

I.F. R&D LLP

**REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2014**

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I.F. R&D LLP

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I.F. R&D LLP

INFORMATION

Designated Members	Prosper Capital Management Limited (appointed 2 December 2014) OneE Designated Administrator Limited (appointed 2 December 2014)
LLP registered number	OC396840
Registered office	Springfield House Springfield Court Summerfield Road Bolton BL3 2NT
Independent auditors	Price Bailey LLP Chartered Accountants Dashwood House 69 Old Broad Street London EC2M 1QS

I.F. R&D LLP

MEMBERS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2014

The members present their report together with the audited financial statements of I.F. R&D LLP (the LLP) for the period ended 31 December 2014.

PRINCIPAL ACTIVITIES

The LLP was incorporated on 2 December 2014 and commenced trading on that date.

The principal object of the LLP is to exploit the rights obtained in respect of technologies relating to the delivery of specific drugs.

DESIGNATED MEMBERS

Prosper Capital Management Limited and OneE Designated Administrator Limited were designated members of the LLP throughout the period.

The designated members manage and conduct the affairs of the LLP according to the provisions of the LLP Partnership Agreement.

ALLOCATIONS TO MEMBERS

The profits and losses of the LLP are allocated between the members accordingly to the provisions of the LLP Partnership Agreement and allocations are recorded in the current account of each member.

MEMBERS' CAPITAL AND INTERESTS

All members contribute to the capital of the LLP in accordance with the LLP Partnership Agreement. Members' capital may only be withdrawn after 100% of other members have given approval as detailed in the LLP Partnership Agreement. Members' capital has therefore been treated as equity in these financial statements.

The designated members do not contribute to the capital of the LLP.

PROVISION OF INFORMATION TO THE AUDITOR

In so far as the members are aware there is no relevant audit information of which the LLP's auditor is unaware. The members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

I.F. R&D LLP

MEMBERS' REPORT (continued) FOR THE PERIOD ENDED 31 DECEMBER 2014

MEMBERS' RESPONSIBILITIES STATEMENT

The members are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law, as applied to LLPs, requires the members to prepare financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, as applied to LLPs, the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members 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 financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP 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 LLP and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SMALL LLP PROVISIONS

This report has been prepared in accordance with the special provisions applicable to LLPs subject to the small LLP regime.

AUDITORS

The auditors, Price Bailey LLP, have indicated their willingness to continue in office. The Designated members will propose a motion re-appointing the auditors at a meeting of the members.

This report was approved by the members on 29.09.15 and signed on their behalf by:



T Johnson
Director
OneE Designated Administrator Limited
Designated member

I.F. R&D LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF I.F. R&D LLP

We have audited the financial statements of I.F. R&D LLP for the period ended 31 December 2014, set out on pages 6 to 10. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the LLP's members in accordance with the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an Auditors' 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 LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF MEMBERS AND AUDITORS

As explained more fully in the Members' Responsibilities Statement, the members 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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 LLP's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the designated members; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Members' Report 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.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the LLP's affairs as at 31 December 2014 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

I.F. R&D LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF I.F. R&D LLP

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 incurred a net loss of £3,845,799 during the period ended 31 December 2014 and, at that date, the company's current liabilities exceeded its total assets by £3,876 and it had net liabilities of £2,846,899. As noted in note 1.2, the company has received assurances from a designated member that funds will be made available to meet ongoing expenses as they fall due. The financial statements do not include any adjustment that would result if the company was unable to continue as a going concern.

Contingent liability

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 6 to the financial statements concerning the contingent liability. The company obtained limited recourse loans with interest being chargeable at 7.5% per annum. The interest is only payable out of any future relevant receipts. The future relevant receipts are contingent on the outcome of the R&D project. The ultimate outcome of the R&D project cannot presently be determined, and no provision for any liability in regard to the interest that may result has been made in the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006, as applied to limited liability partnerships, 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
- we have not received all the information and explanations we require for our audit; or
- the members were not entitled to prepare the financial statements in accordance with the small limited liability partnerships regime.



Richard Vass (Senior Statutory Auditor)
for and on behalf of

Price Bailey LLP
Chartered Accountants
Statutory Auditors
Dashwood House
69 Old Broad Street
London
EC2M 1QS

Date: 30 September 2015

I.F. R&D LLP

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 DECEMBER 2014**

	Note	Period ended 31 December 2014 £
Research costs		(3,841,923)
GROSS LOSS		(3,841,923)
Administrative expenses		(3,876)
OPERATING LOSS	2	(3,845,799)
LOSS FOR THE FINANCIAL PERIOD BEFORE MEMBERS' REMUNERATION AND PROFIT SHARES AVAILABLE FOR DISCRETIONARY DIVISION AMONG MEMBERS		(3,845,799)

The notes on pages 8 to 10 form part of these financial statements.

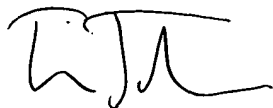
I.F. R&D LLP
REGISTERED NUMBER: OC396840

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £
CREDITORS: amounts falling due within one year	3		(3,876)
TOTAL ASSETS LESS CURRENT LIABILITIES			(3,876)
CREDITORS: amounts falling due after more than one year	4		(2,843,023)
NET LIABILITIES ATTRIBUTABLE TO MEMBERS			(2,846,899)
REPRESENTED BY:			
Members' other interests			
Members' capital classified as equity		998,900	
Other reserves		(3,845,799)	
			(2,846,899)
TOTAL MEMBERS' INTERESTS			
Members' other interests			(2,846,899)

The financial statements have been prepared in accordance with the provisions applicable to small LLPs within Part 15 of the Companies Act 2006 as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the members and were signed on their behalf on 29.09.15



T Johnson
Director
OneE Designated Administration Limited
Designated member

The notes on pages 8 to 10 form part of these financial statements.

I.F. R&D LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008) and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships".

1.2 Going concern

Although the LLP has incurred losses in the period and has net liabilities at the period end, the financial statements have been prepared on a going concern basis as OneE Investments Limited, a fellow group company of the designated member OneE Designated Administrator Limited, has confirmed its intention to make available adequate resources to enable the LLP to meet its ongoing administrative expenses and associated liabilities as they fall due and continue in operational existence for the foreseeable future. Further, the creditors' amount falling due after one year relates to limited recourse loans. The loans are repayable only out of any relevant receipts (as defined in the loan agreement between the LLP and the third party. Broadly, this would include any income and/or gains arising from the exploitation of patent rights, less any liability to tax on the members as a result of the income and/or gains arising) received by the LLP as a result of the LLP's trade. In the absence of any relevant receipts, the loans are not repayable. The LLP therefore does not expect these liabilities to impact on the LLP's ability to continue its trade for the foreseeable future.

1.3 Cash flow

The financial statements do not include a Cash Flow Statement because the LLP, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.4 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.

1.5 Research and development

Research and development expenditure is written off in the year in which it is incurred.

2. OPERATING LOSS

The operating loss is stated after charging:

	Period ended 31 December 2014 £
Auditors' remuneration	1,563

I.F. R&D LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

3. CREDITORS: Amounts falling due within one year

	2014 £
Other creditors and accruals	3,876
	<u>3,876</u>

4. CREDITORS: Amounts falling due after more than one year

	2014 £
Other loans	2,843,023
	<u>2,843,023</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2014 £
Repayable other than by instalments	2,843,023
	<u>2,843,023</u>

5. RECONCILIATION OF MEMBERS' INTERESTS

	Members' capital (classified as equity) £	Other reserves £	Total £
Loss for the period available for discretionary division among members	-	(3,845,799)	(3,845,799)
Members' interests after loss for the period	-	(3,845,799)	(3,845,799)
Capital amounts introduced by members	998,900	-	998,900
Members' interests at 31 December 2014	<u>998,900</u>	<u>(3,845,799)</u>	<u>(2,846,899)</u>

6. CONTINGENT LIABILITIES

The LLP has obtained limited recourse loans from a third party with interest being chargeable at 7.5% per annum and compounded quarterly. The loans are repayable only out of any relevant receipts received by the LLP as a result of the LLP's trade. Payment of any interest due, contingent on the LLP receiving relevant receipts, shall be paid by the LLP at the same time as the principal amount outstanding under the loans are repaid. An accrual has not been recognised in the accounts for the interest payable on this loan, as it is not expected that interest will be payable as at the date of the accounts as no relevant receipts have been received. Further, a provision is not recognised in the accounts because the LLP cannot provide a best estimate of the interest that will be payable given that the LLP cannot accurately estimate the value of any relevant receipts it is expected to receive. The maximum exposure arising from not providing for interest is £4,673 for the period.

I.F. R&D LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2014

7. RELATED PARTY TRANSACTIONS

During the period, expenses of £563 were paid on behalf of the LLP by OneE Investments Limited. OneE Investments Limited is a related party by virtue of it being the parent company of OneE Designated Administrator Limited, which is a designated member of the LLP. At the year end, the LLP owed OneE Investments Limited £563.

8. CONTROLLING PARTY

The designated members do not consider the LLP to have a controlling party.