

REGISTERED NUMBER: 04062313 (England and Wales)

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019
FOR
PHICO THERAPEUTICS LIMITED

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PHICO THERAPEUTICS LIMITED (REGISTERED NUMBER: 04062313)

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FOR THE YEAR ENDED 31 AUGUST 2019

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PHICO THERAPEUTICS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2019

DIRECTORS:	H M Fairhead A J Hirst R D Nolan A Martin M H Wilcox D C Beadle
REGISTERED OFFICE:	Bertarelli Building Bourn Hall Bourn CAMBRIDGE Cambridgeshire CB23 2TN
REGISTERED NUMBER:	04062313 (England and Wales)
ACCOUNTANTS:	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 2019

	Notes	2019		2018	
		£	£	£	£
FIXED ASSETS					
Tangible assets	4		170,814		238,987
CURRENT ASSETS					
Debtors	5	684,207		711,760	
Cash at bank		<u>578,780</u>		<u>1,272,231</u>	
		1,262,987		1,983,991	
CREDITORS					
Amounts falling due within one year	6	<u>2,171,497</u>		<u>2,332,778</u>	
NET CURRENT LIABILITIES			<u>(908,510)</u>		<u>(348,787)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(737,696)		(109,800)
CREDITORS					
Amounts falling due after more than one year	7		<u>2,654,097</u>		<u>2,654,097</u>
NET LIABILITIES			<u>(3,391,793)</u>		<u>(2,763,897)</u>
CAPITAL AND RESERVES					
Called up share capital	9		2,734		2,471
Share premium			19,460,739		18,592,121
Retained earnings			<u>(22,855,266)</u>		<u>(21,358,489)</u>
			<u>(3,391,793)</u>		<u>(2,763,897)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2019 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
- 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 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 2019

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

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 14 November 2019 and were signed on its behalf
by:

H M Fairhead - Director

PHICO THERAPEUTICS LIMITED (REGISTERED NUMBER: 04062313)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

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 Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" 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 £67,468 in the year with the cash to be received in relation to this being £54,649 during the following financial year.

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

Apache in the year with a total to be received of £190,641 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 £14,557,941. continued...

PHICO THERAPEUTICS LIMITED (REGISTERED NUMBER: 04062313)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019****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.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 26 (2018 - 25) .

4. TANGIBLE FIXED ASSETS

	Improvements to property £	Laboratory equipment £	Fixtures and fittings £	Totals £
COST				
At 1 September 2018	92,223	496,718	14,144	603,085
Additions	-	2,826	154	2,980
At 31 August 2019	<u>92,223</u>	<u>499,544</u>	<u>14,298</u>	<u>606,065</u>
DEPRECIATION				
At 1 September 2018	4,612	346,513	12,973	364,098
Charge for year	<u>2,306</u>	<u>67,839</u>	<u>1,008</u>	<u>71,153</u>
At 31 August 2019	<u>6,918</u>	<u>414,352</u>	<u>13,981</u>	<u>435,251</u>
NET BOOK VALUE				
At 31 August 2019	<u>85,305</u>	<u>85,192</u>	<u>317</u>	<u>170,814</u>
At 31 August 2018	<u>87,611</u>	<u>150,205</u>	<u>1,171</u>	<u>238,987</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Other debtors	<u>684,207</u>	<u>711,760</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	85,383	107,910
Taxation and social security	21,999	22,113
Other creditors	<u>2,064,115</u>	<u>2,202,755</u>
	<u>2,171,497</u>	<u>2,332,778</u>

PHICO THERAPEUTICS LIMITED (REGISTERED NUMBER: 04062313)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2019**

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

	2019 £	2018 £
Other creditors	<u>2,654,097</u>	<u>2,654,097</u>

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	-	500,000	500,000
	<u>1,998,900</u>	<u>2,654,097</u>	<u>4,652,997</u>

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 £963,485 (2018: £787,993) at the balance sheet date.

8. LEASING AGREEMENTS

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

	2019 £	2018 £
Within one year	227,241	227,241
Between one and five years	<u>347,111</u>	<u>574,352</u>
	<u>574,352</u>	<u>801,593</u>

9. CALLED UP SHARE CAPITAL

Allotted and issued:	Class:	Nominal value:		
2,734,253 (2018 - 2,471,044)	Ordinary	0.1p	<u>2,734</u>	<u>2,471</u>

The following fully paid shares were allotted during the year:

263,209 Ordinary 0.1p shares for total cash proceeds of £868,881 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 3,000 were granted with exercise prices of either £1.80 or £9.00.

The total pool of issued options at the year end was 178,083 (2018: 176,083) 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 2019

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 £2,800 salary paid from the company for services as a director.

The fees totalled £19,200, (2018: £19,200 in total). These amounts do not include reimbursed expenses.

	2019	2018
£ £		
Amount due to related party at the balance sheet date	<u>1,600</u>	<u>-</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 £4,200 salary paid by the company for services as a director.

The fees totalled £28,800 (2018: £28,800 in total). These amounts do not include reimbursed expenses.

	2019	2018
£ £		
Amount due to related party at the balance sheet date	<u>2,400</u>	<u>2,400</u>
Mark Wilcox Consulting Limited		

Prof M. Wilcox, a director of the company, is the proprietor.

During the year Mark Wilcox Consulting Limited provided consultancy services.

The fees totalled £16,500 (2018: £NIL in total). These amounts do not include reimbursed expenses.

	2019	2018
£ £		
Amount due to related party at the balance sheet date	<u>-</u>	<u>-</u>
DB Associates		

David Beadle, a director of the company, is the proprietor.

During the year DB Associates provided consultancy services, including Business Development and assistance with the Grant Applications.

The fees totalled £81,000 (2018: £NIL in total). These amounts do not include reimbursed expenses.

	2019	2018
£ £		
Amount due to related party at the balance sheet date	<u>-</u>	<u>-</u>

