Financial liabilities measured at amortised cost	-	(34,755)
Loan commitments measured at cost less impairment	-	-

	Period to 28.03.18	Year to 31.03.17
	£	£
9. Related Party Transactions		
Transactions in the year with related parties were as follows:		
Loans repaid to MVM Partners LLP	18,238	2,672
Distributions to Brookline Investments Limited	9,136	8,684
Distributions to Muddy River Investments Limited	17,866	16,982

Loans outstanding at the end of the year:

Loans from MVM Partners LLP – the Fund Manager	-	(18,238)
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Brookline Investments Limited is a wholly owned subsidiary of MVM Partners LLP.

Muddy River Investments Limited is a wholly owned investment vehicle of a member of MVM Partners LLP.

Amounts owed to the Fund Manager are interest free, unsecured and repayable on demand.

10. Auditors' remuneration

Fees payable to the Limited Partnership's auditors for the audit of the statutory accounts amounted to £5,359 (2017: £5,408).