Takeda Cambridge Limited

Annual report and financial statements

Registered number 03585995

31 March 2021

Contents

Strategic report

The directors present their Strategic report, Directors report and financial statements for the year ended 31 March 2021.

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 of £406k *(2020: profit of £388k)* and revenue of £1,486k *(2020: £1,053k)*.

Dividends paid for the year ended 31 March 2021 were £nil (*2020:* £3.5 million). See note 7 for details of the dividends paid during the year. The directors have not proposed a final ordinary dividend in respect of the current financial year *(2020: £nil)*.

Business Review/Business Strategy

The Company leases a building on the Cambridge Science Park, with a lease term to 31st May 2031, for which one sub-tenant has a lease until 28th May 2031, with an option to break on 1st December 2021 (subsequently deferred to 1st June 2022) and 2nd March 2025, and another sub-tenant who has a lease until 28th May 2031, with an option to break on 16th April 2029. To date no requests to exercise break clauses have been received.

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 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

Now that an agreement has been reached between the UK and the European Union, no significant potential risks such as foreign exchange are expected.

Credit risk

The company's principal financial assets are bank balances and cash and trade and other receivables from group undertakings and third parties. The company's credit risk is primarily attributable to its receivables from other group undertakings. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.
The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk

The company currently has no requirement for debt finance but maintains sufficient funds for operations through the membership in Takeda's In-house bank and cash-pooling arrangements.

Strategic report (continued)

Property

The Company's aim is to have full occupancy of the building it leases. At present there are 2 sub-tenants who are now fully occupying the building.

COVID-19

The COVID-19 pandemic has not had a significant impact on the Company. The impact has also not had a significant impact on the tenants of the building, or their risk of non-payment of rental.

By order of the board

Marc Page
Director

418 Cambridge Science Park
Milton Road
Cambridge
England
CB4 0PZ

29 March 2022

Directors' report

Employees

The Company no longer has any employees.

Directors

The directors who served during the year and subsequent to the year end are as follows:

Mr David Isaacs (resigned 30 June 2021)
Mr Mark Fowler (resigned 25th September 2020)
Mr Marc Page (appointed 28th April 2021)
Mrs Charmaine Reid (appointed 29th September 2020)
Mr Andrew Spicer

Events after the reporting date

On 29 June 2021, the Company's subsidiary undertaking, Paradigm Therapeutics Limited, was dissolved. Consequently, it is assessed that no further value will be realised from this investment and accordingly an impairment charge recorded to reduce the carrying value of the Fixed Asset Investment in Paradigm Therapeutics Limited to £nil.

There have been no other significant events since the end of the financial year.

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

DocuSigned by:

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Marc Page
Director

418 Cambridge Science Park
Milton Road
Cambridge
England
CB4 0PZ

29 March 2022

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 are responsible for 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, and 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 2021 which comprise the Statement of profit and loss and other 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 2021 and of its loss 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

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

Fraud and breaches of laws and regulations – ability to detect (continued)

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because revenue relates to rental income from a limited number of tenants paid quarterly in advance.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journals posted to unrelated accounts in relation to expenses and cash and borrowings.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

This company, as a property holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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;

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

Strategic report and directors' report (continued)

- 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.

Directors' responsibilities

As explained more fully in their statement set out on page 4, 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.

David Simpson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Botanic House
100 Hills Road
Cambridge
CB2 1AR

31 March 2022

Statement of Profit and Loss and Other Comprehensive Income

for the year ended 31 March 2021

	Note	2021 £000	2020 £000
Revenue	2	**1,486**	1,053
Cost of sales		**(1,012)**	(816)
Gross profit		**474**	237
Operating profit	3	**474**	237
Amounts written off investment		**(452)**	-
Impairment of receivables		**(1,175)**	-
Income from shares in group undertaking		**1,002**	-
Finance income	6	**29**	378
Finance expense	6	**(284)**	(227)
(Loss)/profit before tax		**(406)**	388
Taxation	8	**(11)**	(1)
(Loss)/profit for the year and total comprehensive income		**(417)**	387

All of the results in the current and prior periods were derived from continuing operations.

The notes on pages 11 to 22 form an integral part of these financial statements.

Statement of Financial Position

for the year ended 31 March 2021

	Note	2021 £000	2020 £000
Non-current assets			
Property, plant and equipment	9	**5,629**	6,130
		5,629	6,130
Current assets			
Trade and other receivables	10	**8,303**	9,325
Deferred tax asset	11	**39**	47
Cash and cash equivalents		**610**	1,204
		8,952	10,576
Total assets		**14,581**	16,706
Current liabilities			
Trade and other payables	12	**(1,723)**	(1,314)
Provisions	13	-	(250)
		(1,723)	(1,564)
Non-current liabilities			
Trade and other payables	12	**(9,108)**	(10,975)
		(9,108)	(10,975)
Total liabilities		**(10,831)**	(12,539)
Net assets		**3,750**	4,167
Equity			
Share capital	14	-	-
Share premium		-	-
Capital redemption reserve		-	-
Retained earnings		**3,750**	4,167
Total equity		**3,750**	4,167

The notes on pages 11 to 22 form an integral part of these financial statements.

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

DocuSigned by:

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Marc Page
Director

Date: 29-Mar-2022 | 20:27 JST

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 2019	-	-	-	7,312	7,312
Distribution to shareholder	-	-	-	(3,532)	(3,532)
Profit and total comprehensive income for the year	-	-	-	387	387
Balance at 31 March 2020	-	-	-	4,167	4,167
Balance at 1 April 2020	-	-	-	4,167	4,167
Distribution to shareholder	-	-	-	-	-
Loss and total comprehensive loss for the year	-	-	-	(417)	(417)
Balance at 31 March 2021	-	-	-	**3,750**	**3,750**

The notes on pages 11 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.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare Group financial statements.

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 exposure to market risk, credit risk and liquidity risk are also set out in the Strategic Report.

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The directors have prepared forecasts, which take into account reasonably possible downsides, for 12 months from the date of signature of these financial statements. In considering reasonably possible downside scenarios, the directors have identified that one of the Company's two tenants has an option to break their lease with effect from 1 December 2021 (subsequently deferred to 1 June 2022). The directors have no reason to think that the tenant will exercise this option but acknowledge that it is a reasonably possible downside. The forecasts show that even in this scenario, the company is expected to continue to remain cash positive throughout the forecast period. The directors have also considered the impact of COVID-19, which has not been significant for the Company both during the year ended 31 March 2021 and up to the date of approval of these financial statements.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Notes *(continued)*

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.

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 and Other Comprehensive Income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. 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
Right of Use Asset	Straight line over remaining term of the lease

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

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.

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. 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)*

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 and Other Comprehensive Income.

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 and Other Comprehensive Income 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, finance expense on lease liabilities, unwinding of the discount on provisions and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy).

Leases

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise,
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments,arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred, less any lease incentives received.

Notes *(continued)*

Leases (continued)

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

Judgements and estimates

The directors consider that there are no critical accounting estimates or judgements which would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2 Revenue

	2021	2020
	£000	£000
Revenue by destination:		
UK	**1,486**	1,053
Total revenues	**1,486**	1,053

3 Expenses and auditor's remuneration

Included in profit for the year are the following:

	2021	2020
	£000	£000
Depreciation of tangible fixed assets		
Owned assets	**17**	17
Right-of-use assets	**532**	532
Amounts written off investment	**452**	-
Impairment of receivables	**1,175**	-
Auditor's remuneration:		
Amounts receivable by the Company's auditor and its associates in respect of:		
Audit of financial statements of the Company	**12**	12

Notes *(continued)*

4 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	
	2021	2020
Research	-	-
Administration	-	-
	-	-

The aggregate payroll costs of these persons were as follows:

	£000	£000
Wages and salaries	-	-
Social security costs	-	-
Contributions to defined contribution plans	-	-
Severance payments	-	-
	-	-

5 Directors' remuneration

	2021	2020
	£000	£000
Directors' emoluments	-	-
Company contributions to defined contribution pension scheme	-	-
	-	-

The aggregate of emoluments and amounts receivable under long term incentive schemes of the highest paid director was £nil *(2020: £nil)*, and Company pension contributions of £nil *(2020: £nil)* were made to a money purchase scheme on his behalf.

During the year ended 31 March 2021, three directors of the Company were remunerated by another Group company *(2020: three)*. The notional cost of directors not remunerated through Takeda Cambridge Ltd, but borne by another group company has been considered and is not deemed to be significant for the years ended 31 March 2021 or 31 March 2020. At 31 March 2021, no directors were members of the Company's personal pension plan *(2020: none)*.

Notes *(continued)*

6 Finance income and expense

Recognised in the statement of profit or loss

	2021 £000	2020 £000
Continuing operations		
Other Income	-	297
Interest income on cash pool with parent undertaking	29	81
Total finance income	29	378

	2021 £000	2020 £000
Continuing operations		
Interest on Leases	(284)	(227)
Total finance expenses	(284)	(227)

7 Dividends

During the year the Company paid dividends totalling £nil (*2020:* £3.5million), equivalent to £nil (*2020:* £3.5 million) per ordinary share.

Notes *(continued)*

8 Taxation

Recognised in the statement of profit and loss

	2021	2020
	£000	£000
Current tax expense		
Current year	**3**	29
Adjustment in respect of prior periods	**-**	19
	3	48
Deferred tax expense		
Origination and reversal of temporary differences	**8**	48
Adjustment in respect of prior periods	**-**	(85)
Effect of changes in tax rates	**-**	(10)
	8	(47)
Total tax expense in statement of profit and loss and other comprehensive income	**11**	1

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

Reconciliation of effective tax rate

	2021	2020
	£000	£000
(Loss)/profit for the year before tax	**(406)**	388
Tax using the UK corporation tax rate of 19% *(2019: 19%)*	(77)	74
Adjustment in respect of prior years	-	(66)
Tax rate changes	-	(10)
Expenses not deductable	**278**	3
Income not taxable	**(190)**	-
Total tax in statement of profit and loss and other comprehensive income	**11**	1

Factors that may affect future tax charges

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023.

At 31 March 2021, the company has an unrecognised deferred tax asset of £nil (2020: £nil).

Notes *(continued)*

9 Property, plant and equipment

	Right of use asset - Buildings £000	Leasehold improvement £000	Fixtures & fittings £000	Laboratory Equipment £000	Computer equipment £000	Total £000
Cost						
Balance at 1 April 2020	6,476	6,276	196	6,557	336	19,841
Additions	-	48	-	-	-	48
Disposals	-	-	-	-	-	-
Balance at 31 March 2021	6,476	6,324	196	6,557	336	19,889
Depreciation and impairment						
Balance at 1 April 2020	532	6,090	196	6,557	336	13,711
Depreciation charge for the year	532	17	-	-	-	549
Disposals	-	-	-	-	-	-
Balance at 31 March 2021	1,064	6,107	196	6,557	336	14,260
Net book value						
At 1 April 2020	5,944	186	-	-	-	6,130
Balance at 31 March 2021	**5,412**	**217**	**-**	**-**	**-**	**5,629**

Notes *(continued)*

10 Trade and other receivables

Amounts falling due within one year	2021 £000	2020 £000
Receivables due from group undertaking	**7,000**	6,424
Fixed Asset Investment	**-**	452
Prepayments and accrued income	**1,248**	1,963
Taxation	**55**	486
	8,303	9,325

On 29 June 2021, the Company's subsidiary undertaking, Paradigm Therapeutics Limited, was dissolved. Consequently, it is assessed that no further value will be realised from this investment and accordingly an impairment charge recorded to reduce the carrying value of the Fixed Asset Investment in Paradigm Therapeutics Limited to £nil.

11 Deferred Taxation

	2021 £000	2020 £000
Movement in deferred taxation asset in the period:		
At beginning of year	**47**	-
Adjustment in respect of prior years	**-**	85
Movement during the year	**(8)**	(38)
At end of year	**39**	47

Analysis of deferred tax balance:

	2021 £	2020 £
Capital allowances in excess of depreciation	**(8)**	-
Short term timing differences	**47**	47
	39	47

12 Trade and other payables

	2021 £000	2020 £000
Current		
Trade payables	404	-
Taxation and social security	-	29
Lease liabilities (see note 15)	864	841
Accruals and deferred income	455	444
	1,723	1,314
Non-current		
Amounts due to subsidiary undertakings	-	1,002
Lease liabilities (see note 15)	9,108	9,973
	9,108	10,975

The amounts due to subsidiary undertakings in the prior year, represents an investment in 100% of the ordinary shares of Paradigm Therapeutics Limited, a dormant subsidiary whose registered office is 418 Cambridge Science Park, Cambridge, CB4 0PA. This amount payable was settled by way of set-off against a dividend declared and payable by Paradigm Therapeutics Limited to the Company, during the year.

13 Provisions

	Dilapidations provision £000	Total £000
Balance at 1 April 2020	250	250
Provisions utilised during the year	(250)	-
Movement against Right of use Asset	-	-
Balance at 31 March 2021	-	**250**
Non-current	-	-
Current	-	250
	-	**250**

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 was liable to pay for dilapidations at the discretion of the landlord, however the contractual period for such dilapidations expired during the year and the provision was utilised and reduced to £nil.

Notes *(continued)*

14 Capital and reserves

Share capital

	2021	2020
	£000	£000
Allotted, called up and fully paid		
1 (*2020: 1*) ordinary shares of 10p each	-	-
	-	-

15 Leases

Leases as a lessee

Right-of-use assets

Right-of-use assets related to lease properties that do not meet the definition of investment properties are presented as property, plant and equipment (see note 9):

	Buildings	**Total**
	£000	**£000**
Balance at 01 April 2020	5,944	**5,944**
Depreciation charge for year	(532)	**(532)**
Balance at 31 March 2021	5,412	**5,412**

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

Amounts recognised in profit or loss

The following amounts have been recognised in profit or loss for which the Company is a lessee:

	2021	2020
	£000	£000
Interest expense	**(284)**	(227)
Sub-lease income	**1,486**	1,053

Notes *(continued)*

15 Operating leases (continued)

Leases as a lessor

Operating leases

During the year £1,486,000 (2020: £1,053,000) was recognised as rental income by the Company.

The following table sets out a maturity analysis of lease payments to be received, showing the undiscounted lease payments to be received after the reporting date:

	2021	2020
	£000	£000
Less than one year	**1,125**	1,125
Between one and five years	**4,500**	4,500
More than five years	**2,122**	2,830
	7,747	8,455

16 Ultimate parent company and parent company of larger group

The ultimate parent company and controlling party is Takeda Pharmaceutical Company Limited, a company incorporated in Osaka, Japan. The largest group in which the results of the company are consolidated is that headed by Takeda Pharmaceutical Company Limited. The financial statements of Takeda Pharmaceutical Company Limited may be obtained from the head office at 4-1-1, Doshomachi, Chuoku, Osaka 540-8645, Japan.

17 Events after the reporting date

On 29 June 2021, the Company's subsidiary undertaking, Paradigm Therapeutics Limited, was dissolved. Consequently, it is assessed that no further value will be realised from this investment (following receipt of dividend income from the subsidiary undertaking during the year) and accordingly an impairment charge recorded to reduce the carrying value of the Fixed Asset Investment in Paradigm Therapeutics Limited to £nil.

There have been no other significant events since the end of the financial year.