

Registered number: 07802577

PRO BONO BIO GROUP PLC

Report and financial statements
for the year ended 31 December 2014

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PRO BONO BIO GROUP PLC

Company Information

DIRECTORS	John Mayo Michael Earl George Illffe Richard Wolf-Garraway William Henry
COMPANY SECRETARY	Throgmorton UK Limited
REGISTERED NUMBER	07802577
REGISTERED OFFICE	4th Floor Reading Bridge House George Street Reading Berkshire RG1 8LS
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Abacus House Castle Park Cambridge CB3 0AN

PRO BONO BIO GROUP PLC

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PRO BONO BIO GROUP PLC

**Strategic report
for the year ended 31 December 2014**

INTRODUCTION

The directors present their strategic report for the year ended 31 December 2014.

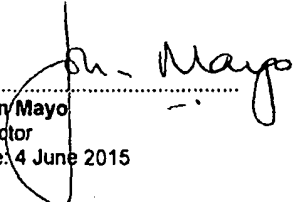
BUSINESS REVIEW

By an agreement dated 11 July 2014 Pro Bono Bio Holdings LLC, an indirect and wholly owned subsidiary of Pro Bono Bio PLC, acquired Pro Bono Bio Group PLC. Accordingly from 11 July the company was no longer the highest company in the group and therefore no longer the entity in which the group's accounts were consolidated. The company is now an intermediate holding company in a group of companies that are active in the healthcare sector. As such the company's activities are solely administrative in nature. In undertaking these activities the company incurred a modest loss for the year of £70,463 (2013 – loss £72,327).

PRINCIPAL RISKS AND UNCERTAINTIES

Save for the risk disclosed in the director's report that the company may not receive adequate funding from other group companies the directors do not consider there to be any substantial risks that could have a material adverse impact on the company's current activities.

This report was approved by the board and signed on its behalf.


.....
John Mayo
Director
Date: 4 June 2015

PRO BONO BIO GROUP PLC

Directors' report for the year ended 31 December 2014

The directors present their report for the year ended 31 December 2014.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' report and the audited financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the audited 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 year. In preparing these audited financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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;
- prepare the audited financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 audited consolidated financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS

The company's loss for the year is £70,463 (2013 - loss £72,327).

DIRECTORS

The directors who held office during the year and up to the date of signing the financial statements are given below:

John Mayo
Michael Earl
George Iliffe
Richard Garraway
William Henry

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the financial year and is currently in force. The company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its Directors.

PRO BONO BIO GROUP PLC

Directors' report
for the year ended 31 December 2014

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

GOING CONCERN

The company is currently loss making and as such is dependent on the support of its ultimate parent company, Pro Bono Bio PLC.

The Directors of Pro Bono Bio PLC have identified the cash flows needed for 2015, which they plan to obtain from borrowings or by issuing equity to current or new investors or from the sale of assets. Should these plans not result in the required cash and existing investors are unwilling to continue to provide support, the business may not be able to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the parent and hence the company's ability to continue as a going concern.

The Directors reasonably expect that the ultimate parent will be successful in raising the required debt or equity funding and therefore should have adequate resources to support the company for at least the next 12 months after the date of authorisation of these financial statements. Accordingly the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

The financial statements on pages 6-7 and notes to the financial statements on pages 8-12 were approved by the board on 4 June 2015 and signed on its behalf.


.....
John Mayo
Director

PRO BONO BIO GROUP PLC

Independent auditors' report to the members of Pro Bono Bio Group PLC

Report on the financial statements

Our opinion

In our opinion, Pro Bono Bio Group PLC's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its loss for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.2 to the financial statements concerning the company's ability to continue as a going concern. The company is dependent on the support of its ultimate parent, Pro Bono Bio plc. The ultimate parent remains dependent on external funding which is not yet secured, in order for it to continue as a going concern. This condition, indicates the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

What we have audited

Pro Bono Bio Group PLC's financial statements comprise:

- the Balance sheet as at 31 December 2014;
- the Profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

PRO BONO BIO GROUP PLC

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Directors' report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Stuart Newman (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading
4 June 2015

PRO BONO BIO GROUP PLC

**Profit and loss account
for the year ended 31 December 2014**

	Note	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Administrative expenses	2	<u>(66,046)</u>	<u>(70,530)</u>
OPERATING LOSS		(66,046)	(70,530)
Interest payable	3	<u>(4,417)</u>	<u>(1,797)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(70,463)	(72,327)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
LOSS FOR THE FINANCIAL YEAR	8	<u>(70,463)</u>	<u>(72,327)</u>

The notes on pages 8-12 form part of these financial statements.

PRO BONO BIO GROUP PLC

**Balance sheet
as at 31 December 2014**

	Note	£	2014 £	£	2013 £
FIXED ASSETS					
Investments			<u>10,500</u>		<u>10,500</u>
			10,500		10,500
CURRENT ASSETS					
Debtors	5	62,215		50,100	
Cash at bank		<u>1,261</u>		<u>1,367</u>	
		63,476		51,467	
CREDITORS: amounts falling due within one year	6	<u>(173,175)</u>		<u>(90,704)</u>	
NET CURRENT LIABILITIES			<u>(109,699)</u>		<u>(39,237)</u>
NET LIABILITIES			<u>(99,199)</u>		<u>(28,737)</u>
CAPITAL AND RESERVES					
Called up share capital	7		50,101		50,100
Accumulated losses	8		<u>(149,300)</u>		<u>(78,837)</u>
SHAREHOLDERS' DEFICIT	9		<u>(99,199)</u>		<u>(28,737)</u>

The financial statements and notes to the financial statements of Pro Bono Bio Group PLC (registered number 07802577) on pages 6-12 were approved by the board on 4 June 2015 and signed on its behalf.

.....
John Mayo
Director

PRO BONO BIO GROUP PLC

Notes to the financial statements for the year ended 31 December 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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. The financial statements are prepared under the historical cost convention. The company, being a subsidiary undertaking where all voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up consolidated accounts in accordance with FRS 1.

1.2 Going concern

The company is currently loss making and as such is dependent on the support of its ultimate parent company, Pro Bono Bio PLC.

The Directors of Pro Bono Bio PLC have identified the funding needed for the next 12 months, which they plan to obtain from borrowings or by issuing equity to current or new investors or the sale of assets. Should these plans not result in the required cash and existing investors are unwilling to continue to provide support, the business may not be able to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the parent and hence the company's ability to continue as a going concern.

The Directors reasonably expect that the ultimate parent will be successful in raising the required debt or equity funding and therefore should have adequate resources to support the company for at least the next 12 months after the date of authorisation of these financial statements. Accordingly the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

1.3 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account in the year in which they arise.

1.4 Cash flow

The company, being a subsidiary undertaking where all voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

PRO BONO BIO GROUP PLC

**Notes to the financial statements
for the year ended 31 December 2014**

2. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	Year ended 31 December 2014	Year ended 31 December 2013
Fees payable for the audit	4,900	2,000
Other fees payable to the auditor	11,448	23,761
Difference on foreign exchange	166	(23)
	<u>16,514</u>	<u>25,738</u>

3. INTEREST PAYABLE

	Year ended 31 December 2014	Year ended 31 December 2013
	£	£
Interest payable	<u>4,417</u>	<u>1,797</u>

4. TAX ON LOSS ON ORDINARY ACTIVITIES

The company incurred no tax charge in 2014 (2013: £nil)

Factors affecting tax charge for the year

The tax on the company's loss before tax differs from the theoretical amount that would arise from the weighted average tax rate applicable to the losses of the company as follows:

	Year ended 31 December 2014 £	Year ended 31 December 2013 £
Loss on ordinary activities before tax	<u>(70,463)</u>	<u>(72,327)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.5% (2013: 23.25%)	(15,150)	(16,816)

PRO BONO BIO GROUP PLC

**Notes to the financial statements
for the year ended 31 December 2014**

4. TAX ON LOSS ON ORDINARY ACTIVITIES - Continued

Effects of:

Unrelieved tax losses carried forward	15,150	16,816
Current tax charge for the year/Year (see note above)	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The standard rate of corporation tax in the UK changed from 23% to 21% with effect from 1 April 2014. Accordingly the company's profits for this accounting year are taxed at a blended rate of 21.5%.

In addition to the changes in rates of corporation tax disclosed within the note on taxation further changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2014 on 17 July 2014. These include reductions in the main rate to 21% from 1 April 2014 and to 20% from 1 April 2015.

5. DEBTORS

	2014	2013
	£	£
Other debtors	50,101	50,100
Prepayments	12,114	-
	<u>62,215</u>	<u>50,100</u>

6. CREDITORS:

Amounts falling due within one year

	2014	2013
	£	£
Borrowings and accrued interest	157,227	88,653
Trade creditors	11,448	51
Accruals and deferred income	4,600	2,000
	<u>173,275</u>	<u>90,704</u>

The company has a revolving credit facility with Leverton Licence Holdings Limited ("LLH"). From 11 September 2014 LLH was acquired by Pro Bono Bio PLC and at the time became an affiliate of the company

PRO BONO BIO GROUP PLC

**Notes to the financial statements
for the year ended 31 December 2014**

7. CALLED UP SHARE CAPITAL

	2014 £	2013 £
Authorised		
500,000,000- Ordinary shares of £0.0001 each	50,000	50,000
1 - Deferred share of £100 each	100	100
1 - Dividend access share of £1 each	<u>1</u>	<u>-</u>
	<u>50,101</u>	<u>50,100</u>
Allotted, called up and fully paid		
500,000,000- Ordinary shares of £0.0001 each	<u>50,000</u>	<u>50,100</u>
Allotted, called up and partly paid		
1 - Deferred share of £100 each	100	100
1 - Dividend access share of £1 each	<u>1</u>	<u>-</u>

On 22 May 2014 the company consolidated 1,000,000 deferred shares of £0.0001 each into 1 deferred share of £100. From 22 May 2014 the holder of the deferred share is now also able to attend as well as receive notice of general meetings. On redemption of the company's deferred share, the amount paid to the holder is now the nominal value of that share. On 22 May 2014 one dividend access share of £1 was allotted.

8. RESERVES

	Accumulated Losses £
At January 1, 2014	(78,837)
Loss for the year	(70,463)
	<u> </u>
At December 31, 2014	<u>(149,300)</u>

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' DEFICIT

	2014 £	2013 £
Opening shareholders' (deficit)/funds	(28,737)	43,490
Loss for the year	(70,463)	(72,327)
Share issued during the year	<u>1</u>	<u>100</u>
Closing shareholders' (deficit)/funds	<u>(99,199)</u>	<u>(28,737)</u>

PRO BONO BIO GROUP PLC

Notes to the financial statements for the year ended 31 December 2014

10. RELATED PARTY TRANSACTIONS

As at 31 December 2014 the company's immediate parent company was Pro Bono Bio Holdings LLC and the company's subsidiary was Pro Bono Bio Entrepreneur Limited.

Included within borrowings and accrued interest (note 6) at the balance sheet date were the following:

Pro Bono Bio Entrepreneur Limited, the company's subsidiary registered in UK and Ireland

- Borrowings £64,000

Celtic Pharma GP Limited was, before 11 July 2014 the immediate parent company and is now related by way of common control.

- Borrowings £12,500

Leverton Licence Holdings Limited, was a related party before 11 July 2014 and is now a subsidiary of the ultimate parent company, Pro Bono Bio PLC.

- Borrowings £74,383
- Accrued interest £6,345

11. CONTROLLING PARTY

By an agreement dated 11 July 2014 Pro Bono Bio Holdings LLC ("PBBH LLC"), an indirect and wholly owned subsidiary of Pro Bono Bio PLC, acquired 500 million ordinary shares of Pro Bono Bio Group PLC for US\$877,000. By mutual agreement the consideration (which reimburses the seller for certain costs) has not yet been paid by PBBH LLC. The acquisition was unconditional and closed on 11 July 2014. Accordingly, as at 31 December 2014 the ultimate parent undertaking was Pro Bono Bio PLC a UK company registered at 4th Floor Reading Bridge House, George Street, Reading RG1 8LS. Pro Bono Bio PLC is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements at 31 December 2014.

12. PRINCIPAL SUBSIDIARIES

Company name	Country	Percentage Shareholding	Description
Pro Bono Bio Entrepreneur Limited	UK	100	Ordinary
Pro Bono Bio International Trading Ltd	Malta	100	Ordinary

The company owns Pro Bono Bio International Trading Limited indirectly via Pro Bono Bio Entrepreneur Limited.