

Registered number: 03873386

PROIMMUNE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



PROIMMUNE LIMITED
REGISTERED NUMBER: 03873386

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	4	147,357	197,065
Investments	5	121,400	121,400
		<u>268,757</u>	<u>318,465</u>
Current assets			
Debtors: amounts falling due within one year	6	1,008,028	715,335
Current asset investments	7	15,839,150	14,045,544
Cash at bank and in hand	8	274,618	278,862
		<u>17,121,796</u>	<u>15,039,741</u>
Creditors: amounts falling due within one year	9	(553,129)	(532,885)
Net current assets		<u>16,568,667</u>	<u>14,506,856</u>
Total assets less current liabilities		<u>16,837,424</u>	<u>14,825,321</u>
Provisions for liabilities			
Deferred tax	10	(423,051)	(603,506)
		<u>(423,051)</u>	<u>(603,506)</u>
Net assets		<u>16,414,373</u>	<u>14,221,815</u>
Capital and reserves			
Called up share capital	11	2,003	2,007
Capital redemption reserve		58	54
Profit and loss account		16,412,312	14,219,754
		<u>16,414,373</u>	<u>14,221,815</u>

PROIMMUNE LIMITED
REGISTERED NUMBER: 03873386

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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 section 444 of the Companies Act 2006.

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



Dr N Schwabe

Director

Date:

23 SEP 2019

The notes on pages 3 to 12 form part of these financial statements.

PROIMMUNE LIMITED

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

1. General information

Proimmune Limited is a private company limited by share capital and incorporated in England and Wales.

The registered office and principal place of business is Magdalen Centre, Oxford Science Park, Oxford, Oxfordshire, OX4 4GA.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

PROIMMUNE LIMITED

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

2. Accounting policies (continued)

2.3 Revenue

Revenue 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. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.5 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

PROIMMUNE LIMITED

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

2. Accounting policies (continued)

2.6 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 the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 balance sheet 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 Balance sheet 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 balance sheet date.

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

PROIMMUNE LIMITED

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

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Lab equipment	-	25% straight-line method
Office equipment	-	25% straight-line method
Computer software	-	50% straight-line method

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

PROIMMUNE LIMITED

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

2. Accounting policies (continued)

2.13 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 the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet 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 Balance sheet.

2.14 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 non-puttable ordinary shares.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2018 No.	2017 No.
Directors	2	2
Employees	23	21
	25	23

PROIMMUNE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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4. Tangible fixed assets

	Lab equipment £	Office equipment £	Computer software £	Total £
Cost or valuation				
At 1 January 2018	728,148	145,262	3,282	876,692
Additions	27,413	6,776	-	34,189
Disposals	(5,000)	(650)	-	(5,650)
At 31 December 2018	<u>750,561</u>	<u>151,388</u>	<u>3,282</u>	<u>905,231</u>
Depreciation				
At 1 January 2018	559,321	117,025	3,282	679,628
Charge for the year on owned assets	64,970	13,729	-	78,699
Disposals	-	(453)	-	(453)
At 31 December 2018	<u>624,291</u>	<u>130,301</u>	<u>3,282</u>	<u>757,874</u>
Net book value				
At 31 December 2018	<u>126,270</u>	<u>21,087</u>	<u>-</u>	<u>147,357</u>
At 31 December 2017	<u>168,828</u>	<u>28,237</u>	<u>-</u>	<u>197,065</u>

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2018	121,400
At 31 December 2018	<u>121,400</u>

PROIMMUNE LIMITED

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

5. Fixed asset investments (continued)

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Class of shares	Holding
Proimmune INC	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2018 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
Proimmune INC	155,760	(1,008)

6. Debtors

	2018 £	2017 £
Trade debtors	185,149	165,727
Amounts owed by group undertakings	756,107	436,341
Other debtors	58,232	103,507
Prepayments and accrued income	8,540	9,760
	1,008,028	715,335

PROIMMUNE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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7. Current asset investments

	2018 £	2017 £
Other investments	15,839,150	14,045,544
	<u>15,839,150</u>	<u>14,045,544</u>
	2018 £	2017 £
Opening fair value	14,045,544	10,553,742
Purchases	2,805,399	2,845,209
Sales	-	(307,365)
(Loss) / Gain on remeasurement to fair value	(1,011,793)	953,957
Market value	<u>15,839,150</u>	<u>14,045,543</u>

8. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	274,618	278,862
	<u>274,618</u>	<u>278,862</u>

9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Payments received on account	11,405	30,054
Trade creditors	156,837	328,511
Corporation tax	356,743	147,067
Other taxation and social security	19,545	15,155
Other creditors	5,249	9,098
Accruals and deferred income	3,350	3,000
	<u>553,129</u>	<u>532,885</u>

PROIMMUNE LIMITED

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

10. Deferred taxation

	2018 £
At beginning of year	(603,506)
Utilised in year	180,455
At end of year	(423,051)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(25,051)	(33,501)
Short term timing differences	(398,000)	(570,005)
	(423,051)	(603,506)

11. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
100,002 (2017 - 100,002) Ordinary A shares of £0.01 each	1,000	1,000
330 (2017 - 730) Ordinary B shares of £0.01 each	3	7
50 (2017 - 50) Ordinary C shares of £10.00 each	500	500
50 (2017 - 50) Ordinary D shares of £10.00 each	500	500
	2,003	2,007

12. 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 £12,844 (2017 - £9,979).

13. Related party transactions

During the year Proimmune Limited made sales of £2,380,263 (2017: £1,963,003) and recharged management and other expenses of £532,678 (2017: £195,250) to Proimmune Inc (a 100% subsidiary) at the balance sheet date the company was owed £756,107 (2017: £436,341) by Proimmune inc.

At 31 December 2018 the company was owed £4,110 by the directors (2017: £12,622).

PROIMMUNE LIMITED

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

14. Controlling party

The directors consider Mr C Guilbert and Mr M Jefferies to be the ultimate controlling parties through their control of The Provident Foundation.

The company was under the immediate control of The Provident Foundation at the close of the current year.