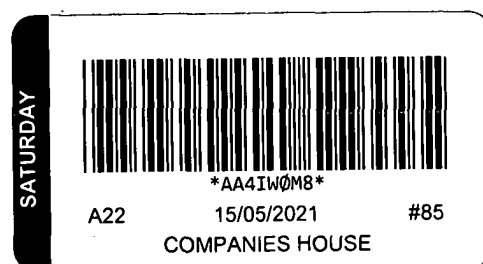


PRO BONO BIO GROUP PLC

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020



Company Registration Number: 07802577

**PRO BONO BIO GROUP PLC**

**CORPORATE INFORMATION**

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**Directors**

Biresh Roy  
Richard Wolf-Garraway

**Company secretary**

Justin Bowen

**Registered Office and Number**

4th Floor, Reading Bridge House  
George Street  
Reading  
Berkshire RG1 8LS

Company Registration Number: 07802577

**Independent Auditor**

Grant Thornton UK LLP  
30 Finsbury Square  
London EC2A 1AG

PRO BONO BIO GROUP PLC

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**PRO BONO BIO GROUP PLC****STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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**INTRODUCTION**

The directors present their strategic report for the year ended 31 December 2020.

**BUSINESS REVIEW**

Pro Bono Bio Group PLC (the "Company") is an intermediate holding company within a group that is principally engaged in the business of developing and selling healthcare products. The Company's activities are solely administrative in nature. The Company is a public limited liability company incorporated on 7 October 2011 and is domiciled in the United Kingdom.

The Company traded at a profit in 2020 making a profit of £1,554 (2019: Profit of £503).

**PRINCIPAL RISKS AND UNCERTAINTIES**

*The principal risks and uncertainties faced by the Company and kept under review by the board of the Company have been summarised below.*

The Company is currently profit making but is dependent on the support of its ultimate parent Company, Ascension Healthcare plc. The directors and management take the view that the Company, with support from its parent and its key shareholders and lenders, would have adequate resources to continue in operational existence for at least 12 months after the date of approval of these financial statements, and continue to adopt the going concern basis of accounting in preparing the financial statements, details of which are set out in note 1 to the financial statements.

The lockdowns initiated by the UK Government in 2020 continuing into 2021 and other national governments at differing times to contain the spread of COVID-19 has, at the time of writing, and will continue to have, in common with other businesses, an impact.

A fuller consideration of the risks that the group is exposed to is contained in the notes of the consolidated accounts of Ascension Healthcare PLC.

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

*Biresh Roy*

Biresh Roy  
Director  
30 April 2021

## PRO BONO BIO GROUP PLC

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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The directors present their report for the year ended 31 December 2020.

#### Directors of the Company

The directors who served during the year and up until the date of this report are shown below.

Biresh Roy  
Richard Wolf-Garraway.

#### Result

The statutory profit after tax of the Company for 2020 was £1,554 (2019: Profit of £503)

#### Dividends

The directors do not recommend any dividend for the year (2019: £ nil).

#### Business Review

Pro Bono Bio Group PLC is an intermediate holding company within the Ascension Healthcare PLC group. The Company's activities are solely administrative in nature.

The Company has chosen in accordance with section 414c(ii) of the Companies Act 2006 to include such matters of strategic importance to the Company in the Strategic Report, which would otherwise be disclosed in the Director's Report.

#### Future developments

The directors do not anticipate any significant change in the Company's activities in the future.

#### Directors' liabilities

The Company has granted an indemnity to each of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying indemnity provision remains in force as at the date of approving the Directors' report.

#### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor is Grant Thornton UK LLP. Grant Thornton UK LLP will be proposed for reappointment in line with Section 485 of the Companies Act 2006.

On behalf of the board of directors

*Biresh Roy*

Biresh Roy  
Director  
30 April 2021

**PRO BONO BIO GROUP PLC****DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Directors' responsibilities statement**

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with UK Generally Accepted Accounting Practice (UKGAAP), including FRS101 'Reduced Disclosure Framework' and applicable law. 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 and 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed
- prepare the 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 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair, balanced and understandable.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**PRO BONO BIO GROUP PLC****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRO BONO BIO GROUP PLC**

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**Opinion**

We have audited the financial statements of Pro Bono Bio Group plc (the "Company") for the year ended 31 December 2020 which comprise the statement of total comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit 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.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

**PRO BONO BIO GROUP PLC****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRO BONO BIO GROUP PLC**

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us 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; or

**Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



## PRO BONO BIO GROUP PLC

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRO BONO BIO GROUP PLC

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In preparing the financial statements, the directors are responsible for 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 the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (FRS 101 and the Companies Act 2006) and the relevant tax compliance regulations in the United Kingdom.
- We understood how Pro Bono Bio Group PLC is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our inspection of board minutes and papers provided to the Audit Committee.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
  - journal entries that reclassified costs from the income statement to the balance sheet
  - potential management bias in determining accounting estimates
  - transactions with related parties

## PRO BONO BIO GROUP PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRO BONO BIO GROUP PLC

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- Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on material manual journals, including those with unusual account combinations or those that reclassified costs from the income statement to the balance sheet;
  - challenging assumptions and judgements made by management in its significant accounting estimates;
  - testing the completeness of the company's related party transactions and testing that these transactions had a valid business purpose; and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the industry in which the client operates
  - understanding of the legal and regulatory requirements specific to the entity including:
    - the provisions of the applicable legislation
    - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
    - the applicable statutory provisions
- Team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition through manipulation of the timing of revenue recognition.
- In assessing the potential risks of material misstatement, we obtained an understanding of the entity's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.

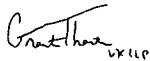
PRO BONO BIO GROUP PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRO BONO BIO GROUP PLC

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Use of our report

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.



Christopher Raab, ACA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London, UK  
30 April 2021

## PRO BONO BIO GROUP PLC

## STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £
General and administrative costs	2	(1,678)	(2,856)
Total expenses		(1,678)	(2,856)
<b>Operating loss</b>		(1,678)	(2,856)
Other income	4	3,232	3,359
Profit before income tax		1,554	503
Income tax expense	5	-	-
<b>Profit for the financial year</b>		1,554	503
		Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £
<b>Profit for the financial year</b>		1,554	503
<b>Total comprehensive income for the year</b>		1,554	503

Other comprehensive income for both years is nil and all activities are continuing operations.

The notes on pages 15 to 21 are an integral part of these financial statements.

## PRO BONO BIO GROUP PLC

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
<b>Non-current assets</b>			
Investments	6	<u>10,500</u>	<u>10,500</u>
		10,500	10,500
<b>Current assets</b>			
Trade and other receivables	7	<u>50,100</u>	<u>50,100</u>
Total current assets		<u>50,100</u>	<u>50,100</u>
<b>Total assets</b>		<u>60,600</u>	<u>60,600</u>
<b>Current liabilities</b>			
Trade and other payables	8	<u>190,817</u>	<u>192,371</u>
		190,817	192,371
<b>Total liabilities</b>		<u>190,817</u>	<u>192,371</u>
<b>Equity attributable to owners of the parent</b>			
Share capital	9	50,101	50,101
Retained earnings		<u>(180,318)</u>	<u>(181,872)</u>
<b>Total equity</b>		<u>(130,217)</u>	<u>(131,771)</u>
<b>Total equity and liabilities</b>		<u>60,600</u>	<u>60,600</u>

The financial statements of Pro Bono Bio Group PLC (registration number 07802577) on pages 12 to 21 were authorised for issue by the board of directors on 30 April 2021 and were signed on its behalf.

*Biresh Roy*

Biresh Roy  
Director

*Richard Garraway*

Richard Wolf-Garraway  
Director

The notes on pages 15 to 21 are an integral part of these financial statements.

## PRO BONO BIO GROUP PLC

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020

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	Share capital £	Profit and loss reserve £	Total equity £
Balance at 1 January 2019	50,101	(182,375)	(132,274)
Total comprehensive income for the year	-	503	503
Balance at 31 December 2019	<u>50,101</u>	<u>(181,872)</u>	<u>(131,771)</u>
Balance at 1 January 2020	50,101	(181,872)	(131,771)
Total comprehensive profit for the year	-	1,554	1,554
Balance at 31 December 2020	<u>50,101</u>	<u>(180,318)</u>	<u>(130,217)</u>

Profit and loss reserve is accumulated profits and losses for each financial year.

The notes on pages 15 to 21 are an integral part of these financial statements.

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**PRO BONO BIO GROUP PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****INTRODUCTION**

Pro Bono Bio Group PLC (the "Company") is an intermediate holding company within a group that is principally engaged in the business of developing and selling healthcare products. The Company is a public limited liability company incorporated on 7 October 2011, limited by shares and is domiciled in the United Kingdom.

**1. Going concern**

The Company is dependent on the support of its ultimate parent company, Ascension Healthcare plc.

During 2019, Ascension Healthcare Plc ("Ascension"), the group and Company's ultimate parent undertaking, drew down £7.4m under the existing secured Loan agreement. In August 2020, Ascension raised £9.3m under an unsecured Convertible Loan Agreement (CLA) with the British Business Bank's Future Fund and internal investors. The Directors are confident that with the group's business plan, cash generated from Flexiseq and Equiseq sales and this further financing, combined with the discretionary nature of spend associated with the Haemophilia A activities whereby management retain the ability to regulate cash burn, the group will have a cash reach to at least April 2022 to continue its Flexiseq and Equiseq business and carry out its Haemophilia A clinical and pre-clinical programmes.

The Company recorded an operating profit of £1,554 for the year to 31 December 2020 and the group is reliant on the funding from the secured Loan, which previously matured on 23 March 2020 and was restructured to mature on 30 November 2023, and the unsecured CLA, which matures on 18 August 2023.

The Directors and management believe that the Company, with support from its key shareholders and lenders, would have adequate resources to continue in operational existence for at least 12 months after the date of approval of these financial statements, and continue to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the Company financial statements do not include the adjustments that would be required if the Company were unable to continue as a going concern.

**2. General and administrative costs**

	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £
Management and administrative costs	(1,678)	(856)
Professional fees	-	(2,000)
	<u>(1,678)</u>	<u>(2,856)</u>

Auditors' remuneration is borne by the ultimate parent company, Ascension Healthcare PLC.

**3. Directors Remuneration**

No remuneration was paid by Pro Bono Group PLC to directors, who are the only employees, of the Company. Directors of the ultimate parent company Ascension Healthcare PLC did receive remuneration and that is presented in the accounts of that company.

**PRO BONO BIO GROUP PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****4. Other income and expense**

	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £
Other income	3,232	3,359
	<u>3,232</u>	<u>3,359</u>

**5. Income tax expense**

	Year ended 31 Dec 2020 £	Year ended 31 Dec 2019 £
<b>Reconciliation of tax expense</b>		
Profit before tax	1,554	503
Tax calculated at standard rate of UK corporation tax of 19% (2019: 19%)	295	96
Tax effects of:		
Unrelieved taxable profits/tax losses carried forward	(295)	(96)
<b>Tax expense</b>	<u>-</u>	<u>-</u>

The Company has estimated losses of £94,598 (2019 - £95,871) available for carry forward against future trading profits.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate would rise to 25%. As the proposal to raise the rate at 25% from April 2023 had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

**6. Investments**

	2020 £	2019 £
Opening cost and net book amounts	10,500	10,500
Cost and closing net book amount	<u>10,500</u>	<u>10,500</u>

Subsidiary	Country of incorporation	Registered office	Nature of Business	Proportion of ordinary shares held by the company	Proportion of ordinary shares held by the group
Pro Bono Bio Entrepreneur Limited	UK	4th Floor, Reading Bridge House, George Street, Reading, RG1 8LS, UK.	Healthcare products supplier	100%	
Pro Bono Bio International Trading Limited	Malta	Palazzo Pietro Stiges, 103, Strait Street, Valletta, VLT 1436, Malta	Healthcare products supplier		100%



**PRO BONO BIO GROUP PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****7. Trade and other receivables**

	2020	2019
	£	£
Amounts owed by group undertakings	50,000	50,000
Other debtors	100	100
	<u>50,100</u>	<u>50,100</u>

Amounts owed from group undertakings relate to group funding and are repayable on demand, unsecured and interest free. The directors have considered the ultimate recovery of these amounts and although repayable on demand, full recovery may not be effected within one year.

**8. Trade and other payables**

	2020	2019
	£	£
Amounts owed to group undertakings	178,258	178,872
Other creditors	7,534	7,799
Accruals	5,025	5,700
	<u>190,817</u>	<u>192,371</u>

Amounts owed to group undertakings relate to group funding and are repayable on demand, unsecured and interest free. The directors have considered the ultimate recovery of these amounts and although repayable on demand, full recovery may not be effected within one year.

**9. Share capital**

	Number of ordinary shares	Number of deferred shares	Number of dividend access shares	Share capital £	Total £
At 31 December 2018, 2019, and 2020	<u>50,000</u>	<u>1</u>	<u>1</u>	<u>50,101</u>	<u>50,101</u>

**9.1 Ordinary Shares**

The ordinary shares have a par value of £1.00. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held. The rights are subject to prior entitlements of the Deferred and Dividend access shares.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote

**PRO BONO BIO GROUP PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**9.2 Deferred Shares**

Deferred shares have a par value of £100.00. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the Company in proportion to the number of and amounts paid on the shares held, only as set out in the articles of association.

The holders of the Deferred share, may attend general meetings but may not vote unless per the circumstances in the articles of association have been triggered.

**9.3 Dividend Access Share**

Dividend access shares have a par value of £1.00. They entitle the holder to participate in dividends as set out in articles of association.

The holders of the Dividend access share, may attend general meetings but may not vote unless per the circumstances in the articles of association have been triggered.

**10. Critical accounting judgements and estimates**

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**10.1 Critical judgements in applying the entities' accounting policies**

The financial statements have been prepared on a going concern basis as stated in note 1.

The carrying value of investments in these financial statements is based on critical estimates.

**10.2 Critical accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**11. Commitments****a) Capital commitments**

At 31 December 2020 the Company had no outstanding capital commitments.

**b) Operating lease commitments**

At 31 December 2020 the Company had no outstanding operating lease commitments.

**12. Events after the reporting period**

No adjusting or significant non-adjusting events have occurred between the 31 December reporting date and the date of authorisation.

**PRO BONO BIO GROUP PLC****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****13. Related party transactions**

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. The Company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow wholly owned subsidiaries.

No transactions were carried out with external related parties to Ascension Healthcare PLC and its subsidiaries.

**14. Ultimate Group undertaking**

The Company's immediate parent is Pro Bono Bio Holdings LLC and the ultimate parent undertaking is Ascension Healthcare PLC. The Company is included within the consolidated accounts of the ultimate parent undertaking which are publicly available. Copies of the consolidated financial statements of Ascension Healthcare PLC are available at 4<sup>th</sup> Floor Reading Bridge House, George Street, Reading RG1 8LS.

**15. Summary of significant 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.

**15.1 Basis of preparation of the financial statements**

The financial statements of Pro Bono Bio Group PLC have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 10.

The comparatives relate to the year ending on 31 December 2019. All amounts are in sterling unless stated otherwise.

The Company's financial statements are included in the Ascension Healthcare PLC consolidated financial statements for the year ended 31 December 2020. The Company is exempt, under Section 400 of the Companies Act 2006, from the preparation of consolidated financial statements because it is included in the Annual Report and Financial Statements of its ultimate parent. These financial statements are separate financial statements.

**Adoption of new and revised standards**

There were a number of narrow scope amendments to existing standards which were effective from 1 January 2020. None of these had a material impact on the company.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions. As these amendments merely clarify the existing requirements, they do not affect the Company's accounting policies or any of the disclosures.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'.

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- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
  - Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
    - (i) paragraph 79(a)(iv) of IAS 1;
    - (ii) paragraph 73(e) of IAS 16 Property, plant and equipment;
    - (iii) paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period).
  - The following paragraphs of IAS 1, 'Presentation of financial statements':
    - 10(d), (statement of cash flows);
    - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
    - 16 (statement of compliance with all IFRS);
    - 38A (requirement for minimum of two primary statements, including cash flow statements);
    - 38B-D (additional comparative information);
    - 40A-D (requirements for a third statement of financial position);
    - 111 (cash flow statement information); and
    - 134-136 (capital management disclosures).
  - IAS 7, 'Statement of cash flows'.
  - Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
  - Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
  - The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

**15.2 Foreign currency translation****(a) Functional and presentation currency**

Items included in the financial statements of the Company are measured using £ sterling.

**(b) Transactions and balances**

Foreign currency transactions are translated into sterling using the exchange rates prevailing at the dates of the transactions or dates of valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies.

**15.3 Investments in subsidiary**

Investments in subsidiaries held as fixed assets are shown at cost less impairment costs.

**15.4 Impairment of assets**

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss by comparing the recoverable amount of the affected asset with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately through profit and loss.

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If an impairment subsequently reverses, the carrying amount is increased to the revised estimate of its recoverable amount, but not in excess of the cost of the asset. A reversal of an impairment loss is recognised immediately through profit and loss.

**15.5 Trade and other receivables**

Receivables from related parties are recognised and carried at cost less an allowance for any non-collectable amounts.

**15.6 Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the Statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

**15.7 Share capital**

Ordinary shares are classified as equity. Ordinary share capital is recognised at the nominal value of the consideration received. Any difference between the fair value of the consideration received and the nominal value of the issued shares is recognised as share premium, after deducting related financing costs.

**15.8 Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

**15.9 Current and deferred income tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of total comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.