

Haptogen Limited

Directors' report and financial statements

Year ended 30 November 2016

Registered number SC224567



Haptogen Limited

Directors' report and financial statements

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Haptogen Limited

Directors and other information

Directors

IE Franklin
P Rao
JA Mount

Registered office

c/o CMS Cameron McKenna LLP
Saltire Court
Castle Terrace
Edinburgh
Scotland
EH1 2EN

Independent auditor

KPMG LLP
Chartered Accountants
15 Canada Square
London
E14 5GL

Registered number

SC224567

Haptogen Limited

Directors' report

The directors present their directors' report and the financial statements for the year ended 30 November 2016.

Directors

The directors, who held office from 1 December 2015 to the date of this report, unless otherwise noted, were:

AL Verrinder	(resigned 6 July 2017)
MJ O'Callaghan	(resigned 3 March 2016)
P Rao	
JA Mount	
IE Franklin	(appointed 3 July 2017)

Auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. 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 company's auditor is KPMG LLP.

Political contributions

No political donations were made during the year (2015: £nil).

Small Companies Exemption

In preparing this directors' report, the directors have taken advantage of the small companies' exemption under Section 415 (A) of the Companies Act 2006 for reduced disclosures. The directors have also taken exemption under Section 414 (B) not to prepare a Strategic Report.

By order of the board



JA Mount
Director
c/o CMS Cameron McKenna LLP
Saltire Court
Castle Terrace
Edinburgh
Scotland
EH1 2EN

Date: 13th July 2017

Haptogen Limited

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 of the company and of the 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 estimates that are reasonable and prudent; and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Haptogen Limited

We have audited the financial statements of Haptogen Limited for the year ended 30 November 2016 set out on pages 6 to 17. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. These financial statements have not been prepared on the going concern basis, for the reason set out in the Statement of accounting policies, under the accounting policies set out therein.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Haptogen Limited
(continued)

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 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
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

George Richards

George Richards (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London, E14 5GL

Date: 13th July 2017

Haptogen Limited

Statement of accounting policies for the year ended 30 November 2016

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

Haptogen Limited is a limited liability company incorporated in England. The Registered Office is Saltire Court, Castle Terrace, Edinburgh, Scotland, EH1 2EN.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these financial statements is sterling.

In the transition to FRS 102 from old UK GAAP, the company has made no measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the company is provided in note 13.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 12.

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to the use of exemptions by the company's shareholders.

A separate cash flow statement is not presented by the company by the Company as the information is included in the consolidated cash flow statement prepared by the ultimate parent, Pfizer Inc., in the manner prescribed by FRS102.7.

The company has availed of the exemption in FRS 102.33.1A from the requirement to disclose details of transactions with group undertakings. Other than transactions with related group undertakings there are no related party transactions. Details of the availability of the group consolidated financial statements are given in note 11.

The company has availed of the exemption from disclosures for financial assets and liabilities required by Section 11 paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A as equivalent disclosures are included in the consolidated financial statements of the group in which Haptogen Limited is consolidated.

Haptogen Limited

Statement of accounting policies (continued) ***for the year ended 30 November 2016***

Going concern

On 16 May 2011 the company undertook to cease trading. As they do not intend to acquire a replacement trade, the directors prepared the 2011 financial statements on a basis other than going concern. The financial statements since 2011 to present have also been prepared on a basis other than going concern. No adjustments were necessary to the amounts at which the net liabilities are included in these financial statements.

The presentation of the financial statements on a basis other than going concern did not have a material impact on the company's assets and liabilities at 30 November 2016.

Research and development

All research and development expenditure, including fees incurred during the application process for licences and patents, is written off to the profit and loss account in the year in which it is incurred.

Expenses

Interest receivable and interest payable

Interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains. Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currencies accounting policy).

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest rate method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Foreign currencies

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Haptogen Limited

Statement of accounting policies (continued) *for the year ended 30 November 2016*

Taxation

Tax on the loss for the year comprises current tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Financial instruments

Financial assets

Basic financial assets, including amounts owed by group undertakings are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Haptogen Limited

Statement of accounting policies (continued) *for the year ended 30 November 2016*

Financial instruments (continued)

Financial liabilities

Basic financial liabilities, including amounts owed to group undertakings are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments subsequently carried at amortised cost, using the effective interest rate method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Financial liabilities are recognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Haptogen Limited

Profit and loss account and other comprehensive income for the year ended 30 November 2016

	<i>Notes</i>	2016 £	2015 £
Administration expense		(6,520)	(8,522)
Operating loss		(6,520)	(8,522)
Interest payable and similar charges	<i>4</i>	(36,204)	(18,946)
Loss on ordinary activities before taxation	<i>1</i>	(42,724)	(27,468)
Tax on loss on ordinary activities	<i>5</i>	-	-
Loss after taxation and for the financial year		(42,724)	(27,468)
Other comprehensive income		-	-
Total comprehensive expenditure for the year		(42,724)	(27,468)

A decision to cease trading, as described in the statement of accounting policies, was made during 2011. All items dealt with in arriving at the loss of 2016 relate to discontinued operations.

The notes on pages 13 to 17 and the accounting policies on page 6 to 9 form an integral part of the financial statements.

Haptogen Limited

Statement of financial position as at 30 November 2016

	Note	2016 £	2015 £
Current assets			
Debtors	6	237,633	237,633
		<u>237,633</u>	<u>237,633</u>
Creditors: amounts falling due within one year	7	(8,277,570)	(8,234,846)
Net current liabilities		<u>(8,039,937)</u>	<u>(7,997,213)</u>
Net liabilities		<u>(8,039,937)</u>	<u>(7,997,213)</u>
Capital and reserves			
Called up share capital	9	583	583
Share premium		1,546,438	1,546,438
Capital contribution		8,801,793	8,801,793
Profit and loss account – deficit		(18,388,751)	(18,346,027)
Shareholders' deficit		<u>(8,039,937)</u>	<u>(7,997,213)</u>

The notes on pages 13 to 17 and the accounting policies on page 6 to 9 form an integral part of the financial statements.

These financial statements were approved by the board of directors and were signed on its behalf on 13th July 2017 by:



JA Mount
Director

Company registered number: SC224567

Haptogen Limited

Statement of changes in equity for the year ended 30 November 2016

	Share capital £	Share premium £	Capital contribution £	Retained earnings £	Total £
At 1 December 2014	583	1,546,438	8,801,793	(18,318,559)	(7,969,745)
Loss for the year	-	-	-	(27,468)	(27,468)
At 30 November 2015	583	1,546,438	8,801,793	(18,346,027)	(7,997,213)
Loss for the year	-	-	-	(42,724)	(42,724)
Balance at 30 November 2016	583	1,546,438	8,801,793	(18,388,751)	(8,039,937)

The notes on pages 13 to 17 and the accounting policies on page 6 to 9 form an integral part of the financial statements.

Haptogen Limited

Notes

(forming part of the financial statements)

1 Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging/(crediting)

	2016 £	2015 £
Gain on forgiveness of intercompany creditor	-	(358)
Auditor's remuneration for the audit of these financial statement	6,520	8,880
	<hr/>	<hr/>

Gain on forgiveness of intercompany creditor relates to forgiveness of an amount owed to a fellow group company.

2 Staff numbers and cost

The company did not employ any staff during either the current or previous year.

3 Directors' remuneration and emoluments

None of the directors received emoluments or accrued retirement benefits in respect of qualifying services they provided to the company in 2016 (2015: nil).

Four of the directors received shares under long term incentive schemes (2015: four) and one of the directors exercised share options in the ultimate holding company Pfizer Inc. during the period (2015: three).

4 Interest payable and similar charges

	2016 £	2015 £
Interest payable on amounts owed to group undertakings	36,204	18,946
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Haptogen Limited

Notes (continued) (forming part of the financial statements)

5 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax at 20% (2015: 20.33%)	-	-

The tax charge for the period differs from the standard rate of corporation tax in the UK of 20% (2015: 20.33%).

The factors affecting the tax charge are explained below:

Loss on ordinary activities before taxation	(42,724)	(27,468)
Corporation tax credit at UK tax rate of 20% (2015: 20.33%)	8,545	5,584
Current year losses for which no deferred tax asset was recognised	(8,545)	(5,584)
Total tax for the year	-	-

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016.

6 Debtors

	2016 £	2015 £
Amounts owed by group undertakings	237,633	237,633

Amounts owed by group undertakings are unsecured and interest free. As these amounts are also repayable on demand, notional interest is not applied.

All debtors fall due within one year.

Haptogen Limited

Notes (continued) (forming part of the financial statements)

7 Creditors: amounts falling due within one year

	2016 £	2015 £
Amounts due to group undertakings	8,277,570	8,234,846

Amounts owed to group undertakings are unsecured. For amounts that are repayable on demand, notional interest is not applied. For term loans placed with fellow affiliates a commercial rate of interest is charged.

8 Financial instruments

The analysis of the carrying amounts of the financial instruments of the group required under section 11 of FRS 102 is as follows:

Financial assets that are debt instruments measured at amortised cost

	2016 £	2015 £
Amounts owed by group undertakings	237,633	237,633

Amounts owed by group undertakings are unsecured and interest free. As these amounts are also repayable on demand, notional interest is not applied.

Financial liabilities that are measured at amortised cost

Amounts owed to group undertakings	8,277,570	8,234,846
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Amounts owed to group undertakings are unsecured. For amounts that are repayable on demand, notional interest is not applied. For term loans placed with fellow affiliates a commercial rate of interest is charged.

Haptogen Limited

Notes (continued) (forming part of the financial statements)

9 Called up share capital

<i>Allotted, called up and fully paid:</i>	2016		2015	
	No	£	No	£
Ordinary shares of £0.00001 each	57,295,185	573	57,295,185	573
Ordinary B Shares of £0.00001 each	1,028,571	10	1,028,571	10
	<u>58,323,756</u>	<u>583</u>	<u>58,323,756</u>	<u>583</u>

B Ordinary Shareholders are not entitled to vote at any general meeting.

10 Related party disclosures

The immediate parent undertaking is Wyeth LLC. The ultimate controlling company is Pfizer Inc, a company incorporated in the State of Delaware, United States of America.

The company has availed of the exemption in FRS 102.33.1A from the requirement to disclose details of transactions with group undertakings. Other than transactions with related group undertakings there are no related party transactions. Details of the availability of the group consolidated financial statements are given in note 11.

11 Ultimate parent company

The immediate parent undertaking is Wyeth LLC and the ultimate parent undertaking is Pfizer Inc. (both are incorporated in the USA).

The directors consider Pfizer Inc to be the ultimate controlling party. Copies of the ultimate parent company's financial statements may be obtained from Pfizer Inc, 235 East 42nd Street, New York, NY 10017 USA.

12 Accounting estimates and judgements

The company made no judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the group's accounting policies. In the instance that estimates and judgements should arise, they are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

Haptogen Limited

Notes *(continued)* *(forming part of the financial statements)*

13 Explanation of transition to FRS 102 from old UK GAAP

As stated in the Company's accounting policies, these are the company's first financial statements prepared in accordance with FRS 102. The accounting policies set out above have been applied in preparing the financial statements for the year ended 30 November 2016 and the comparative information presented in these financial statements for the year ended 30 November 2015. In preparing its FRS 102 statement of financial position, the company has not needed to adjust amounts reported previously in financial statements prepared under UK GAAP.