

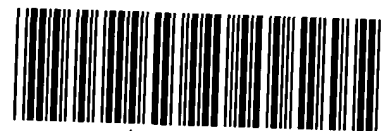
Takeda Cambridge Limited

Annual report and financial
statements

Registered number 03585995

31 March 2018

TUESDAY



A7L1FSKH

A27

18/12/2018

#21

COMPANIES HOUSE

Contents

Strategic report	1
Directors' report	2
Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements	3
Independent auditor's report to the members of Takeda Cambridge Limited	4
Statement of Profit and Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Notes	9-22

Strategic report

The directors present their Strategic report, Directors report and financial statements for the year ended 31 March 2018.

Principal activities

The Company's sole activity is now the rental of a building on the Cambridge Science Park.

Results

The results for the year show a loss before taxation from both continuing and discontinued operations of £408k (2017: £671k) and revenue of £483k (2017: £2.2 million) from continued operations.

The directors do not recommend the payment of a dividend (2017: £nil).

Business Review/Business Strategy

Following the cessation of research activities the Company leases a building on the Cambridge Science Park for which sub-tenants are being sought.

Key performance indicators (KPIs)

The Company is a wholly owned subsidiary of Takeda Pharmaceutical Company Limited and does not focus on financial KPI's. Its key KPI is now to secure and maintain sub-tenants to the building it leases.

Principal risks and uncertainties

The management of the business and execution of the Company's strategy are subject to a number of risks. The key business risks are set out below. The Board takes an active role in monitoring and mitigating these risks.

Financing

The Company is reliant on the continued financial support of its ultimate parent company Takeda Pharmaceutical Company Limited.

Market risk

The company is awaiting further information on what the proposed exit from the European Union may mean in relation to any potential risks, such as foreign exchange.

Property

The Company's aim is to have full occupancy of the building it leases. At present there is one tenant occupying the building, and the expectation being that the rest of the building will be occupied in the next couple of years.

By order of the board



David Isaacs
Director

418 Cambridge Science Park
Milton Road
Cambridge
England
CB4 0PZ

13 December 2018

Directors' report

Employees

The Company no longer has any employees.

Directors

The directors who served during the year are as follows:

Mr David Isaacs

Mr Mark Fowler

Mr James Sutcliffe (Resigned 30 April 2017)

Mr Andrew Spicer (Appointed 19 December 2017)

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, as far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



David Isaacs
Director

418 Cambridge Science Park
Milton Road
Cambridge
England
CB4 0PZ

13 December 2018

Statement of directors' responsibilities in respect of the Strategic report, Directors' report and the financial statements

The directors are responsible for preparing the Strategic report, the Directors' 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 judgments 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAKEDA CAMBRIDGE LIMITED

Opinion

We have audited the financial statements of Takeda Cambridge Limited ("the company") for the year ended 31 March 2018, which comprise the Statement of comprehensive Income, Statement of financial position, Statement of Changes in Equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 Reduced Disclosure Framework; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and Directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAKEDA CAMBRIDGE LIMITED (cont.)

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Charles le Strange Meakin

**Charles le Strange Meakin (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants**

Botanic House
100 Hills Road
Cambridge
CB2 1AR

Date:

14th December 2018

Statement of Profit and Loss and Other Comprehensive Income
for the year ended 31 March 2018

	Note	2018 £000	2017 £000
<i>Continuing operations</i>			
Revenue	3	483	2,207
Cost of sales		(120)	(2,049)
Release of dilapidations provision	13	500	-
Gross profit		863	158
Other operating income	4	-	-
Operating profit	4, 5	863	158
Finance income	8	153	56
Finance expense	8	(1,424)	-
(Loss)/profit before tax from continuing operations		(408)	214
Taxation	9	436	(43)
Profit for the year and total comprehensive income from continuing operations		28	171
<i>Discontinued operations</i>			
Profit after taxation for the year from discontinued operations	2	-	500
Profit for the year and total comprehensive income		28	671

The notes on pages 9 to 22 form an integral part of these financial statements.

Statement of Financial Position

for the year ended 31 March 2018

	Note	2018 £000	2017 £000
Non-current assets			
Property, plant and equipment	10	12	26
Deferred tax asset	15	-	-
		<u>12</u>	<u>26</u>
Current assets			
Trade and other receivables	11	54,874	26,738
Tax receivable		1,010	993
Cash and cash equivalents		1,177	31,606
		<u>57,061</u>	<u>59,337</u>
Total non-current assets		<u>57,073</u>	<u>59,361</u>
Current liabilities			
Trade and other payables	12	(534)	(1,808)
Provisions	13	(2,467)	(2,722)
		<u>(3,001)</u>	<u>(4,530)</u>
Non-current liabilities			
Trade and other payables	12	(1,002)	(1,002)
Provisions	13	(9,290)	(10,078)
		<u>(10,292)</u>	<u>(11,080)</u>
Total non-current liabilities		<u>(13,293)</u>	<u>(15,610)</u>
Net assets		<u>43,780</u>	<u>43,751</u>
Equity			
Share capital	16	2,939	2,939
Share premium		34,199	34,199
Capital redemption reserve		4	4
Retained earnings		6,638	6,609
Total equity		<u>43,780</u>	<u>43,751</u>

The notes on pages 9 to 22 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 13 December 2018 and were signed on its behalf by:



David Isaacs
Director

Company registered number: 03585995

Statement of Changes in Equity

	Share capital £000	Share premium £000	Capital redemption reserve £000	Retained earnings £000	Total equity £000
Balance at 1 April 2016	2,939	34,199	4	5,939	43,081
Profit and total comprehensive income for the year	-	-	-	671	671
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2017	2,939	34,199	4	6,610	43,752
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 1 April 2017	2,939	34,199	4	6,610	43,752
Profit and total comprehensive income for the year	-	-	-	28	28
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2018	2,939	34,199	4	6,638	43,780
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 9 to 22 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Takeda Cambridge Limited (the “Company”) is a company incorporated, domiciled and registered in England in the UK.

Basis of Preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* (‘FRS 101’) and in accordance with applicable accounting standards. The presentation currency of these financial statements is sterling.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (‘Adopted IFRSs’), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

These financial statements are prepared on a going concern basis and under the historical cost convention. The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 1. The financial position of the company, and its exposures to market risk, credit risk and liquidity risk are also set out in the Strategic Report.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and for at least the next twelve months from the date of signing the accounts. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Exemptions for qualifying entities under FRS 101

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- (i) from preparing a statement of cash flows, on the basis that it is a qualifying entity and its ultimate parent company, Takeda Pharmaceutical Company Limited, includes the company's cash flows in its own consolidated financial statements;
- (ii) from certain disclosures required by IFRS 13 Fair Value Measurements and the disclosures required by IFRS 7 Financial Instrument Disclosures;
- (iii) the effects of new but not yet effective IFRSs;
- (iv) comparative period reconciliations for share capital; and
- (v) disclosures in respect of the compensation of key management personnel.

Notes (continued)

Related party Transactions

The Company is a wholly owned subsidiary of a group whose consolidated accounts are publicly available. Accordingly, the company has taken advantage of the exemption in FRS 101 from disclosing transactions with wholly owned group entities which are part of the Takeda Pharmaceutical Company Limited group.

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Depreciation is charged to the Statement of Profit and Loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

Computer equipment	3 years
Laboratory equipment	3 years
Fixtures and fittings	5 years
Leasehold Improvements	Remaining life of lease

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date

Intangible assets – intellectual property

Intellectual property rights purchased by the Company are included at cost less accumulated amortisation and less accumulated impairment losses.

Investments

The Company's investments in its subsidiary undertakings are stated at the nominal value of shares issued plus the value of any other consideration and the expenses of acquisition.

Turnover

Turnover comprises rent receivable excluding Value Added Tax arising wholly in the UK, Rents are brought into account on an accrual basis. The rental income is matched to the day in the period. Turnover in the previous year arose in the normal course of business from a contract research agreement.

Taxation

Tax on the profit or loss 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 directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes (continued)

Employee Benefits

The Company operates a company personal pension plan. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. The difference between contributions payable and contributions actually paid are shown as a prepayment or an accrual in the balance sheet.

The Company grants rights to its employees for equity instruments in its Parent. The Company accounts for these share-based payments as cash-settled under IFRS 2 recognising the cost in the Statement of Profit and Loss.

Operating Leases

Payments made under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Statement of Profit and Loss as an integral part of the total lease expense.

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Profit and Loss.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

Financing income and expense

Financing income comprises interest receivable on cash and cash equivalents and net foreign exchange gains.

Interest income and interest payable is recognised in the Statement of Profit or Loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Financing expenses comprise interest payable and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy).

Notes (continued)

Judgements and estimates

The dilapidations provision has been recognised according to the estimated dilapidations cost prepared by management's expert. This has been assessed in the prior year. There have been no changes to the nature or expected amount of this provision.

A new provision has been recognised in the year with respect to the potential onerous lease of a building. Management have engaged an expert to prepare a calculation of the expected onerous lease (based on the likely time taken to sublet the building, and the rent payable in that time). A provision has been recognised accordingly.

The building is likely to be sublet, possibly within the next 6-12 months, with a worst case scenario likely to be no longer than 10 years. This is based on management's expert's experience of the Cambridge life sciences property market. The discount rate is assumed to be 13.45%, approximately equivalent to the internal cost of capital.

Discontinued operations

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative income statement is restated as if the operation has been discontinued from the start of the comparative period. See note 2 for further details.

2 Discontinued operations

In October 2016, the Company ceased its operational research and development activities in response to a restructure within the Group. The Group decision to cease research and development activity was taken in July 2016. The Company is now operating as an investment property business, with rent income and expenditure, finance income, computer equipment still in use at the site, and cash balances. All other trade relates to discontinued operations, and other property, plant and equipment was disposed of or written off.

	2018 £000	2017 £000
Revenue	-	40,638
Cost of Sales	-	(39,279)
	<hr/>	<hr/>
Gross profit	-	1,359
Other operating expenses	-	-
	<hr/>	<hr/>
Operating profit	-	1,359
Finance income	-	-
	<hr/>	<hr/>
Profit before tax	-	1,359
Tax on profit	-	(859)
	<hr/>	<hr/>
Profit from discontinued operations	-	500
	<hr/>	<hr/>

Notes (continued)

3 Revenue

	2018 £000	2017 £000
Revenue by destination:		
<i>Continuing operations</i>		
Japan	-	2,049
UK	483	158
<i>Discontinued operations</i>		
Japan	-	41,062
USA	-	90
Total revenues	<u>483</u>	<u>43,269</u>

All revenue received from Japan constituted income from a contract research agreement with Takeda Pharmaceutical Company Limited. Revenue received from the USA related to recharged services. Revenue received from the UK constitutes rental income.

The Company is able to claim a research and development expenditure credit (RDEC) at a headline rate of 11% of its qualifying expenditure on research and development. An RDEC of £nil has been included in cost of sales (2017: £708,000).

4 Other operating expenses and income

All operating expenses are classified as cost of sales under the contract research agreement.

During the year £nil was incurred in respect of the closure of the Company's research activities. This included £nil in respect of fixed asset impairment losses. In the current year, the gain on disposal of fixed assets was £nil (2017: £nil).

5 Expenses and auditor's remuneration

Included in profit for the year are the following:

	2018 £000	2017 £000
Depreciation of tangible fixed assets		
Owned assets	14	1,253
Operating lease rentals		
Land and buildings	1,950	1,950
Impairment of property, plant and equipment	-	5,028
<i>Auditor's remuneration:</i>		
Amounts receivable by the Company's auditor and its associates in respect of:		
Audit of financial statements of the Company	<u>20</u>	<u>32</u>

Notes (continued)

6 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2018	2017
Research	-	72
Administration	-	9
	<u>-</u>	<u>81</u>
	<u>-</u>	<u>81</u>

The aggregate payroll costs of these persons were as follows:

	£000	£000
Wages and salaries	16	4,211
Social security costs	2	533
Contributions to defined contribution plans	-	320
Severance payments	-	5,509
	<u>18</u>	<u>10,573</u>
	<u>18</u>	<u>10,573</u>

7 Directors' remuneration

	2018 £000	2017 £000
Directors' emoluments	11	1,154
Company contributions to defined contribution pension scheme	-	10
	<u>11</u>	<u>1,164</u>
	<u>11</u>	<u>1,164</u>

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £nil (2017: £nil), and Company pension contributions of £nil (2017: £10,000) were made to a money purchase scheme on his behalf.

During the year ended 31 March 2018, three directors of the Company were remunerated by another Group company (2017: two). At 31 March 2018, no directors were members of the Company's personal pension plan (2017: none).

Notes (continued)

8 Finance income and expense

Recognised in the statement of profit or loss

	2018 £000	2017 £000
Continuing operations		
Bank interest income	-	9
Interest income on cash pool with parent undertaking	153	47
	<hr/>	<hr/>
Total finance income	153	56
	<hr/>	<hr/>

	2018 £000	2017 £000
Continuing operations		
Unwinding of discounted amount	(1,424)	-
	<hr/>	<hr/>
Total finance expenses	(1,424)	-
	<hr/>	<hr/>

9 Taxation

Recognised in the statement of profit and loss

	2018 £000	2017 £000
Current tax expense		
Current year	-	281
Adjustment in respect of prior periods	(436)	-
	<hr/>	<hr/>
	(436)	281
	<hr/>	<hr/>
Deferred tax expense		
Origination and reversal of temporary differences	-	261
Adjustment in respect of prior periods	-	386
Effect of changes in tax rates	-	(26)
	<hr/>	<hr/>
	-	621
	<hr/>	<hr/>
Total tax (credit) / expense in statement of profit and loss and other comprehensive income	(436)	902
	<hr/>	<hr/>

Notes (continued)

9 Taxation (continued)

No tax has been recognised in other comprehensive income or directly in equity during the period.

Reconciliation of effective tax rate

	2018 £000	2017 £000
(Loss)/profit for the year before tax	(408)	1,573
Tax using the UK corporation tax rate of 19% (2017: 20%)	(77)	315
Adjustment in respect of prior years	(436)	386
Reduction in tax rate on deferred tax balances	-	(26)
Non-deductible expenses	-	232
Tax exempt revenues	-	(5)
Effects of group relief	170	-
Amounts not recognised	(93)	-
Total tax in statement of profit and loss and other comprehensive income	(436)	902

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax asset at 31 March 2018 has been calculated based on these rates.

Notes (continued)

10 Property, plant and equipment

	Leasehold improvement £000	Fixtures & fittings £000	Laboratory Equipment £000	Computer equipment £000	Total £000
Cost					
Balance at 1 April 2017	6,072	196	6,557	336	13,161
Additions	-	-	-	-	-
Disposals	(-)	(-)	(-)	(-)	(-)
	<u>6,072</u>	<u>196</u>	<u>6,557</u>	<u>336</u>	<u>13,161</u>
Balance at 31 March 2018	6,072	196	6,557	336	13,161
	<u>6,072</u>	<u>196</u>	<u>6,557</u>	<u>336</u>	<u>13,161</u>
Depreciation and impairment					
Balance at 1 April 2017	6,072	196	6,531	336	13,135
Depreciation charge for the year	-	-	14	-	14
Disposals	(-)	(-)	(-)	(-)	(-)
	<u>6,072</u>	<u>196</u>	<u>6,545</u>	<u>336</u>	<u>13,149</u>
Balance at 31 March 2018	6,072	196	6,545	336	13,149
	<u>6,072</u>	<u>196</u>	<u>6,545</u>	<u>336</u>	<u>13,149</u>
Net book value					
At 1 April 2017	-	-	26	-	26
	<u>-</u>	<u>-</u>	<u>26</u>	<u>-</u>	<u>26</u>
Balance at 31 March 2018	-	-	12	-	12
	<u>-</u>	<u>-</u>	<u>12</u>	<u>-</u>	<u>12</u>

Notes (continued)

11 Trade and other receivables

	2018 £000	2017 £000
Amounts falling due within one year		
Receivables due from Parent undertaking	54,397	26,731
Trade receivables	141	-
Prepayments and accrued income	336	7
	<u>54,874</u>	<u>26,738</u>

Included within Trade receivables is £nil (2017:£nil) expected to be recovered in more than 12 months.

12 Trade and other payables

	2018 £000	2017 £000
Current		
Trade payables	65	5
Taxation and social security	-	193
Accruals and deferred income	469	1,610
	<u>534</u>	<u>1,808</u>
Non-current		
Amounts due to subsidiary undertakings	<u>1,002</u>	<u>1,002</u>

Notes (continued)

13 Provisions

	Dilapidations provision £000	Onerous lease provision £000	Total £000
Balance at 1 April 2017	1,000	11,800	12,800
Provisions utilised during the year	-	(1,967)	(1,967)
Provisions released during the year	(500)	-	(500)
Unwinding of discounted amount	-	1,424	1,424
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2018	500	11,257	11,757
	<hr/>	<hr/>	<hr/>
Non-current	-	9,290	9,290
Current	500	1,967	2,467
	<hr/>	<hr/>	<hr/>
	500	11,257	11,757
	<hr/>	<hr/>	<hr/>

The dilapidations provision was created in relation to the Chesterford Park site. The lease for this site expired in February 2016. The terms of the lease stipulated that the Company was obliged to return the site to its original condition. The Company obtained legal advice for the expected amount of this dilapidations cost, and recognised a provision accordingly. The Company will be liable to pay for dilapidations at the discretion of the landlord, hence this has been recognised as a current provision.

The onerous lease provision was created in relation to the Building 418 site on the Cambridge Science Park. The provision will be utilised in line with future lease payments. The provision recognised consists of rent payable and other premises costs, less rent received from the sub-lessee until the contract break. The costs included in this calculation represent the Company's best estimate of the time taking to sublet the building. This provision has been discounted to show the present value of future cash flows, using an assumed internal cost of capital.

14 Employee benefits

Defined contribution plan

The Company operates a defined contribution pension plan.

The total expense relating to these plans in the current year was £nil (2017: £320,000) and at the balance sheet date contributions of £nil (2017: £nil were outstanding).

Share-based payments

The Company has adopted restricted stock unit (RSU's) cash-settled share-based payment plans to specified employees based on the Company's share price. RSU's are settled by cash at the share price on the vesting date with dividend payments during the period from the grant date to the vesting date. The rights vest by a third every year over a period of three years from the date when the rights were granted. RSU's do not have exercise prices because pay-out amounts are the share prices on the vesting date multiplied by the number of rights vested. The expenses for cash-settled share-based payments recognised in the Statement of profit and loss and other comprehensive income was £0 (2017: £295,000).

The fair value of the shares when they were conditionally awarded were £30.50 per share, based on the market value of the Takeda Pharmaceutical Company Limited shares at the date of the grant. At year end, the fair value of the shares were £41.61 per share, based on market value.

Notes (continued)

15 Employee benefits (continued)

	Number of rights
Balance at 1 April 2016	15,723
Granted	7,938
Exercised	(15,856)
Forfeited	(6,615)
	<hr/>
Balance at 31 March 2017	1,190
	<hr/>
Balance at 1 April 2017	1,190
Granted	-
Exercised	-
Forfeited	(1,190)
	<hr/>
Balance at 31 March 2018	-
	<hr/>

16 Deferred tax

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	2018 £000	2017 £000
Property, plant and equipment	-	-
Provisions	-	-
Carried forward losses	-	-
	<hr/>	<hr/>
Recognised net deferred tax asset	-	-
	<hr/>	<hr/>

Notes (continued)

16 Deferred tax (continued)

Unrecognised deferred tax assets and liabilities

Unrecognised deferred tax assets are attributable to the following:

	2018 £000	2017 £000
Tax value of loss carry-forward	-	-
Unrecognised net deferred tax asset	-	-

As a result of the cessation of research activities during the year no losses have been carried forward at 31 March 2018 (2017: £nil).

17 Capital and reserves

Share capital

	2018 £000	2017 £000
<i>Allotted, called up and fully paid</i>		
1,322,500 ordinary shares of 10p each	132	132
12,231,133 'B' ordinary shares of 10p each	1,223	1,223
3,133,472 'C' ordinary shares of 10p each	313	313
2,702,702 'D' ordinary shares of 10p each	271	271
10,000,000 'E' ordinary shares of 10p	1,000	1,000
	<u>2,939</u>	<u>2,939</u>

The ordinary shares, 'B' ordinary shares, 'C' ordinary shares, 'D' Ordinary shares and 'E' ordinary shares rank pari passu with respect to the rights to receive dividends and voting rights. The 'B' ordinary shares, 'C' ordinary shares 'D' ordinary shares and 'E' ordinary shares may, at the option of the holders of these shares, be converted at any time into ordinary shares on a one-for-one basis.

18 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2018 £000	2017 £000
Less than one year	1,125	1,031
Between one and five years	4,500	4,500
More than five years	9,188	10,313
	<u>14,813</u>	<u>15,844</u>

The Company's leases relate to their rental of laboratory and office facilities.

During the year £1,950,000 was recognised as an expense in the income statement in respect of operating leases (2017: £1,950,000).

Notes (continued)

18 Operating leases (continued)

Non-cancellable operating lease receivables are payable as follows:

	2018 £000	2017 £000
Less than one year	424	-
Between one and five years	1,118	-
More than five years	-	-
	<hr/> 1,542 <hr/>	<hr/> - <hr/>

19 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Takeda Pharmaceutical Company Limited which is the ultimate parent company, incorporated in Japan. The immediate parent undertaking is Takeda Europe Holdings BV, incorporated in the Netherlands.

The largest group in which the results of the Company are consolidated is that headed by Takeda Pharmaceutical Company Limited. The consolidated financial statements of Takeda Pharmaceutical Company Limited can be obtained from its head office at 4-1-1 Doshomachi Chuoku, Osaka 540-8645, Japan. The smallest group in which they are consolidated is that headed by Takeda Europe Holdings BV, incorporated in the Netherlands. The consolidated financial statements of Takeda Europe Holdings BV can be obtained from WTC Amsterdam A-12, Strawinskylaan 1217, 1077 XX Amsterdam, Netherlands