

Company Registration No. 07790936
(England and Wales)

Bridges Ventures III (General Partner) Limited
Annual Report and Financial Statements
For the Year Ended 31 March 2021



Bridges Ventures III (General Partner) Limited
Company Information

| | |
|--------------------------|--|
| Directors | F R McCann P D Richings T P Simmonds |
| Company number | 07790936 |
| Registered office | 38 Seymour Street London W1H 7BP |
| Business address | 38 Seymour Street London W1H 7BP |
| Bankers | The Royal Bank of Scotland International Ltd 1 Princes Street London EC2R 8BP |
| Auditor | Deloitte LLP Hill House 1 Little New Street London EC4A 3TR |

Bridges Ventures III (General Partner) Limited Contents

| | Page |
|--|-------------|
| Directors' Report | 4 |
| Statement of Directors' Responsibilities | 6 |
| Independent Auditor's Report | 7 |
| Statement of Comprehensive Income | 11 |
| Statement of Financial Position | 12 |
| Notes to the Financial Statements | 13 |

Bridges Ventures III (General Partner) Limited

Directors' Report for the year ended 31 March 2021

The directors present their annual report and the audited financial statements of Bridges Ventures III (General Partner) Limited ("the company") for the year ended 31 March 2021.

The directors acknowledge their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and preparation of accounts.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS102 Section 1A – Small entities.

Principal activities, review of the business and future developments

The principal activity of the company is to act as General Partner of Bridges Ventures Fund III Limited Partnership ("the partnership"). The company has been entitled to receive a Priority Profit Share from the partnership since 1 April 2012, the point at which the partnership commenced its Investment Period.

The result for the year and the net asset position at the year end of £1 (2020: £1) were in line with the directors' expectations. The partnership came out of its Investment Period on 1 December 2016, and the directors expect that the results of the business going forward will continue to reflect the consequent reduction in Priority Profit Share. There are no major external issues that are expected to affect the company.

Results and dividends

The result for the year is set out on Page 11. The company made neither a profit nor a loss during the year (2020: £nil). The directors do not recommend the payment of a dividend (2020: £nil).

Financial Risk Management

The directors consider only one risk to be relevant to the business – liquidity risk.

Liquidity risk

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows.

Directors

The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing the Financial Statements.

The Directors, who served throughout the year and up to the date of this report, were as follows:

- F R McCann
- P D Richings
- T P Simmonds

Bridges Ventures III (General Partner) Limited
Directors' Report for the year ended 31 March 2021

Auditor

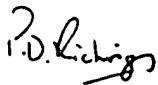
Each of the persons who is a Director at the date of approval of this report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:



P D Richings
Director
14 July 2021

Bridges Ventures III (General Partner) Limited
Statement of Directors' Responsibilities for the year ended 31 March 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 Section 1A "The Financial Reporting Standard applicable to small entities in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent.
- 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.

Bridges Ventures III (General Partner) Limited

Independent Auditor's Report for the year ended 31 March 2021

Opinion

In our opinion the financial statements of Bridges Ventures III (General Partner) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its result for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position; and
- the related notes 1 to 10.

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).

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 Financial Reporting Council's (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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 directors are responsible for the other information contained within the annual report. 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.

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 during 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 this gives rise to material misstatement in the financial statements themselves. 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.

Bridges Ventures III (General Partner) Limited

Independent Auditor's Report for the year ended 31 March 2021

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Bridges Ventures III (General Partner) Limited

Independent Auditor's Report for the year ended 31 March 2021

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- The priority profit share (PPS) charged to the underlying funds is calculated based on fund commitments or invested contributions and fee rates as set out in the underlying Limited Partnership Agreements. There is a risk that inputs relating to fund commitments, invested contributions or fee rates are incorrect or transactions are not recognised in the appropriate period. To respond to this risk, we obtained an understanding of the relevant internal controls and evaluated the effectiveness of the design and implementation of these controls. We further developed an understanding of the process for calculating and accruing the PPS, and tested a sample of PPS transactions to the respective notices and bank statements to ensure that the correct inputs were used in the calculation

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during 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.

In the light of the knowledge and understanding of the company and its environment obtained during the audit, we have not identified any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

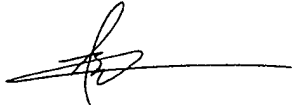
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for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

We have nothing to report in respect of these matters.

Bridges Ventures III (General Partner) Limited
Independent Auditor's Report for the year ended 31 March 2021

Use of our report

This report is made solely to the company's member, 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 member 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 member for our audit work, for this report, or for the opinions we have formed.



Yasir Aziz
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
14 July 2021

Bridges Ventures III (General Partner) Limited
Statement of Comprehensive Income for the year ended 31 March 2021

| | Notes | 2021 £ | 2020 £ |
|---|-------|-------------|-------------|
| Turnover | 2 | 2,270,149 | 2,184,841 |
| Administrative expenses | 2 | (2,270,149) | (2,184,841) |
| | | <hr/> | <hr/> |
| Result on ordinary activities before tax | | - | - |
| Tax on result on ordinary activities | 3 | - | - |
| | | <hr/> | <hr/> |
| Retained result for the year | | <hr/> | <hr/> |

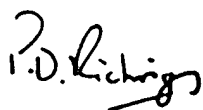
All of the company's operations are classed as continuing.

There were no recognised gains or losses other than those included in the above Statement of Comprehensive Income and thus no Statement of Other Comprehensive Income has been presented.

Bridges Ventures III (General Partner) Limited
Statement of Financial Position as at 31 March 2021

| | Notes | 2021 £ | 2020 £ |
|---|-------|-----------|-----------|
| Current assets | | | |
| Cash at bank and in hand | | 73 | 73 |
| Debtors | 5 | <u>1</u> | <u>1</u> |
| | | 74 | 74 |
| Creditors amounts falling due within one year | 6 | (73) | (73) |
| Net current assets | | <u>1</u> | <u>1</u> |
| Net assets | | <u>1</u> | <u>1</u> |
| Capital and Reserves | | | |
| Called up share capital | 7 | 1 | 1 |
| Shareholder's funds – equity interests | | <u>1</u> | <u>1</u> |

The financial statements of Bridges Ventures III (General Partner) Limited (registered number 7790936) were approved by the Board of Directors and authorised for issue on 14 July 2021.



P D Richings
Director

Bridges Ventures III (General Partner) Limited

Notes to the financial statements for the year ended 31 March 2021

1. General information

Bridges Ventures III (General Partner) Limited is a private company limited by shares incorporated in England, United Kingdom under the Companies Act 2006 (Registered Number 07790936).

2. Accounting Policies

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable to small entities in the UK and Republic of Ireland' issued by the Financial Reporting Council, and give a true and fair view. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. The financial statements are presented in Sterling which is the functional currency of the company.

Basis of preparation

The company is a wholly owned subsidiary of Bridges Ventures Holdings Limited. The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group accounts, as it is included within the consolidated financial statements of Bridges Fund Management Ltd whose financial statements are publicly available. These financial statements present information about the company as an individual undertaking and do not make reference to the group to which it belongs, which includes its ultimate parent entity, Bridges Fund Management Ltd.

As the company is a wholly owned subsidiary of Bridges Ventures Holdings Limited, the company has taken advantage of the exemption contained in FRS 102 section 33 and has therefore not disclosed transactions with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Bridges Fund Management Ltd, within which the company is included, can be obtained from the address given in Note 8.

Going Concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. The directors have considered the effects of the ongoing pandemic, and have concluded that COVID-19 will not have an impact on the ability of the partnership's investors to advance their undrawn commitments to the extent required to fund the company's Priority Profit Share. Therefore the directors continue to adopt the going concern basis in preparing the financial statements.

Cash Flow Statement

In accordance with Section 1A of Financial Reporting Standard 102, the company has not prepared a cash flow statement, on the grounds that it qualifies as a small company.

Statement of Changes in Equity

In accordance with Section 1A of Financial Reporting Standard 102, the company has not prepared a Statement of Changes in Equity, on the grounds that it qualifies as a small company.

Bridges Ventures III (General Partner) Limited

Notes to the financial statements for the year ended 31 March 2021

Accounting Policies (continued)

Turnover

Turnover, which excludes value added tax, represents Priority Profit Share net of consultancy fees received, recognised on an accruals basis. All income is earned from UK continuing operations.

Administrative Expenses

Expenses are accounted for on an accruals basis and charged through the Statement of Comprehensive Income.

Financial Assets and Liabilities

All financial assets and liabilities are initially measured at the transaction price except for those financial assets classified as held at fair value through profit or loss.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in this Note 1, the directors may be required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The directors however do not believe that they have had to make any critical judgements in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

Additionally, the directors do not consider that at the reporting date there exist any key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Taxation

There is no tax charge for the year (2020: £nil).

4. Directors and employees

No remuneration was paid to the directors by the company (2020: £nil). The directors receive remuneration from the ultimate controlling party. The company had no employees (2020: nil)

5. Debtors

| | 2021 | 2020 |
|--|-------------|-------------|
| | £ | £ |
| Amounts due from immediate controlling party | <u>1</u> | <u>1</u> |

Bridges Ventures III (General Partner) Limited
Notes to the financial statements for the year ended 31 March 2021

6. Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Amounts due to ultimate controlling party | <u>73</u> | <u>73</u> |
| | <u>73</u> | <u>73</u> |

7. Related party transactions

| | 2021 £ | 2020 £ |
|---|------------------|------------------|
| Related Party Income | | |
| Bridges Ventures Fund III Limited Partnership | <u>2,270,149</u> | <u>2,184,841</u> |
| Related Party Expense | | |
| Bridges Fund Management Limited | <u>2,270,149</u> | <u>2,184,841</u> |

Related Party income represents priority profit share received from the Fund. The Related Party expense represents the management fee paid to the parent entity.

Amounts due to related parties of £73 represents expenses paid by the Manager on behalf of the General Partner.

No loans were repaid by either of the members during the year. The amount due from members represents unpaid members' capital.

8. Share Capital

| | 2021 £ | 2020 £ |
|--------------------------------|------------|------------|
| Authorised | | |
| 100 Ordinary Shares of £1 each | <u>100</u> | <u>100</u> |
| Allotted, called up | | |
| 1 Ordinary Share of £1 | <u>1</u> | <u>1</u> |

The company has one class of ordinary shares, which have the right to vote but carry no fixed right to income.

9. Audit Fees

The audit fee of £5,150 (2020: £5,000) will be paid by Bridges Fund Management Limited.

10. Immediate and Ultimate Controlling Party

The company is a wholly owned subsidiary of Bridges Ventures Holdings Limited, which is registered in England and Wales and operates in Great Britain. Copies of the financial statements of the parent company can be obtained from Bridges Fund Management Limited, 38 Seymour Street, London, W1H 7BP.

In the opinion of the directors, the immediate controlling party is Bridges Ventures Holdings Limited and the ultimate controlling party is Bridges Fund Management Limited.