

REGISTERED NUMBER: 05079583 (England and Wales)

**Report of the Directors and
Consolidated Financial Statements
for the Year Ended
30 September 2018
for
Phase4 Partners Limited**



Phase4 Partners Limited

**Contents of the Consolidated Financial Statements
for the Year Ended 30 September 2018**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Consolidated Income Statement	6
Consolidated Total Comprehensive Income Statement	7
Consolidated Statement of Financial Position	8
Company Statement of Financial Position	9
Consolidated Statement of Changes in Equity	10
Company Statement of Changes in Equity	11
Consolidated Statement of Cash Flows	12
Notes to the Consolidated Statement of Cash Flows	13
Notes to the Consolidated Financial Statements	14

Phase4 Partners Limited
Company Information
for the Year Ended 30 September 2018

DIRECTORS: Dr. D Scots-Knight
C E Sermon
J P Richard
P J J Bains
K Kashyap
Dr A G MacKinnon

SECRETARY: H Jackson

REGISTERED OFFICE: 4th Floor
One Cavendish Place
London
W1D 0QF

REGISTERED NUMBER: 05079583 (England and Wales)

AUDITORS: MHA MacIntrye Hudson
New Bridge Street House
30-34 New Bridge Street
London City
EC4V 6BJ

Phase4 Partners Limited

Report of the Directors for the Year Ended 30 September 2018

The directors present their report with the financial statements of Phase4 Partners Limited (the "company") and its subsidiaries, Phase4 Ventures GP Limited, Phase4 Ventures III General Partner Limited and Phase4 Ventures III FP General Partner Limited (the "group") for the year ended 30 September 2018.

PRINCIPAL ACTIVITY

The principal activity of the company has been the provision of investment management services to private equity investment vehicles (the "Funds") for which it receives a fee. The company is regulated by the Financial Conduct Authority to provide these services. The Funds are United Kingdom limited partnerships and their general partners are subsidiaries of the company.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2017 to the date of this report.

Dr. D Scots-Knight
C E Sermon
J P Richard
P J J Bains
K Kashyap
Dr A G MacKinnon

GOING CONCERN

The company had no income from 1 December 2017 and as at 30 November 2018, its final existing agreement for the provision of investment management services will terminate. Therefore, the directors have decided to liquidate the company and this is expected to be completed by 31 March 2019. The directors consider it inappropriate to prepare the financial statements on a going concern basis and have prepared these financial statements on a break-up basis, as set out under the basis of preparing the financial statements in note 2 to the financial statements.

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 the group and of the profit or loss of the group 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

A STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 group's auditors are 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 group's auditors are aware of that information.

Phase4 Partners Limited

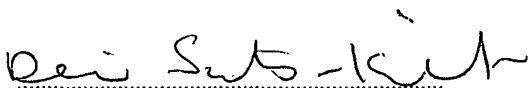
**Report of the Directors
for the Year Ended 30 September 2018**

AUDITORS

MHA MacIntyre Hudson, have been appointed as Auditors for the current year engagement.

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

ON BEHALF OF THE BOARD:

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

Dr. D Scots-Knight - Director

Date: 21 January 2019

Independent auditor's report to the Members of Phase4 Partners Limited

Opinion

We have audited the financial statements of Phase4 Partners Limited (the "Company") and its subsidiaries (the "Group") for the year ended 30 September 2018, which comprise the Consolidated Income Statement, Consolidated Total Comprehensive Income Statement, Consolidated and Company Statements of Financial Position, Consolidated and Company Statements of Changes in Equity, Consolidated Statement of Cash Flows and notes to the financial statements, 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 Group's and the Company's affairs as at 30 September 2018, and of the group's 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 as applied to limited companies.

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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, 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.

Emphasis of matter - going concern

As set out in note 2 to the financial statements, due to the proposed liquidation of the Company, the use of the going concern basis of accounting is not appropriate and the financial statements have been prepared on a breakup basis. In our opinion this basis is appropriate in the circumstances.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Report of the Directors and Consolidated Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, 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 this other information, we are required to report that fact.

We have nothing to report in this regard.



Independent auditor's report to the Members of Phase4 Partners Limited (continued)

Opinions 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

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

Responsibilities of the Directors

As explained more fully in the Directors' responsibilities statement set out on page 2, 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 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 Group's and 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 Members either intend to liquidate the Group or 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 auditor's 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 Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our Report

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.

Deborah Weston (Senior Statutory Auditor)
For and on behalf of MHA MacIntyre Hudson, Statutory Auditor
New Bridge Street House
30 - 34 New Bridge Street
London. EC4V 6BJ

21 January 2019

Phase4 Partners Limited
Consolidated Income Statement
for the Year Ended 30 September 2018

	Notes	30.9.18 £	30.9.17 £
TURNOVER		27,000	167,766
Administrative expenses		<u>45,751</u>	<u>76,495</u>
		(18,751)	91,271
Other operating income		<u>9,408</u>	<u>5,995</u>
OPERATING (LOSS)/PROFIT and (LOSS)/PROFIT BEFORE TAXATION		(9,343)	97,266
Tax on (loss)/profit	5	<u>-</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(9,343)</u>	<u>97,266</u>
(Loss)/profit attributable to: Owners of the parent		<u>(9,343)</u>	<u>97,266</u>

The notes form part of these financial statements

Phase4 Partners Limited

**Consolidated Total Comprehensive Income Statement
for the Year Ended 30 September 2018**

	Notes	30.9.18 £	30.9.17 £
(LOSS)/PROFIT FOR THE YEAR		(9,343)	97,266
OTHER COMPREHENSIVE INCOME		—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(9,343)</u>	<u>97,266</u>
Total comprehensive income attributable to: Owners of the parent		<u>(9,343)</u>	<u>97,266</u>

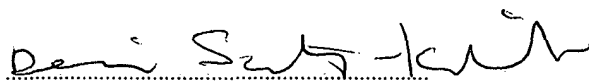
The notes form part of these financial statements

Phase4 Partners Limited (Registered number: 05079583)

**Consolidated Statement of Financial Position
30 September 2018**

	Notes	30.9.18 £	30.9.17 £
CURRENT ASSETS			
Debtors	9	22,280	16,044
Cash at bank		<u>40,551</u>	<u>186,188</u>
		62,831	202,232
CREDITORS			
Amounts falling due within one year	10	<u>31,160</u>	<u>31,247</u>
NET CURRENT ASSETS		<u>31,671</u>	<u>170,985</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>31,671</u>	<u>170,985</u>
CAPITAL AND RESERVES			
Called up share capital	11	5,132	5,132
Capital redemption reserve	12	1,750	1,750
Retained earnings	12	<u>24,789</u>	<u>164,103</u>
SHAREHOLDERS' FUNDS		<u>31,671</u>	<u>170,985</u>

The financial statements were approved by the Board of Directors on 21 January 2019 and were signed on its behalf by:



Dr. D Scots-Knight - Director

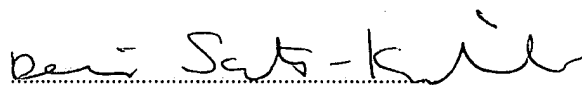
The notes form part of these financial statements

Phase4 Partners Limited (Registered number: 05079583)

Company Statement of Financial Position
30 September 2018

	Notes	30.9.18 £	£	30.9.17 £	£
FIXED ASSETS					
Investments	8		3		3
CURRENT ASSETS					
Debtors	9	22,280		56,544	
Cash at bank		<u>38,326</u>		<u>147,127</u>	
		60,606		203,671	
CREDITORS					
Amounts falling due within one year	10	<u>32,584</u>		<u>32,689</u>	
NET CURRENT ASSETS			<u>28,022</u>		<u>170,982</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>28,025</u>		<u>170,985</u>
CAPITAL AND RESERVES					
Called up share capital	11		5,132		5,132
Capital redemption reserve	12		1,750		1,750
Retained earnings	12		<u>21,143</u>		<u>164,103</u>
SHAREHOLDERS' FUNDS			<u>28,025</u>		<u>170,985</u>

The financial statements were approved by the Board of Directors on 21 January 2019 and were signed on its behalf by:



Dr. D Scots-Knight - Director

The notes form part of these financial statements

Phase4 Partners Limited

**Consolidated Statement of Changes in Equity
for the Year Ended 30 September 2018**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 October 2016	5,132	66,837	1,750	73,719
Changes in equity				
Total comprehensive income	<u>-</u>	<u>97,266</u>	<u>-</u>	<u>97,266</u>
Balance at 30 September 2017	<u>5,132</u>	<u>164,103</u>	<u>1,750</u>	<u>170,985</u>
Changes in equity				
Dividends	-	(129,971)	-	(129,971)
Total comprehensive income	<u>-</u>	<u>(9,343)</u>	<u>-</u>	<u>(9,343)</u>
Balance at 30 September 2018	<u>5,132</u>	<u>24,789</u>	<u>1,750</u>	<u>31,671</u>

The notes form part of these financial statements

Phase4 Partners Limited

**Company Statement of Changes in Equity
for the Year Ended 30 September 2018**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 October 2016	5,132	66,837	1,750	73,719
Changes in equity				
Total comprehensive income	<u>-</u>	<u>97,266</u>	<u>-</u>	<u>97,266</u>
Balance at 30 September 2017	<u>5,132</u>	<u>164,103</u>	<u>1,750</u>	<u>170,985</u>
Changes in equity				
Dividends	-	(129,971)	-	(129,971)
Total comprehensive loss	<u>-</u>	<u>(12,989)</u>	<u>-</u>	<u>(12,989)</u>
Balance at 30 September 2018	<u><u>5,132</u></u>	<u><u>21,143</u></u>	<u><u>1,750</u></u>	<u><u>28,025</u></u>

The notes form part of these financial statements

Phase4 Partners Limited

**Consolidated Statement of Cash Flows
for the Year Ended 30 September 2018**

	Notes	30.9.18 £	30.9.17 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(15,666)</u>	<u>72,950</u>
Net cash from operating activities		<u>(15,666)</u>	<u>72,950</u>
 Cash flows from financing activities			
Equity dividends paid		<u>(129,971)</u>	<u>-</u>
Net cash from financing activities		<u>(129,971)</u>	<u>-</u>
 (Decrease)/increase in cash and cash equivalents		<u>(145,637)</u>	<u>72,950</u>
Cash and cash equivalents at beginning of year	2	<u>186,188</u>	<u>113,238</u>
 Cash and cash equivalents at end of year	2	<u><u>40,551</u></u>	<u><u>186,188</u></u>

The notes form part of these financial statements

Phase4 Partners Limited

**Notes to the Consolidated Statement of Cash Flows
for the Year Ended 30 September 2018**

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	30.9.18	30.9.17
	£	£
(Loss)/profit before taxation	(9,343)	97,266
Increase in trade and other debtors	(6,236)	(2,869)
(Decrease)/increase in trade and other creditors	<u>(87)</u>	<u>(21,447)</u>
Cash generated from operations	<u>(15,666)</u>	<u>72,950</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 30 September 2018

	30.9.18	1.10.17
	£	£
Cash and cash equivalents	<u>40,551</u>	<u>186,188</u>

Year ended 30 September 2017

	30.9.17	1.10.16
	£	£
Cash and cash equivalents	<u>186,188</u>	<u>113,238</u>

The notes form part of these financial statements

Phase4 Partners Limited

Notes to the Consolidated Financial Statements for the Year Ended 30 September 2018

1. STATUTORY INFORMATION

Phase4 Partners Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with 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 under the historical cost convention.

As set out in the Directors' report, due to the proposed liquidation of the company, the directors have decided to prepare the financial statements on a basis other than that of going concern. The financial statements have been prepared on a breakup basis. In adopting the breakup basis assets have been measured at which they are expected to be realised and liabilities include an estimate of the net costs to the date of liquidation. See note 4.

Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the statement of financial position and the amounts reported for revenues and expenses during the year.

Critical judgements in applying the entity's accounting policies

The directors have not been required to apply any critical judgements in applying the accounting policies.

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities within the next financial year relate to the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of the debtors and historical experience. Note 9 contains details of the net carrying amount of the debtors and any associated impairment provision.

Basis of consolidation

The group financial statements consolidate the financial statements of Phase4 Partners Limited and all its subsidiary undertakings up to the period end. No profit and loss account is presented for Phase4 Partners Limited as permitted by section 408 of the Companies Act 2006.

Turnover

Turnover is recognised when earned and comprises of management fees receivable. Management fees receivable are mainly generated in US dollars and are converted into sterling. All operations are based in the United Kingdom.

Expenses

Expenses are recognised on an accruals basis.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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.

Phase4 Partners Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2018**

2. ACCOUNTING POLICIES – continued

Deferred tax

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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the profit or loss for the financial year.

Interest receivable and similar income

Interest receivable includes amounts receivable from cash deposits.

Financial instruments

(a) Financial assets

The group's financial assets comprise basic financial assets, being fees and other receivables that are categorised as being debt instruments measured at amortised cost and cash.

Cash is represented by cash on deposit with financial institutions repayable without penalty on notice of not more than 24 hours.

Fees and other receivables are measured initially at transaction price and thereafter at the undiscounted amount of cash or other consideration expected to be received. Any impairment loss is recognised in the consolidated income statement.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or are settled, or when substantially all the risks and rewards of the ownership of the asset are transferred.

(b) Impairment

An impairment loss is measured as the difference between an assets carrying amount and best estimate of the amount that the group would receive for the asset if it were sold at the reporting date.

(c) Financial liabilities

The group's financial liabilities comprise basic financial liabilities, being trade and other payables that are categorised as financial liabilities measured at amortised cost. These are measured initially at the transaction price and thereafter at the undiscounted amount of cash or other consideration expected to be paid.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(d) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis and to realise the asset and settle the liability simultaneously.

Phase4 Partners Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2018**

3. OPERATING (LOSS)/PROFIT

The operating loss (2017 - operating profit) is stated after charging/(crediting):

	30.9.18	30.9.17
	£	£
Auditors' remuneration for audit services - parent	9,000	22,500
Auditors' remuneration for audit services – subsidiaries	-	9,500
Auditors' remuneration for non-audit fees – accrued liquidation fees	6,000	-
Foreign exchange differences	<u>(1,059)</u>	<u>(282)</u>

4. EXCEPTIONAL ITEMS

	30.9.18	30.9.17
	£	£
Costs to closure	<u>(15,981)</u>	<u>-</u>

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 30 September 2018 nor for the year ended 30 September 2017.

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	30.9.18	30.9.17
	£	£
(Loss)/profit before tax	<u>(9,343)</u>	<u>97,266</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.5%)	(1,775)	18,967
Effects of:		
Claim of group relief	-	(18,967)
Tax losses carried forward	<u>1,775</u>	<u>-</u>
Total tax charge	<u>-</u>	<u>-</u>

Deferred taxation

No deferred tax asset has been recognised in relation to the company's losses carried forward.

The group contains a company which has unutilised tax trading losses of £12,677 (2017: £nil). These losses are available to offset against future taxable profits. The group has not recognised a deferred tax asset of £2,409 (2017: £nil) in respect of these trading losses, calculated on the current corporation tax rate of 19% (2017: 19%).

The group also contains another company which has unutilised tax trading losses of £5,622,278 (2017: £5,622,278). These losses are available to offset against future taxable profits. The group has not recognised a deferred tax asset of £1,068,233 (2017: £1,068,233) in respect of these trading losses, calculated on the current corporation tax rate of 19% (2017: 19%).

Phase4 Partners Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2018**

5. TAXATION (continued)

Deferred taxation (continued)

The group also contains a company which has unutilised excess management charges of £5,344,156 (2017: £5,320,802) and an unutilised non-trade loan relationship deficit of £22,335 (2017: £22,335) and which are available to offset against future investment income. The group has not recognised a deferred tax asset of £1,019,633 (2017: £1,015,196) in respect of these charges and deficit, calculated on the current corporation tax rate of 19% (2017: 19%).

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

6. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

7. DIVIDENDS

	30.9.18	30.9.17
	£	£
Ordinary shares of £1 each		
Interim	<u>129,971</u>	<u>-</u>

8. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 October 2017	
and 30 September 2018	<u>3</u>
NET BOOK VALUE	
At 30 September 2018	<u>3</u>
At 30 September 2017	<u>3</u>

The investments in the subsidiary undertakings represents the following:

Name of subsidiary	Shares/voting rights held	Country of incorporation and registration	Principle business
Phase4 Ventures GP Limited	100%	England	Investment general partner
Phase4 Ventures III General Partner Limited	100%	Scotland	Investment general partner
Phase4 Ventures III FP General Partner Limited	100%	Scotland	Dormant

Phase4 Partners Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2018**

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.9.18	30.9.17	30.9.18	30.9.17
	£	£	£	£
Trade debtors	15,300	3,771	2,848	3,771
Amounts owed by related parties	5,421	-	5,421	-
Other debtors	536	10,931	12,988	51,431
VAT	923	1,235	923	1,235
Prepayments	<u>100</u>	<u>107</u>	<u>100</u>	<u>107</u>
	<u><u>22,280</u></u>	<u><u>16,044</u></u>	<u><u>22,280</u></u>	<u><u>56,544</u></u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	30.9.18	30.9.17	30.9.18	30.9.17
	£	£	£	£
Trade creditors	3,636	3,726	3,636	3,510
Auditors' remuneration accrued	15,000	22,000	15,000	22,000
Other creditors	555	321	-	-
Amounts owed to related parties	-	-	1,979	1,979
Accrued expenses	<u>11,969</u>	<u>5,200</u>	<u>11,969</u>	<u>5,200</u>
	<u><u>31,160</u></u>	<u><u>31,247</u></u>	<u><u>32,584</u></u>	<u><u>32,689</u></u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			30.9.18	30.9.17
Number:	Class:	Nominal value:	£	£
5,132	Ordinary	£1	<u><u>5,132</u></u>	<u><u>5,132</u></u>

12. RESERVES

Group			
	Retained earnings	Capital redemption reserve	Totals
	£	£	£
At 1 October 2017	164,103	1,750	165,853
Deficit for the year	(9,343)		(9,343)
Dividends	<u>(129,971)</u>		<u>(129,971)</u>
At 30 September 2018	<u><u>24,789</u></u>	<u><u>1,750</u></u>	<u><u>26,539</u></u>

Phase4 Partners Limited

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 30 September 2018**

12. RESERVES (continued)

Company

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 October 2017	164,103	1,750	165,853
Deficit for the year	(12,989)	-	(12,989)
Dividends	<u>(129,971)</u>	<u>-</u>	<u>(129,971)</u>
At 30 September 2018	<u>21,143</u>	<u>1,750</u>	<u>22,893</u>

13. FINANCIAL INSTRUMENTS

	Group		Company	
	30.9.18 £	30.9.17 £	30.9.18 £	30.9.17 £
Financial assets				
Cash at bank	40,551	186,188	38,326	147,127
Financial assets categorised as debt instruments measured at amortised cost	<u>21,257</u>	<u>14,702</u>	<u>21,257</u>	<u>55,202</u>
	61,808	200,890	59,583	202,329
	Group		Company	
	30.9.18 £	30.9.17 £	30.9.18 £	30.9.17 £
Financial liabilities				
Measured at amortised cost	<u>31,160</u>	<u>31,247</u>	<u>32,584</u>	<u>32,689</u>

Financial assets that are categorised as debt instruments measured at amortised cost comprise debtors, excluding prepayments and recoverable VAT.

Financial liabilities are categorised as measured at amortised cost comprise creditors.

14. RELATED PARTY DISCLOSURES

Group

Denise Scots-Knight, Charles Sermon, Alastair MacKinnon and John Richard, directors of Phase4 Partners Limited are also Limited Partners of Phase4 Ventures III GP LP. There was a management fee of £27,000 (2017: £167,766) received from Phase4 Ventures III GP LP for the year ended 30 September 2018.

There were no other related party transactions during the year ended 30 September 2018.

Parent Company

The company has taken advantage of the 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.

15. ULTIMATE CONTROLLING PARTY

The directors consider there to be no ultimate controlling party.