

Registered number: 03756817

**SANGAMO THERAPEUTICS UK LTD**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2018**



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**SANGAMO THERAPEUTICS UK LTD**  
**REGISTERED NUMBER: 03756817**

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**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

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|  | Note | 2018<br>£               |
|--|------|-------------------------|
| <b>Current assets</b>                          |      |                         |
| Debtors: amounts falling due within one year   | 5    | 76,663                  |
| Cash at bank and in hand                       |      | 24,747                  |
|  |      | <u>101,410</u>          |
| Creditors: amounts falling due within one year | 6    | <u>(862,427)</u>        |
| <b>Net current liabilities</b>                 |      | <b>(761,017)</b>        |
| <b>Net liabilities</b>                         |      | <u><b>(761,017)</b></u> |
| <b>Capital and reserves</b>                    |      |                         |
| Share capital                                  | 7    | -                       |
| Share option reserve                           | 8    | 351,663                 |
| Profit and loss account                        |      | <u>(1,112,680)</u>      |
| <b>Shareholders deficit</b>                    |      | <u><b>(761,017)</b></u> |

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 September 2019



**D S McKay**  
Director

The notes on pages 2 to 6 form part of these financial statements.

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**SANGAMO THERAPEUTICS UK LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**1. General information**

Sangamo Therapeutics UK Ltd is a private company limited by shares, incorporated and domiciled in the United Kingdom. The address of its registered office is Carrick House, Lypiatt Road, Cheltenham, Gloucestershire, GL50 2QJ. The company is registered at Companies House England and Wales. The registered number is 03756817.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The company was dormant during the prior period.

The following principal accounting policies have been applied:

**2.2 Going concern**

The directors have a reasonable expectation that the company has adequate resource to continue in operational existence for the foreseeable future. The company has continued financial support as needed from the parent company to provide working capital to meet liabilities when they fall due. In assessing going concern the directors have assumed that continued financial support will be provided for the foreseeable future and on that basis, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**2.3 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

**2.4 Pensions**

**Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**2. Accounting policies (continued)**

**2.5 Share based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of comprehensive income is charged with fair value of goods and services received.

**2.6 Debtors**

Short term debtors are measured at transaction price, less any impairment.

**2.7 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**2.8 Creditors**

Short term creditors are measured at the transaction price.

**2.9 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

**3. Auditor's remuneration**

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £6,000.

The company was dormant during 2017 and as such the auditor's remuneration was £nil.

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**4. Employees**

The average monthly number of employees, including directors, during the year was 3 (2017 - 0).

**5. Debtors**

|                                | 2018<br>£     |
|--------------------------------|---------------|
| Other debtors                  | 47,250        |
| Prepayments and accrued income | 29,413        |
|                                | <u>76,663</u> |

**6. Creditors: Amounts falling due within one year**

|                                    | 2018<br>£      |
|------------------------------------|----------------|
| Amounts owed to group undertakings | 649,949        |
| Accruals and deferred income       | 212,478        |
|                                    | <u>862,427</u> |

**7. Share capital**

|   | 2018<br>£ | 2017<br>£ |
|---|-----------|-----------|
| <b>Allotted, called up and fully paid</b> |           |           |
| 1 (2017 - ) Ordinary share of £0.01       | -         | -         |
|   | <u>-</u>  | <u>-</u>  |

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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Share based payments**

Employees of the company are entitled to participate in the share incentive scheme of the parent company, Sangamo Therapeutics, Inc, subject to the terms and conditions as set out in the company's stock option plan. As part of this scheme, the employees were entitled to either stock options or restricted stock units.

The movements in these during the year is as follows:

|   | <b>Weighted<br/>average<br/>exercise<br/>price (\$)<br/>2018</b> | <b>Number<br/>2018</b> |
|---|--|------------------------|
| Granted during the year                   | 18.08  | 256,250                |
| <b>Outstanding at the end of the year</b> | <u>18.08</u>   | <u>256,250</u>         |

Details of the outstanding options/units as at 31 December 2018 is shown below:

|                           |                |
|---------------------------|----------------|
|                           | <b>2018</b>    |
| 31 January 2018           | 60,000         |
| 19 March 2018             | 60,000         |
| 25 July 2018              | 75,000         |
| 24 August 2018            | 24,500         |
| 25 September 2018         | 24,500         |
| 23 November 2018          | 12,250         |
|                           | <u>256,250</u> |
|                           | <b>2018</b>    |
|                           | <b>£</b>       |
| Share option/unit expense | <u>351,663</u> |

The fair value of the options granted during the year was measured using the Black-Scholes model and the fair value of the units granted during the year was measured based on the NASDAQ market closing share price on date of grant. The weighted average fair value was \$11.76.

**9. Related party transactions**

The company has taken advantage of the exemption available under section 33.1A of Financial reporting standard FRS 102 to not disclose transactions with other wholly owned members of this group.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Controlling party**

The company is a wholly owned subsidiary of Sangamo Therapeutics, Inc., a company incorporated in the US, registered office 501 Canal Boulevard, Richmond, CA, 94804, USA.

Sangamo Therapeutics, Inc. prepares consolidated financial statements into which the company is consolidated and represents both the largest and smallest consolidated accounts into which the company is consolidated. Copies of Group financial statements are available at Sangamo's website.

**11. Auditor's information**

The auditor's report on the financial statements for the year ended 31 December 2018 was unqualified.

The audit report was signed on **30.09.2019** by Chris Mould (Senior statutory auditor) on behalf of Crowe U.K. LLP.