

Company Registration No. 06370514 (England and Wales)

WYVERN GENERAL PARTNER LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017



WYVERN GENERAL PARTNER LIMITED

COMPANY INFORMATION

Directors	A Allars D Embleton
Secretary	R Grasham
Company number	06370514
Registered office	Engine Shed Clock Tower Yard Temple Meads Bristol BS1 6QH
Auditor	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW

WYVERN GENERAL PARTNER LIMITED

CONTENTS

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 5
Statement of comprehensive income	6
Balance sheet	7
Notes to the financial statements	8 - 11

WYVERN GENERAL PARTNER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2017

The directors present their annual report and financial statements for the year ended 31 July 2017.

Principal activities

The company is the General Partner of a Limited Partnership established to make venture capital investments.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

A Allars
D Embleton

Auditor

The auditor, UHY Hacker Young, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

WYVERN GENERAL PARTNER LIMITED

DIRECTORS' REPORT (CONTINUED)

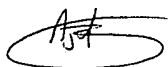
FOR THE YEAR ENDED 31 JULY 2017

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

A handwritten signature, appearing to be 'A Allars', is enclosed within a hand-drawn oval.

A Allars

Director

16 November 2017

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF WYVERN GENERAL PARTNER LIMITED**

Opinion

We have audited the financial statements of Wyvern General Partner Limited (the 'company') for the year ended 31 July 2017 set out on pages 6 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 31 July 2017 and of its result 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company 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.

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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF WYVERN GENERAL PARTNER LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 the knowledge and understanding of 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBER OF WYVERN GENERAL PARTNER LIMITED

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 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 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 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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.



Daniel Hutson (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

20 November 2017

Chartered Accountants
Statutory Auditor

WYVERN GENERAL PARTNER LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 JULY 2017

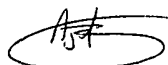
	Notes	2017 £	2016 £
Turnover		228,934	228,981
Administrative expenses		(228,934)	(228,981)
Profit before taxation		-	-
Taxation		-	-
Profit for the financial year		<u>-</u>	<u>-</u>

WYVERN GENERAL PARTNER LIMITED**BALANCE SHEET****AS AT 31 JULY 2017**

	Notes	2017 £	£	2016 £	£
Current assets					
Debtors	2	286,173		1	
Investments	3	1,000		1,000	
		<u>287,173</u>		<u>1,001</u>	
Creditors: amounts falling due within one year	4	<u>(287,172)</u>		<u>(1,000)</u>	
Net current assets			<u>1</u>		<u>1</u>
Capital and reserves					
Called up share capital	5		<u>1</u>		<u>1</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 16 November 2017 and are signed on its behalf by:



A Allars
Director

Company Registration No. 06370514

WYVERN GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

Company information

Wyvern General Partner Limited is a private company limited by shares incorporated in England and Wales. The registered office is Engine Shed Clock Tower Yard, Temple Meads, Bristol, BS1 6QH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention.

The company has taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

1.2 Going concern

The directors have considered the financial position of the company, its cash flows and liquidity position. Wyvern Asset Management Limited, 'the manager' of Wyvern Seed Fund Limited 'the Fund' has agreed to continue to accrue the management fee debtor due from the fund until material realisations within the Fund will enable the outstanding debt due to the company to be paid in full in the next financial year.

As a consequence, the directors believe that the company is well placed to manage its business risk despite the current liquidity position. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

1.3 Turnover

Turnover represents the company's entitlement to priority profit share as general partner of the Wyvern Seed Fund Limited Partnership. In the absence of profits within the Funds, a sum equivalent to the company's entitlement is advanced to the company as an interest free limited recourse loan. Such advances are treated as income in the company's accounts, as this is the substance of the transaction.

1.4 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

WYVERN GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2017

1 Accounting policies

(Continued)

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

WYVERN GENERAL PARTNER LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017****2 Debtors**

	2017	2016
	£	£
Amounts falling due within one year:		
Amounts due from group undertakings	286,173	1

3 Current asset investments

	2017	2016
	£	£
Other investments	1,000	1,000

Current asset investments comprise an investment in Wyvern Seed Fund Limited Partnership, of which the company is a general partner.

4 Creditors: amounts falling due within one year

	2017	2016
	£	£
Amounts due to group undertakings	287,172	1,000

5 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
1 ordinary share of of £1 each	1	1

6 Contingent Liabilities

As General Partner of a limited partnership, the company is ultimately liable for the liabilities of the limited partnership. No loss is expected to arise out of these arrangements.

7 Related party transactions

The company has taken advantage of the exemption for smaller entities and not disclosed transactions with group undertakings.

WYVERN GENERAL PARTNER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2017

8 Parent company

The directors regard Wyvern Asset Management Limited, a company registered in England and Wales, as the immediate parent undertaking at the balance sheet date, since it holds 100% interest in the equity capital of the company. The directors consider Studium Ventures Limited to be the ultimate parent company and controlling entity.

Registered No. LP 006714

WYVERN SEED FUND LIMITED PARTNERSHIP

**REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2017**

WYVERN SEED FUND LIMITED PARTNERSHIP

CONTENTS

	Page
General information	1
Annual report of the manager	3
Statement of manager's responsibilities	5
Independent auditor's report	6 - 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in partners interests	10
Cash flow statement	11
Notes to the financial statements	12

GENERAL INFORMATION

Wyvern Seed Fund (the “Partnership”) was registered as a limited partnership under the Limited Partnership Act 1907 with number LP6714 on 22 December 1999. The Partnership in its current form was constituted by an agreement dated 3 March 2010 (“the Partnership Agreement”).

The Partnership has been constituted pursuant to the University Challenge Fund Scheme Competition to carry on business as an investor and in particular but without limitation, to provide early stage investment so as to enable and facilitate the effective development of research ideas in any field or discipline into well-founded business propositions which can be commercialised through normal investment routes or be licensed to third parties.

Specifically, the purpose of the Partnership is to make, hold, monitor and realise investments in research projects and spin-out companies at Bristol and Southampton or such other research institutions as may be agreed with Limited Partner consent, with the principal objective of creating capital growth and realising capital gain.

The general partner of the fund is Wyvern General Partner Limited (the “General Partner”). The General Partner is entitled to an advanced profit share (the “profit share”) which segments into “fixed” and “bonus” elements. The fixed element is £200,000 plus an adjustment for inflation based on the year to July in the preceding year. The bonus element is a specified percentage of any capital gains realised in the year.

Wyvern Asset Management Limited is the Manager of the Partnership. The Manager is responsible for ensuring that those aspects of the management of the fund as constitute regulated activity under the provisions of the Financial Services and Markets Act 2000 are carried out on behalf of the fund by a person duly authorised under that Act to carry out such business.

The Manager is also responsible for all aspects of the management of the fund as do not constitute regulated activity under the provisions of the Financial Services and Markets Act 2000.

A management fee is due from the General Partner to the Manager, which is equal to the amount of the General Partner’s profit share for the relevant period. The Manager shall bear all expenses incurred in performance of its duties with the exception of those expenses referred to in the Partnership agreement as being payable by the Partnership or General Partner.

GENERAL INFORMATION

GENERAL PARTNER

Wyvern General Partner Limited
Engine Shed
Clock Tower Yard
Temple Meads
Bristol
BS1 6QH

FUNDS COMMITTED

Funds committed by the limited partners were as follows:

At 1 August
2016 and
at 31 July
2017
£

University of Bristol	187,500
University of Southampton	500,000
Wyvern General Partner Limited	1,000

688,500

Funds committed by way of a donation:

Office of Science and Technology of the DTI	3,329,950
Welcome Trust	794,300

4,812,750

INVESTMENT REVIEW BOARD

Mr D Embleton (Chairman)
Mr I Dale-Staples

MANAGER

Wyvern Asset Management Limited
Engine Shed
Clock Tower Yard
Temple Meads
Bristol
BS1 6QH

AUDITOR

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London
E1W 1YW

ANNUAL REPORT OF THE MANAGER FOR THE YEAR ENDED 31 JULY 2017

Introduction

This is the annual report for Wyvern Seed Fund Limited Partnership.

Somewhat surprisingly, the general outlook for the world economy has improved, with the EU returning to reasonable growth, strong growth in Asia and the US continuing to flourish. The US administration has failed to do anything particularly damaging to economic prospects, although there is still a significant risk that it will. The general level of debt in all sectors and regions remains of significant concern.

The UK economy, however, has slowed, and the Brexit situation offers little reason for short term optimism. Additional instability due to the political situation suggests the risks are all on the downside.

In our sector there continues to be concern that the loss of access to Horizon 2020 grants and the removal of VC support, by the withdrawal of the European Investment Fund from the UK market, will damage the early stage technology sector in the medium term.

Portfolio

Fund raising by portfolio companies has picked up, particularly Graphcore which has raised over \$50m in two fund raisings. Other funding rounds have been completed by Karus and Xmos, although the Fund wasn't in a position to participate in either.

Neither of our two publicly listed companies had a good year. Revolymer changed its name to Itaconix (a smaller US company that it acquired) whilst its share price slid significantly. Ilika's share price also remained in the doldrums.

KWS Biotest has performed extremely well, as acknowledged by the increase in valuation arising from its trading performance.

Two portfolio companies have announced their intention to float their share over the coming months, in particular, Apitope is hoping to raise significant funding on the Euronext market.

Wyvern Asset Management fund management team continue to encourage portfolio companies to seek exits where they are mature enough and two companies are considering trade sales.

Fund performance

The Partnership is reporting an operating profit for the year of £197,502 (2016: £596,424 loss). This is mainly represented by the fair value gain of £423,222 (2016: 368,286 loss) on investments. The P&L includes the payment of the fixed element of the advanced profit share of £228,934 (2016: £228,938) and normal operating costs, with there being no write offs this year. The management bonus element of the advanced profit share was £Nil (2016: £Nil).

During the year, net assets increased to £2,439,170 (2016: decreased to £2,241,668).

ANNUAL REPORT OF THE MANAGER FOR THE YEAR ENDED 31 JULY 2017

Investment activity

In line with the policy suggested by the Investment Review Board, the Manager has continued to focus on the prudent use of current cash to protect the value of the existing portfolio.

At 31 July 2017, the Partnership has current assets of £112,954 (2016: £109,740), all of which was in cash and short-term deposits.

Going concern

The Partnership has considered the financial position of the Limited Partnership, its cash flows and liquidity position. Currently, the Limited Partnership has insufficient liquid resources to settle its debt with regards to the General Partner's profit share, or meet this liability in the coming year.

The Manager has confirmed to the Partnership that they will continue to accrue the management fees due and not demand payment until a point where the Partnership sufficient cash reserves. It is anticipated that material realisations within the Fund will enable the outstanding debt due to the Manager to be paid in full in the next financial year. In order to ensure that the existing cash reserves within the Manager will be sufficient to support operations for at least 12 months the Manager will defer salary payments and agreed payment holidays with certain suppliers. The Limited Partnership has no cash commitments and no fixed costs other than the management fees. Consequently, providing the Manager continues to accrue the fee pending the anticipated realisations, then the Fund could continue for the twelve months following the signing of these financial statements.

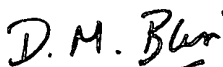
Auditor

In the case of each of the persons who is a director of the Manager at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information of which the limited partnership's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the limited partnership's auditor is aware of the information.

Approval of financial statements

We, on behalf of the Directors of Wyvern Asset Management Limited (Manager to the Fund), approve the financial statements and confirm that we have made available all relevant records and information for their preparation.



D Blair

On behalf of the Directors of Wyvern Asset Management Limited

16 November 2017

**STATEMENT OF MANAGER'S RESPONSIBILITIES
FOR THE YEAR ENDED 31 JULY 2017**

The Manager's responsibility in preparing the Partnership's financial statements are set out in clause 12 of the Partnership Agreement. The financial statements are required to be prepared in accordance with the Partnership Agreement and with United Kingdom Generally Accepted Accounting Practice. In preparing the financial statements in this matter, the Manager is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and 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 Partnership will continue in business.

The Manager is responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose, with reasonable accuracy at any time, the financial position of the Partnership and enable them to ensure that the financial statements comply with the Partnership Agreement. The Manager 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WYVERN SEED FUND LIMITED PARTNERSHIP

Opinion

We have audited the financial statements of Wyvern Seed Fund Limited Partnership for the year ended 31 July 2017, which comprise the statement of total comprehensive income, the balance sheet, the statement of changes in partners' interests, the cash flow statement and the related notes 1 to 7. The financial reporting framework that has been applied in their preparation is the accounting policies set out therein.

In our opinion the financial statements:

- give a true and fair view of the state of the limited partnership's affairs as at 31 July 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 provisions of the Limited Partnership Agreement.

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 limited partnership 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.

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 manager's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the limited partnership'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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The manager is 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 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 WYVERN SEED FUND LIMITED PARTNERSHIP

Responsibilities of Manager

As explained more fully in the Manager's Responsibilities Statement set out on page 5, the Manager is 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 Manager determines 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 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 Manager either intends to liquidate the limited partnership 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report. This report is made solely to the limited partnership's members, as a body. Our audit work has been undertaken so that we might state to the limited partnership'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 limited partnership and the limited partnership's members as a body, for our audit work, for this report, or for the opinions we have formed.

This report is made solely to the limited partnership's partners, as a body, in accordance with the Limited Partnership Agreement. Our audit work has been undertaken so that we might state to the limited partnership's partners 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 limited partnership and limited partnership's partners as a body, for our audit work, for this report, or for the opinions we have formed.



Daniel Hutson (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young

Chartered Accountants
Statutory Auditor

20 November 2017

WYVERN SEED FUND LIMITED PARTNERSHIP

**STATEMENT OF TOTAL COMPREHENSIVE INCOME
YEAR ENDED 31 JULY 2017**

	Note	2017 £	2016 £
Income			
Income from fixed interest deposits		390	908
Other income		2,918	-
		<u>3,308</u>	<u>908</u>
Administrative expenses			
Other expenses		(94)	(108)
General Partner's priority profit share	2	(228,934)	(228,938)
		<u>(229,028)</u>	<u>(229,046)</u>
Fair value gain/(loss) on investments		423,222	(368,286)
Operating gain/(loss) for the financial year and comprehensive income		<u><u>197,502</u></u>	<u><u>(596,424)</u></u>

All amounts are derived from continuing operations.

WYVERN SEED FUND LIMITED PARTNERSHIP

**BALANCE SHEET
YEAR ENDED 31 JULY 2017**

	Note	2017 £	2016 £
Fixed assets			
Investments	5	2,612,388	2,189,166
		<u> </u>	<u> </u>
Current assets			
Cash at bank and in hand		112,954	109,740
		<u> </u>	<u> </u>
		112,954	109,740
Creditors: amounts falling due within one year	6	(286,172)	(57,238)
		<u> </u>	<u> </u>
Net current (liabilities)/assets		(173,218)	52,502
		<u> </u>	<u> </u>
Net assets of the Partnership		2,439,170	2,241,668
		<u> </u>	<u> </u>
Partners' interests			
Capital contributions		4,812,750	4,812,750
Loan accounts		687,500	687,500
Fair value reserve		1,241	(421,981)
Current accounts		(3,062,321)	(2,836,601)
		<u> </u>	<u> </u>
Total partners' interests		2,439,170	2,241,668
		<u> </u>	<u> </u>

These financial statements were approved by the Manager on 16 November 2017.

D. M. Blair

D Blair
On behalf of the Directors of Wyvern Asset Management Limited

WYVERN SEED FUND LIMITED PARTNERSHIP

STATEMENT OF CHANGES IN PARTNERS INTERESTS YEAR ENDED 31 JULY 2017

	Bristol £	Southamp- ton £	Wyvern GP Limited £	2017 Total £	2016 Total £
Capital accounts					
Direct contribution	187,500	500,000	1,000	688,500	688,500
OST (reallocated)	910,150	2,419,800	-	3,329,950	3,329,950
Wellcome Trust	217,100	577,200	-	794,300	794,300
Total capital accounts	1,314,750	3,497,000	1,000	4,812,750	4,812,750
Loan accounts	187,500	500,000	-	687,500	687,500
Fair value reserve					
Balance at 31 July 2016	(114,479)	(307,502)	-	(421,981)	(53,695)
Realisations from investments	-	-	-	-	-
Fair value adjustments in year	115,540	307,682	-	423,222	(368,286)
Balance at 31 July 2017	1,061	180	-	1,241	(421,981)
Current account					
Balance at 31 July 2016	(774,543)	(2,062,058)	-	(2,836,601)	(2,608,462)
Loss for the year	(61,621)	(164,099)	-	(225,720)	(228,139)
Balance at 31 July 2017	(836,164)	(2,226,157)	-	(3,062,321)	(2,836,601)
Total partners' interest	667,147	1,771,023	1,000	2,439,170	2,241,668

WYVERN SEED FUND LIMITED PARTNERSHIP**CASH FLOW STATEMENT
YEAR ENDED 31 JULY 2017**

	Note	2017 £	2016 £
Net cash inflow/(outflow) from operating activities	7	2,824	(179,825)
Returns on investments and servicing of finance			
Realisation of investments		-	-
Bank interest received		390	908
Net cash inflow from returns on investments and servicing of finance		390	908
Capital expenditure and financial investment			
Purchase of investments		-	(51,953)
Change in cash for the year		3,214	(230,870)
Net funds at the start of the year		109,740	340,610
Net funds at the end of the year		112,954	109,740

WYVERN SEED FUND LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2017

1. Accounting policies

The financial statements are prepared in accordance with the Limited Partnership Agreement and with Generally Accepted Accounting Practice in the United Kingdom, except as disclosed below. The particular accounting policies adopted have all been applied consistently throughout the year and the preceding year.

Accounting convention

These financial statements for the year ended 31 July 2017 are prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. In accordance with section 9.9 of FRS 102 the accounts are not consolidated since the investments are held exclusively with a view to subsequent resale and as part of an investment portfolio.

Going concern

The Manager has considered the financial position of the Limited Partnership, its cash flows and liquidity position. Currently, the Limited Partnership has insufficient liquid resources to settle its debt with regards to the General Partner's profit share, or meet this liability in the coming year.

The Manager has confirmed to the Partnership that they will continue to accrue the management fees due and not demand payment until a point where the Partnership sufficient cash reserves. It is anticipated that material realisations within the Fund will enable the outstanding debt due to the Manager to be paid in full in the next financial year. In order to ensure that the existing cash reserves within the Manager will be sufficient to support operations for at least 12 months the Manager will defer salary payments and agreed payment holidays with certain suppliers. The Limited Partnership has no cash commitments and no fixed costs other than the management fees. Consequently, providing the Manager continues to accrue the fee pending the anticipated realisations, then the Fund could continue for the twelve months following the signing of these financial statements.

Accordingly, the Partnership continues to adopt the going concern basis in preparing the annual report and financial statements.

Investments

Equity investments are valued by the Manager at fair value in accordance with the International Private Equity and Venture Capital Association ("IPEVC") guidelines endorsed by the British Venture Capital Association ("BVCA").

Fair Value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For unquoted investments, the measurement of fair value assumes the underlying business or instrument is realised or sold at the year-end date, appropriately allocated to the various interests, regardless of whether the underlying business is prepared for sale or whether its shareholders intend to sell in the near future. Fair value movements are recorded in the fair value reserve and shown in the statement of comprehensive income regardless of whether this represents an upwards revaluation above cost or an impairment below cost.

The gain or loss of an investment is denoted by the proceeds of disposal of the investment, less the cost of the investment. The unrealised (loss)/gain of the investment is recognised within the statement of comprehensive income as part of unrealised net (loss)/gain on revaluation of investments.

Investments in non-equity projects and pathfinders (including loans made in relation to equity investments) have been valued at cost where:

- the project/pathfinder is still active (i.e. it has not been completed); and
- the project/pathfinder may have commercial potential.

WYVERN SEED FUND LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2017

1. Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

The limited partnership has elected to apply the provisions of Section 11 'Basic Financial Instruments' and

Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the limited partnership's balance sheet when the limited partnership becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, loans from 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Income

Bank deposit interest is recognised as it accrues.

Expenses

All expenses are accounted for on an accruals basis and are shown inclusive of irrecoverable VAT. Expenses incidental to the acquisition or disposal of an investment are included within the cost of the investment or deducted from the disposal proceeds as appropriate.

Taxation

The Partnership has no tax liability in respect of income and capital gains. Income and capital gains (or losses) accruing to the Partnership will be attributed to the relevant partners for tax purposes, according to their entitlement to income and capital under the terms of the Partnership Agreement.

Interest payable and receivable

Interest payable and receivable are accounted for on an accruals basis in the profit and loss account.

WYVERN SEED FUND LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2017

2 General Partner's priority profit share

Under the terms of the Partnership Agreement dated 3 March 2010, a priority profit share of £228,934 was payable in respect of the year (2016: £228,938) to the General Partner. This figure comprises a "fixed" portion of £228,934 (2016: £228,938) and a "bonus" element of £Nil (2016: £Nil). The "fixed" portion is adjusted each year for inflation.

The "fixed" portion of the priority profit share is payable regardless of whether profits arise. The priority profit share has been recorded as a cost to the Partnership rather than a drawings movement on reserves as the Manager considers that this better reflects the cost of running the Partnership. The "bonus" element arises from capital gains made on disposal of portfolio companies and is detailed in the Amended and Restated Limited Partnership Agreement 2010.

3. Appropriations

All assets available for distribution by the Partnership shall on the occasion of each distribution be distributed in the following order:

- i) firstly, to the General Partner in payment of its General Partner's profit share;
- ii) secondly, in the event that the funds available for investment are not less than £16,500,000 and the General Partner's Advanced Profit Share has been paid in repaying the Loans, to the Limited Partners; and
- iii) thirdly, in the event that the funds available for investment are not less than £16,500,000 and the General Partner's Advanced Profit Share has been paid and the Loans have been repaid, to the partners in accordance with the ratios set out in sub-clause 15.2 of the Partnership Agreement.

4. Professional fees

During the year, audit fees of £6,000 (2016: £6,000) were borne by Wyvern Asset Management Limited.

WYVERN SEED FUND LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2017

5. Investments

	Equity £	Non-equity £	Total £
Cost			
At 1 August 2016	2,541,147	70,000	2,611,147
Additions	-	-	-
	<u>2,541,147</u>	<u>70,000</u>	<u>2,611,147</u>
At 31 July 2017	<u>2,541,147</u>	<u>70,000</u>	<u>2,611,147</u>
Revaluation			
At 1 August 2016	(351,981)	(70,000)	(421,981)
Movement in value	423,222	-	423,222
	<u>71,241</u>	<u>(70,000)</u>	<u>1,241</u>
Net book value			
At 31 July 2017	<u>2,612,388</u>	<u>-</u>	<u>2,612,388</u>
At 31 July 2016	<u>2,189,166</u>	<u>-</u>	<u>2,189,166</u>

The investments held as fixed assets at the year-end comprise the following:

	Number of Shares held	Loan/class of share	2017 Equity % held	2016 Equity % held
Apitope Technology (Bristol) Limited	187,238	"A" Ordinary	0.9	1.0
	14,839	Series C	0.1	-
Arkivum Limited	26,734	Ordinary	2.8	2.4
Atlas Genetics Limited	1,222	Ordinary	0.3	0.3
Azellon Limited	20,367	"A" Ordinary	2.7	2.7
Boxarr Limited	5,819	Ordinary	1.2	1.0
Capsant Neurotechnologies Limited	6,667	Ordinary	-	-
Graphcore Limited	14,285	Ordinary	-	0.1
	5,571	"A" Ordinary	-	-
Ilika Plc	45,683	Ordinary	-	-
Imetrum Limited	1,484	"B" Ordinary	27.1	23.3
Karus Therapeutics Limited	2,165	"A" Ordinary	0.4	0.4
	2,400	"B" Preferred	0.4	0.4

WYVERN SEED FUND LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2016

5. Investments (continued)

	Number of Shares held	Loan/class of share	2017 Equity % held	2016 Equity % held
KWS Biotest Limited	6100	"B" Ordinary	8.1	8.1
Micrima Limited	2,069,077	Ordinary	-	-
Perpetuum Limited	251,579	Ordinary	1.1	3.1
	13,666	"B" Ordinary	0.1	-
	445,842	"C" Ordinary	2.0	-
Itaconix Plc (formerly Revolymer plc)	465,980	Ordinary	-	-
Stratophase Limited	17,673	Ordinary	-	-
Symetrica Limited	11,278	Ordinary	2.6	4.3
	6,680	"A" Ordinary	1.5	-
	2,147	"B" Ordinary	0.5	-
Xmos Limited	205,862	"S" Ordinary	0.1	0.1
	180,290	"B" Ordinary	0.1	-
	92,696	"B2" Ordinary	-	-
	191,805	"C" Ordinary	0.1	-
	63,051	"D" Ordinary	-	-

The investments are valued as follows:

31 July 2017

	Cost £	Unrealised gain/(loss) £	Valuation £
Equity investments			
Apitope Technology (Bristol) Limited	227,453	(204,350)	23,103
Arkivum Limited	200,505	26,199	226,704
Atlas Genetics Limited	152,750	58,457	211,207
Azellon Limited	152,753	(130,350)	22,403
Boxarr Limited	30,550	26,767	57,317
Capsant Neurotechnologies Limited	50,003	(50,003)	-
Graphcore Limited	-	4,971	4,971
Ilika Plc	6,378	8,925	15,303
Imetrum Limited	130,020	-	130,020
Karus Therapeutics Limited	228,435	(8,924)	219,511
KWS Biotest Limited	30,500	579,500	610,000
Micrima Limited	152,750	(152,750)	-
Perpetuum Limited	395,695	28,086	423,781
Itaconix Plc (formerly Revolymer plc)	116,495	(9,786)	106,709
Stratophase Limited	91,652	(91,652)	-
Symetrica Limited	348,431	169,899	518,330
Xmos Limited	226,777	(183,748)	43,029
	<u>2,541,146</u>	<u>71,242</u>	<u>2,612,388</u>

WYVERN SEED FUND LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 JULY 2017

5. Investments (continued)

31 July 2017 (continued)

	Cost £	Unrealised gain/(loss) £	Valuation £
Non-equity investments			
Epigen	20,000	(20,000)	-
Light Materials	50,000	(50,000)	-
	<u>70,000</u>	<u>(70,000)</u>	<u>-</u>

31 July 2016

	Cost £	Unrealised gain/(loss) £	Valuation £
Equity investments			
Apitope International Limited	227,453	(205,434)	22,019
Arkivum Limited	200,504	26,200	226,704
Atlas Genetics Limited	152,750	(137,174)	15,576
Azellon Limited	152,753	(130,350)	22,403
Boxarr Limited	30,550	26,767	57,317
Capsant Neurotechnologies Limited	50,003	(50,003)	-
Graphcore Limited	-	-	7,256
Ilika Technologies Limited	6,378	17,833	24,211
Imetrum Limited	130,020	-	130,020
Karus Therapeutics Limited	228,435	(8,924)	219,511
KWS Biotest Limited	30,500	274,500	305,000
Micrima Limited	152,750	(152,750)	-
Perpetuum Limited	395,695	28,086	423,781
Itaconix Plc (formerly Revolymer plc)	116,495	65,237	181,732
Stratophase Limited	91,653	(91,653)	-
Symetrica Limited	348,431	169,896	518,327
Xmos Limited	226,777	(191,470)	35,309
	<u>2,541,147</u>	<u>(359,239)</u>	<u>2,189,166</u>
Non-equity investments			
Epigen	20,000	(20,000)	-
Light Materials	50,000	(50,000)	-
	<u>70,000</u>	<u>(70,000)</u>	<u>-</u>

WYVERN SEED FUND LIMITED PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 JULY 2017****6. Creditors: amounts falling due within one year**

	2017	2016
	£	£
Accruals	<u>286,172</u>	<u>57,238</u>

7. Reconciliation of operating loss to cash outflow from operating activities

	2017	2016
	£	£
Operating profit/(loss)	197,502	(596,424)
Fair value gain/(loss) on investments	(423,222)	368,286
Interest received	(390)	(908)
Increase in creditors	<u>228,934</u>	<u>49,221</u>
Net cash outflow from operating activities	<u>2,824</u>	<u>(179,825)</u>