

**REGISTERED NUMBER: 04062313 (England and Wales)**

**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**  
**FOR**  
**PHICO THERAPEUTICS LIMITED**



**PHICO THERAPEUTICS LIMITED (REGISTERED NUMBER: 04062313)**

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**FOR THE YEAR ENDED 31 AUGUST 2018**

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**PHICO THERAPEUTICS LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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<b>DIRECTORS:</b>	Dr Heather Marie Fairhead Mr Allan Jerome Hirst Dr Robert Dwyer Nolan Dr Anthony Martin
<b>REGISTERED OFFICE:</b>	Bertarelli Building Bourn Hall Bourn CAMBRIDGE Cambridgeshire CB23 2TN
<b>REGISTERED NUMBER:</b>	04062313 (England and Wales)
<b>ACCOUNTANTS:</b>	Staffords Chartered Accountants Unit 1, Cambridge House Camboro Business Park Oakington Road, Girton CAMBRIDGE Cambridgeshire CB3 0QH



**PHICO THERAPEUTICS LIMITED (REGISTERED NUMBER: 04062313)**

**BALANCE SHEET**  
**31 AUGUST 2018**

	Notes	2018		2017	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	4		<b>238,987</b>		296,772
<b>CURRENT ASSETS</b>					
Debtors	5	<b>711,760</b>		1,226,641	
Cash at bank		<b><u>1,272,231</u></b>		<u>1,222,202</u>	
		<b>1,983,991</b>		2,448,843	
<b>CREDITORS</b>					
Amounts falling due within one year	6	<b><u>2,332,778</u></b>		<u>3,340,099</u>	
<b>NET CURRENT LIABILITIES</b>			<b><u>(348,787)</u></b>		<u>(891,256)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>(109,800)</b>		(594,484)
<b>CREDITORS</b>					
Amounts falling due after more than one year	7		<b><u>2,654,097</u></b>		<u>2,143,146</u>
<b>NET LIABILITIES</b>			<b><u>(2,763,897)</u></b>		<u>(2,737,630)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	9		<b>2,471</b>		2,292
Share premium			<b>18,592,121</b>		16,978,915
Retained earnings			<b><u>(21,358,489)</u></b>		<u>(19,718,837)</u>
			<b><u>(2,763,897)</u></b>		<u>(2,737,630)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387
- (a) of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections
- (b) 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.



**PHICO THERAPEUTICS LIMITED (REGISTERED NUMBER: 04062313)**

**BALANCE SHEET - continued**  
**31 AUGUST 2018**

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

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors on 5 February 2019 and were signed on its behalf by:

Dr Heather Marie Fairhead - Director



**PHICO THERAPEUTICS LIMITED (REGISTERED NUMBER: 04062313)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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1. **STATUTORY INFORMATION**

Phico Therapeutics 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 Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Laboratory equipment	- 33% on cost, 25% on cost and 20% on cost
Fixtures and fittings	- 33% on cost and 20% on cost

**Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

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

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

The company takes advantage of both of the HMRC incentives for R&D in the year. Subsidised costs relating to the grant income are claimed under the ATL RDEC scheme with the total claim being £23,077 in the year with the cash to be received in relation to this being £18,692 during the following financial year.

The HMRC SME scheme is used for the majority of the qualifying R&D spend by the company

PHICO THERAPEUTICS LIMITED Financial Accounts 2018-08-31

a total to be received of £352,028 being included at the year end and will be received in the following financial year.

As the SME R&D scheme requires the surrendering of the taxable losses to HMRC to enable a cash repayment, the remaining unused tax losses carried forward at the end of the year are £13,443,918. continued...

**PHICO THERAPEUTICS LIMITED (REGISTERED NUMBER: 04062313)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

2. ACCOUNTING POLICIES - continued

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Financial instruments**

**Debtors**

Short term debtors are measured at transaction price, less any impairment.

**Creditors**

Short term creditors are measured at transaction price.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 25 (2017 - 33 ).

4. TANGIBLE FIXED ASSETS

	Improvements to property £	Laboratory equipment £	Fixtures and fittings £	Totals £
<b>COST</b>				
At 1 September 2017	92,223	483,596	13,990	589,809
Additions	-	13,122	154	13,276
At 31 August 2018	<u>92,223</u>	<u>496,718</u>	<u>14,144</u>	<u>603,085</u>
<b>DEPRECIATION</b>				
At 1 September 2017	2,306	278,849	11,882	293,037
Charge for year	2,306	67,664	1,091	71,061
At 31 August 2018	<u>4,612</u>	<u>346,513</u>	<u>12,973</u>	<u>364,098</u>
<b>NET BOOK VALUE</b>				
At 31 August 2018	<u>87,611</u>	<u>150,205</u>	<u>1,171</u>	<u>238,987</u>
At 31 August 2017	<u>89,917</u>	<u>204,747</u>	<u>2,108</u>	<u>296,772</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Other debtors	<u>711,760</u>	<u>1,226,641</u>



**PHICO THERAPEUTICS LIMITED (REGISTERED NUMBER: 04062313)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 AUGUST 2018**

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2018</b>	2017
	<b>£</b>	£
Trade creditors	<b>107,910</b>	135,110
Taxation and social security	<b>22,113</b>	28,497
Other creditors	<b>2,202,755</b>	3,176,492
	<b><u>2,332,778</u></b>	<b><u>3,340,099</u></b>

7. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2018</b>	2017
	<b>£</b>	£
Other creditors	<b><u>2,654,097</u></b>	<b><u>2,143,146</u></b>

The individual breakdown of these convertible loans is as follows:

	Due within 1 year £	Due in 2 - 5 years £	TOTAL £
The Wellcome Trust	898,900	2,154,097	3,052,997
Torteval Investments Ltd	600,000	-	600,000
Ram Phico LLC	500,000	-	500,000
Nottinghamshire County Council Pension	-	<u>500,000</u>	<u>500,000</u>
	<b><u>1,998,900</u></b>	<b><u>2,654,097</u></b>	<b><u>4,652,997</u></b>

All of the above are interest bearing convertible loans, and all carry conditions that repayment is not permissible, if such a repayment would cause the company to become insolvent. No provision has been made for accrued interest in the accounts as the directors believe that it is likely that the loans will convert at some point in the future and all accrued interest is waived on conversion.

The total unprovided accrued interest on all convertible loans is £787,993 (2017: £634,499) at the balance sheet date.

8. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	<b>2018</b>	2017
	<b>£</b>	£
Within one year	<b>227,241</b>	227,241
Between one and five years	<b>574,352</b>	801,593
	<b><u>801,593</u></b>	<b><u>1,028,834</u></b>



**PHICO THERAPEUTICS LIMITED (REGISTERED NUMBER: 04062313)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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9. CALLED UP SHARE CAPITAL

Allotted and issued:	Class:	Nominal value:		
2,471,044 (2017 - 2,291,779)	Ordinary	0.1p	<u>2,471</u>	<u>2,292</u>

The following fully paid shares were allotted during the year:

179,265 Ordinary 0.1p shares for total cash proceeds of £1,613,385 from which no associated fundraising expenses have been deducted.

The company operates both approved (EMI) and unapproved share option schemes. During the year, 3,000 options lapsed and 14,000 were granted with exercise prices of either £1.80 or £9.00.

The total pool of issued options at the year end was 176,083 (2017: 165,083) with exercise prices between £1.80 and £9.00 per share.



**PHICO THERAPEUTICS LIMITED (REGISTERED NUMBER: 04062313)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

10. **RELATED PARTY DISCLOSURES**

**Dr Robert Dwyer Nolan**

A director of the company

During the year Dr Nolan provided consultancy services under a separate contract to the £4,800 salary paid from the company for services as a director.

The fees totalled £19,200, (2017: £19,783 in total). These amounts do not include reimbursed expenses.

Included in the above are fees of £1,600 (2017: £1,600) that have been accrued at the year end.

	2018	2017
£                      £		
Amount due to related party at the balance sheet date	<u>          -</u>	<u>          -</u>

**Bio-Biz Consulting**

Ms L E Block, a director of the company, is the proprietor.

During the year Bio-Biz Consulting provided services under a separate contract to the £4,800 salary paid by the company for services as a director.

The fees totalled £36,392 (2017: £89,763). These amounts do not include reimbursed expenses.

Included in the above are fees of £3,825 (2017: £nil) that have been accrued at the year end.

	2018	2017
£                      £		
Amount due to related party at the balance sheet date	<u>          -</u>	<u>      22,035</u>

**Anthony Martin Advisory**

Dr A Martin, a director of the company, is the proprietor.

During the year Anthony Martin Advisory provided consultancy services under a separate contract to the £7,200 salary paid by the company for services as a director.

The fees totalled £28,800 (2017: £28,800 in total). These amounts do not include reimbursed expenses.

	2018	2017
£                      £		
Amount due to related party at the balance sheet date	<u>      2,400</u>	<u>      4,800</u>



**PHICO THERAPEUTICS LIMITED (REGISTERED NUMBER: 04062313)**

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

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11. FINANCIAL ASSETS AND LIABILITIES

Financial Assets

	2018	2017
£                      £		
Financial assets that are measured at amortised cost	<u>1,983,991</u>	<u>2,448,843</u>

Financial Liabilities

	2018	2017
£                      £		
Financial liabilities measured at amortised cost	<u>4,986,875</u>	<u>5,483,245</u>

Financial assets measured at amortised cost comprise of cash, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors and accruals.



