

Registered number: 03756817

SANGAMO THERAPEUTICS UK LTD

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2020



SANGAMO THERAPEUTICS UK LTD
REGISTERED NUMBER: 03756817

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Current assets			
Debtors: amounts falling due within one year	4	553,044	70,413
Cash at bank and in hand		400,538	57,060
		<u>953,582</u>	<u>127,473</u>
Creditors: amounts falling due within one year	5	(2,129,788)	(3,110,882)
Net current liabilities		<u>(1,176,206)</u>	<u>(2,983,409)</u>
Total assets less current liabilities		<u>(1,176,206)</u>	<u>(2,983,409)</u>
Capital and reserves			
Called up share capital		-	-
Share option reserve		2,199,485	1,156,049
Profit and loss account		(3,375,691)	(4,139,458)
		<u>(1,176,206)</u>	<u>(2,983,409)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Duncan McKay
Duncan McKay (Sep 21, 2021 15:59 GMT+1)

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Duncan Stuart McKay
Director

Date: Sep 21, 2021

The notes on pages 2 to 7 form part of these financial statements.

SANGAMO THERAPEUTICS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

Sangamo Therapeutics UK Ltd is a private company limited by shares, incorporated and domiciled in the United Kingdom. The address of the registered office is Fourth Floor, St James House, St James Square, Cheltenham, Gloucestershire, United Kingdom, GL50 3PR. The company is registered at Companies House England and Wales. The registered number is 03756817.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

No rounding has been applied.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company has continued financial support as needed from the parent company to provide capital to meet liabilities when they fall due.

The COVID-19 pandemic has not had a significant, immediate impact on the company's operations but the directors are aware that if the current situation becomes prolonged then this may change. The directors have sought and received assurances from the parent company that financial support will be forthcoming for the next 12 months.

Having regard to the above and in assessing the going concern the directors have confirmed continued financial support will be provided for the foreseeable future on that basis, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Revenue

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

The company is contracted by its ultimate parent company Sangamo Therapeutics, Inc. to deliver research and development services under an intercompany agreement. The company is remunerated by its ultimate parent for these services.

2.4 Operating leases: the company as lessee

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.5 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.6 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

SANGAMO THERAPEUTICS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Debtors

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

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.10 Creditors

Short term creditors are measured at the transaction price.

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

SANGAMO THERAPEUTICS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.12 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Basic financial assets and liabilities that are payable or receivable within one year, typically trade payables and receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received.

3. Employees

The average monthly number of employees, including directors, during the year was 7 (2019 - 8).

4. Debtors

	2020 £	2019 £
Other debtors	47,535	59,988
Prepayments and accrued income	-	10,425
Deferred taxation	505,509	-
	<u>553,044</u>	<u>70,413</u>

5. Creditors: Amounts falling due within one year

	2020 £	2019 £
Amounts owed to group undertakings	1,591,669	2,745,311
Other taxation and social security	-	36,334
Accruals and deferred income	538,119	329,237
	<u>2,129,788</u>	<u>3,110,882</u>

SANGAMO THERAPEUTICS UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

6. Share based payments

Employees of the company are entitled to participate in the share incentive scheme of the parent company, Sangamo Therapeutics, Inc. subject to the terms and conditions as set out in the company's stock option plan. As part of this scheme, the employees were entitled to either stock options or restricted stock units ("Awards").

The fair value of the options and awards granted are measured using the Black-Scholes model and the fair value of the units granted during the year was measured based on the NASDAQ market closing share price on date of the grant.

The weighted average fair value was \$8.11.

	Weighted average exercise price (pence) 2020	Number 2020	<i>Weighted average exercise price (pence) 2019</i>	<i>Number 2019</i>
Outstanding at the beginning of the year	14.62	445,027	18.08	256,250
Granted during the year	6.80	207,230	9.49	221,350
Restricted stock units released in the year	n/a	-	n/a	(4,573)
Restricted stock units vested in 2020	n/a	(13,756)		-
Share options exercised	9.03	(28,712)		-
Expired during the year		-	9.03	(28,000)
Outstanding at the end of the year	12.49	609,789	14.62	445,027

	2020 £	2019 £
Share based payment expense	1,043,436	804,386

7. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £69,895 (2019 - £36,981). Contributions totalling £6,438 (2019 - £6,287) were payable to the fund at the reporting date and -are included in creditors.

SANGAMO THERAPEUTICS UK LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Related party transactions

The company has taken advantage of the exemption available under The Small Companies and Groups Regulations 2008, Schedule 1 paragraph 66(4) from disclosing details of any transactions entered into between two or more members of a group where they are wholly owned members of this group.

There were no other related party transactions during the period (2019: *none*).

9. Controlling party

The company is a wholly owned subsidiary of Sangamo Therapeutics, Inc., a company incorporated in the US, registered office 7000 Marina Boulevard, Brisbane, CA , 94005, USA.

Sangamo Therapeutics, Inc. prepares consolidated financial statements into which the company is consolidated and represents both the largest and smallest consolidated accounts into which the company is consolidated. Copies of Group financial statements are available at Sangamo's website.

10. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2020 was unqualified.

The audit report was signed on 22 September 2021 by Chris Mould (Senior statutory auditor) on behalf of Crowe U.K. LLP.