

**HELPERBY THERAPEUTICS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2017**

SATURDAY



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# HELPERBY THERAPEUTICS LIMITED

## COMPANY INFORMATION

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**Directors** Professor Sir Anthony Milnes Coates  
Kenelm Storey  
Barry Clare

**Company number** 04390014

**Registered office** 66 Lincoln's Inn Fields  
London  
WC2A 3LH

**Auditor** RSM UK Audit LLP  
Chartered Accountants  
14th Floor  
20 Chapel Street  
Liverpool  
L3 9AG

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# HELPERBY THERAPEUTICS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2017

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The directors present their annual report and financial statements for the year ended 31 December 2017.

#### Principal activities

The principal activity of the company continued to be that of developing intellectual property.

#### Going concern

As at 31 December 2017 the company had net liabilities of £ 17,337,656 (2016: £15,530,068).

Helperby Therapeutics Group Limited ("Group"), the parent undertaking & ultimate controlling party, has confirmed its intention to provide such financial support as is necessary to the company so as to enable it both to meet its liabilities as they fall due and carry on its business without a significant curtailment in its operations until a date at least 12 months from the date of approval of these financial statements. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Professor Sir Anthony Milnes Coates

Dr Till Medinger

Kenelm Storey

Barry Clare

(Resigned 21 November 2018)

(Appointed 21 November 2018)

#### Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an annual general meeting.

#### Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

On behalf of the board



Professor Sir Anthony Milnes Coates

Director

Date: 18.12.2018.

# **HELPERBY THERAPEUTICS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017**

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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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 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 accounting estimates that are reasonable and prudent;
- 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HELPERBY THERAPEUTICS LIMITED**

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## **Opinion**

We have audited the financial statements of Helperby Therapeutics Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (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 2017 and of its loss 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HELPERBY THERAPEUTICS LIMITED (CONTINUED)**

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

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 directors' report.

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

## **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **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.



Graham Bond FCA (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

14th Floor

20 Chapel Street

Liverpool

L3 9AG

21/12/18

# HELPERBY THERAPEUTICS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

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		2017	2016
	Notes	£	£
Administrative expenses		(2,204,183)	(1,505,139)
Other operating income		71,695	-
		<hr/>	<hr/>
<b>Operating loss</b>		<b>(2,132,488)</b>	<b>(1,505,139)</b>
 <i>Interest receivable and similar income</i>		 320	 587
<i>Interest payable and similar expenses</i>		<i>(1,310)</i>	<i>-</i>
		<hr/>	<hr/>
<b>Loss before taxation</b>		<b>(2,133,478)</b>	<b>(1,504,552)</b>
 Tax on loss	<b>4</b>	 325,890	 265,892
		<hr/>	<hr/>
<b>Loss for the financial year</b>		<b>(1,807,588)</b>	<b>(1,238,660)</b>
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**HELPERBY THERAPEUTICS LIMITED****STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2017**

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	5		5,418		8,550
<b>Current assets</b>					
Debtors	6	587,302		272,277	
Cash at bank and in hand		14,885		341,823	
		602,187		614,100	
<b>Creditors: amounts falling due within one year</b>	7	(17,945,261)		(16,152,718)	
<b>Net current liabilities</b>			(17,343,074)		(15,538,618)
<b>Total assets less current liabilities</b>			(17,337,656)		(15,530,068)
<b>Capital and reserves</b>					
Called up share capital	8		137,116		137,116
Share premium account	9		1,713,114		1,713,114
Other reserves	9		183,515		183,515
Profit and loss reserves	9		(19,371,401)		(17,563,813)
<b>Total equity</b>			(17,337,656)		(15,530,068)

These financial statements have been prepared 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 ..... and are signed on its behalf by:



Professor Sir Anthony Milnes Coates  
Director

18.12.2018



# HELPERBY THERAPEUTICS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital	Share premium account	Share based payment reserve	Profit and loss reserves	Total
	£	£	£	£	£
<b>Balance at 1 January 2016</b>	137,116	1,713,114	183,515	(16,325,153)	(14,291,408)
<b>Year ended 31 December 2016:</b>					
Loss and total comprehensive income for the year	-	-	-	(1,238,660)	(1,238,660)
<b>Balance at 31 December 2016</b>	137,116	1,713,114	183,515	(17,563,813)	(15,530,068)
<b>Year ended 31 December 2017:</b>					
Loss and total comprehensive income for the year	-	-	-	(1,807,588)	(1,807,588)
<b>Balance at 31 December 2017</b>	137,116	1,713,114	183,515	(19,371,401)	(17,337,656)

# HELPERBY THERAPEUTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

#### Company information

Helperby Therapeutics Limited is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales. The registered office is 66 Lincoln's Inn Fields, London, WC2A 3LH.

#### 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 pound.

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

#### Going concern

The current economic environment is challenging and the company has reported an operating loss for the year. These losses will continue in the current accounting year to 31 December 2018.

As at 31 December 2017 the company had net liabilities of £17,337,656 (2016: £15,530,068). Helperby Therapeutics Group Limited ('Group'), the parent undertaking and ultimate controlling party, has confirmed its intention to provide such financial support as is necessary to the company so as to enable it both to meet its liabilities as they fall due and carry on its business without a significant curtailment in operations until a date at least twelve months from the date of approval of these financial statements.

The company meets its day to day working capital requirements through loans from its parent undertaking. As at 31 December 2017, the amount due to Group included in creditors was £16,199,615 (2016: £15,071,321).

As such the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

#### Research and development expenditure

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

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

Fixtures, fittings and equipment	15% per annum reducing balance
Computer equipment	33% per annum straight line

# HELPERBY THERAPEUTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1 Accounting policies (Continued)

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.

##### **Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

##### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

##### **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 full 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 other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost being the transaction price less any amounts settled and impairment losses. If the arrangement constitutes a financing transaction, the debtor is initially measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently measured at amortised cost.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

##### **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.

# HELPERBY THERAPEUTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1 Accounting policies (Continued)

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors 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.

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

##### **Equity instruments**

Equity instruments issued by the company are recorded at the fair value of 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.

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset if, and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

##### **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.

##### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

# HELPERBY THERAPEUTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 1 Accounting policies (Continued)

##### Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes option-pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. The charge is adjusted each year to reflect the expected and actual level of vesting. Full details of the charge are disclosed in the parent company's accounts. A corresponding adjustment is made to equity.

##### Grants received

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

##### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### 2 Employees

The average monthly number of persons employed by the company during the year was 2 (2016: 2).

#### 3 Auditor's remuneration

	2017	2016
	£	£

##### For audit services

Audit of the financial statements of the company	9,750	9,750
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#### 4 Taxation

	2017	2016
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	(300,319)	(181,621)
Adjustments in respect of prior periods	(25,571)	(84,271)
Total current tax	(325,890)	(265,892)

# HELPERBY THERAPEUTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 4 Taxation (Continued)

At 31 December 2017 the company had deferred tax assets of £3,158,599 (2016: £2,946,106), calculated at a corporation tax rate of 17% (2016: 17%), that are mainly in relation to tax losses carried forward and are not included in the financial statements because recovery is uncertain.

#### 5 Tangible fixed assets

	Fixtures, fittings and equipment £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2017 and 31 December 2017	5,600	9,058	14,658
<b>Depreciation and impairment</b>			
At 1 January 2017	1,821	4,287	6,108
Depreciation charged in the year	840	2,292	3,132
At 31 December 2017	2,661	6,579	9,240
<b>Carrying amount</b>			
At 31 December 2017	2,939	2,479	5,418
At 31 December 2016	3,779	4,771	8,550

#### 6 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Corporation tax recoverable	507,513	181,621
Other debtors	79,789	90,656
	587,302	272,277

#### 7 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	755,554	253,644
Amounts due to group undertakings	16,609,763	15,236,279
Other taxation and social security	2,802	-
Other creditors	577,142	662,795
	17,945,261	16,152,718

# HELPERBY THERAPEUTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 8 Called up share capital

	2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1,045,660 'A' Ordinary shares of 10p each	104,566	104,566
250,000 'B' Ordinary shares of 10p each	25,000	25,000
75,000 'C' Ordinary shares of 10p each	7,500	7,500
500 'D' Ordinary shares of 10p each	50	50
	<u>137,116</u>	<u>137,116</u>

The D shareholders are entitled to such number of votes as will be calculated using the following equation,  $(X/0.96)-X$ , where X equals the aggregate number of ordinary shares that are in issue at the time of the vote, rounded up to the nearest whole number. The other ordinary shareholders are entitled to one vote for each share held.

The D shareholders are entitled to receive 4% of any dividend paid, with the remaining 96% paid to the other ordinary shareholders in proportion to their shareholding.

On a return of capital, firstly the Intellectual Property Rights held by the company will be assigned to the D shareholders; secondly, 4% of the remaining surplus assets will be paid to the D shareholders; and finally, the balance of the surplus assets will be paid to the remaining shareholders in proportion to the shares they hold.

# HELPERBY THERAPEUTICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 9 Reserves

#### Profit and loss reserves

Cumulative profit and loss net of distributions.

#### Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

#### Other reserves

Equity settled share based payment transactions.

### 10 Related party transactions

#### Transactions with related parties

Relationship	Description of transaction	Value of transactions in the period		Balance at period end Due (to)/from	
		2017	2016	2017	2016
		£	£	£	£
Company director and shareholder of parent company	Interest free loan	nil	100,000	(400,000)	(400,000)
Company director and shareholder of parent company	Salary	18,000	13,500	(31,500)	(13,500)
Company controlled by a shareholder of parent company	Consultancy fees	nil	(85,002)	nil	nil
Company director	Consultancy fees	18,000	16,500	(6,000)	(12,498)
Current shareholder and former director of parent company	Consultancy fees	nil	1,000	nil	nil
Director of parent company	Consultancy fees	18,000	16,500	(7,200)	(3,600)

There are no further transactions with related parties which are required to be disclosed under FRS 102 Section 33: Related Party Disclosures.

### 11 Parent company

The immediate and ultimate parent company is Helperby Therapeutics Group Limited, a company incorporated in the United Kingdom whose registered office is 66 Lincoln's Inn Fields, London, WC2A 3LH. In the opinion of the directors, there is no ultimate controlling party.

The consolidated accounts of the parent company are publicly available from Companies House, Crown Way, Cardiff, CF14 3UZ.