# ROSLIN CELL THERAPIES LIMITED

## COMPANY INFORMATION

| Directors       | J Downie  
|                | Roslin Cells Limited  
|                | D B McNab  
|                | (Appointed 1 March 2017)  
| Company number | SC512315  
| Registered office | NINE Edinburgh BioQuarter  
|                | 9 Little France Road  
|                | Edinburgh  
|                | EH16 4UX  
| Auditor        | Johnston Carmichael LLP  
|                | 7-11 Melville Street  
|                | Edinburgh  
|                | EH3 7PE  

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance sheet</td>
<td>1</td>
</tr>
<tr>
<td>Statement of changes in equity</td>
<td>2</td>
</tr>
<tr>
<td>Notes to the financial statements</td>
<td>3 - 8</td>
</tr>
</tbody>
</table>
ROSLIN CELL THERAPIES LIMITED

BALANCE SHEET
AS AT 31 MARCH 2017

<table>
<thead>
<tr>
<th></th>
<th>Notes</th>
<th>2017</th>
<th>£</th>
<th>2016</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>4</td>
<td>200,947</td>
<td>228,401</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>5</td>
<td>614,185</td>
<td>458,033</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>584,114</td>
<td>91,978</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>1,198,299</td>
<td></td>
<td>550,011</td>
</tr>
<tr>
<td>Creditors: amounts falling due within one year</td>
<td>6</td>
<td>(1,000,126)</td>
<td>(941,414)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net current assets/(liabilities)</strong></td>
<td></td>
<td>198,173</td>
<td>(391,403)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td></td>
<td>399,120</td>
<td>(163,002)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Provisions for liabilities</strong></td>
<td>7</td>
<td>(32,255)</td>
<td>(9,147)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Net assets/(liabilities)</strong></td>
<td></td>
<td>366,865</td>
<td>(172,149)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Capital and reserves</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Called up share capital</td>
<td>8</td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit and loss reserves</td>
<td></td>
<td>366,663</td>
<td>(172,151)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td>366,865</td>
<td>(172,149)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 12th May 2017 and are signed on its behalf by:

D B McNab
Director

Company Registration No. SC512315
## ROSLIN CELL THERAPIES LIMITED

### STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 MARCH 2017**

<table>
<thead>
<tr>
<th>Notes</th>
<th>Share capital</th>
<th>Profit and loss reserves</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Balance at 4 August 2015</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Period ended 31 March 2016:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loss and total comprehensive income for the period</td>
<td>-</td>
<td>(172,151)</td>
<td>(172,151)</td>
</tr>
<tr>
<td>Issue of share capital</td>
<td>8</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Balance at 31 March 2016</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>(172,151)</td>
<td>(172,149)</td>
</tr>
<tr>
<td><strong>Year ended 31 March 2017:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit and total comprehensive income for the year</td>
<td>-</td>
<td>539,014</td>
<td>539,014</td>
</tr>
<tr>
<td><strong>Balance at 31 March 2017</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>366,863</td>
<td>366,865</td>
</tr>
</tbody>
</table>
1 Accounting policies

1.1 Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2017 are the first financial statements of Roslin Cell Therapies Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 4 August 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern
The company have moved to a net current asset position during the year due to improved trading results. In assessing the company's continued performance, the directors have reviewed cash flow projections for twelve months from the date of signing these accounts.

From their review, the Directors are satisfied that the company will have sufficient resource to enable it to meet its liabilities as they fall due for at least 12 months from the date of signing these financial statements. The Directors are of the view that it is appropriate to prepare the financial statements on a going concern basis.

1.3 Turnover
Turnover represents commercial contract and charitable grant income.

Income on commercial contracts is recognised to reflect the proportion of work completed at the balance sheet date and is calculated on a prudent basis by recording turnover and related costs as contract activity progresses.

Revenue grants are treated as deferred income and are credited to the profit and loss account so as to match them with the expenditure towards which they are intended to contribute.

Grants in respect of fixed assets additions are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

1.4 Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.
Accounting policies

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

- Fixtures, fittings & equipment: 5 years
- Computer equipment: 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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 the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.
1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

**Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

**Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.9 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.11 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.
ROSLIN CELL THERAPIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.12 Corporate tax

Research & development tax credits are recognised only to the extent that the directors are satisfied, based on previous claims, that amounts will be recoverable.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 33 (2016 - 42).

3 Directors’ remuneration

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration paid to directors</td>
<td>84,983</td>
<td>26,136</td>
</tr>
</tbody>
</table>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 1).

4 Tangible fixed assets

<table>
<thead>
<tr>
<th></th>
<th>Plant and machinery etc</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
</tr>
<tr>
<td>Cost</td>
<td></td>
</tr>
<tr>
<td>At 1 April 2016</td>
<td>248,158</td>
</tr>
<tr>
<td>Additions</td>
<td>31,187</td>
</tr>
<tr>
<td>At 31 March 2017</td>
<td>279,345</td>
</tr>
</tbody>
</table>

Depreciation and impairment

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 April 2016</td>
<td>19,757</td>
</tr>
<tr>
<td>Depreciation charged in the year</td>
<td>58,641</td>
</tr>
<tr>
<td>At 31 March 2017</td>
<td>78,398</td>
</tr>
</tbody>
</table>

Carrying amount

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 March 2017</td>
<td>200,947</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 March 2016</td>
<td>228,401</td>
</tr>
</tbody>
</table>
5 Debtors

Amounts falling due within one year:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade debtors</td>
<td>£490,496</td>
<td>£388,920</td>
</tr>
<tr>
<td>Other debtors</td>
<td>£123,689</td>
<td>£69,113</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£614,185</strong></td>
<td><strong>£458,033</strong></td>
</tr>
</tbody>
</table>

6 Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>£289,093</td>
<td>£120,413</td>
</tr>
<tr>
<td>Amounts due to group entities</td>
<td>£283,395</td>
<td>£511,924</td>
</tr>
<tr>
<td>Corporation tax</td>
<td>£69,511</td>
<td>-</td>
</tr>
<tr>
<td>Other taxation and social security</td>
<td>£22,482</td>
<td>£111,992</td>
</tr>
<tr>
<td>Other Creditors</td>
<td>£9,819</td>
<td>£1,940</td>
</tr>
<tr>
<td>Deferred income</td>
<td>£249,385</td>
<td>£149,713</td>
</tr>
<tr>
<td>Accruals</td>
<td>£76,441</td>
<td>£45,432</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£1,000,126</strong></td>
<td><strong>£941,414</strong></td>
</tr>
</tbody>
</table>

Amounts due to group entities are unsecured, interest free and repayable on demand.

7 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

<table>
<thead>
<tr>
<th></th>
<th>Liabilities 2017</th>
<th>Liabilities 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balances:</strong></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Accelerated capital allowances</td>
<td>£32,479</td>
<td>£37,978</td>
</tr>
<tr>
<td>Tax losses</td>
<td>-</td>
<td>(28,831)</td>
</tr>
<tr>
<td>Other timing differences</td>
<td>(224)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£32,255</strong></td>
<td><strong>£9,147</strong></td>
</tr>
</tbody>
</table>
ROSLIN CELL THERAPIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

8  Called up share capital

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ordinary share capital</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued and fully paid</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 ordinary shares of £1 each</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

9  Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Irvine Spowart.
The auditor was Johnston Carmichael LLP.

10 Operating lease commitments

Lessee
At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>29,111</td>
<td>29,111</td>
</tr>
<tr>
<td>Between two and five years</td>
<td>-</td>
<td>1,103</td>
</tr>
<tr>
<td></td>
<td>29,111</td>
<td>30,214</td>
</tr>
</tbody>
</table>

11 Parent company

The immediate parent company is Roslin Cells Limited, a company registered in Scotland. Roslin Cells is jointly controlled by the Roslin Foundation and the University of Edinburgh.

12 Related party relationships and transactions

During the year the company made purchases of £45,354 (2016: £Nil) from their immediate parent company Roslin Cells Limited. At the year end, the company owed £300,214 (2016: £511,924).

During the year the company made purchases of £5,190 (2016: £Nil) from a related party Roslin Foundation. At the year end, the company owed £2,197 (2016: £Nil).

During the year the company made purchases of £293 (2016: £Nil) from a related party Censo Biotechnologies Limited. At the year end, the company owed £Nil (2016: £Nil).

During the year the company made purchases of £71,230 (2016: £Nil) from a related party Edinburgh University. At the year end, the company owed £44,122 (2016: £Nil).

During the year the company paid consultancy fees of £3,803 (2016: £Nil) to a related party. At the year end, the company owed £3,803 (2016: £Nil).