

Company Registration No 05123966 (England and Wales)

CMP THERAPEUTICS LTD
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011

WEDNESDAY



A1EV0UYZ

A33

08/08/2012

#26

COMPANIES HOUSE

CMP THERAPEUTICS LTD

COMPANY INFORMATION

Directors

Dr N M Mackenzie
M Andrews
Dr A Kaufhold
Dr C J Lucas
Mr P Coyle (Appointed 1 October 2011)

Secretary

Company number

05123966

Registered office

Biopark
Broadwater Road
Welwyn Garden City
Hertfordshire
AL7 3AX

Auditors

Mercer & Hole
72 London Road
St Albans
Herts
AL1 1NS

Bankers

Barclays Bank Plc
54 Cornmarket Street
Oxford
OX1 3HB

CMP THERAPEUTICS LTD

CONTENTS

	Page
Directors' report	1 - 2
Independent auditors' report	3 - 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 - 13

CMP THERAPEUTICS LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

The directors present their report and financial statements for the year ended 31 December 2011

Principal activities

The principal activity of the company continued to be that of development of natural based pharmaceuticals

Directors

The following directors have held office since 1 January 2011

Dr N M Mackenzie

M Andrews

Dr A Kaufhold

Dr A Kelly

(Resigned 1 October 2011)

Dr C J Lucas

Mr P Coyle

(Appointed 1 October 2011)

Auditors

Mercer & Hole were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting

Statement of directors' responsibilities

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

CMP THERAPEUTICS LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are 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 auditors are aware of that information.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board,



Dr A Kaufhold
Director

CMP THERAPEUTICS LTD

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CMP THERAPEUTICS LTD

We have audited the financial statements of CMP Therapeutics Ltd for the year ended 31 December 2011 set out on pages 5 to 13. 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 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 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 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 auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 - 2, 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

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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. 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 company's affairs as at 31 December 2011 and of its loss for the year 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.

Opinion on other matter 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.

CMP THERAPEUTICS LTD

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF CMP THERAPEUTICS LTD

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report



Howard Wilkinson (Senior Statutory Auditor)
for and on behalf of Mercer & Hole

Chartered Accountants
Statutory Auditor

23 July 2012

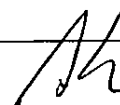
72 London Road
St Albans
Herts
AL1 1NS

CMP THERAPEUTICS LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £	2010 £
Cost of sales		(519,616)	(435,639)
Administrative expenses		(131,394)	(144,973)
Other operating income		48,729	25,015
Operating loss	2	(602,281)	(555,597)
Profit loss on sale of subsidiary		4,727	-
Loss on ordinary activities before interest		(597,554)	(555,597)
Other interest receivable and similar income	3	4,422	399
Amounts written off investments	4	-	(18,368)
Interest payable and similar charges		(15)	(3)
Loss on ordinary activities before taxation		(593,147)	(573,569)
Tax on loss on ordinary activities	5	72,299	93,187
Loss for the year	15	(520,848)	(480,382)



CMP THERAPEUTICS LTD

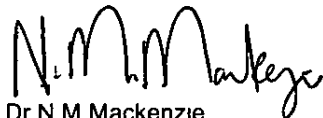
BALANCE SHEET

AS AT 31 DECEMBER 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	7		3,921		7,612
Current assets					
Debtors	9	77,717		120,060	
Cash at bank and in hand		199,759		756,243	
		<u>277,476</u>		<u>876,303</u>	
Creditors, amounts falling due within one year	10	<u>(1,317,024)</u>		<u>(113,525)</u>	
Net current (liabilities)/assets			<u>(1,039,548)</u>		<u>762,778</u>
Total assets less current liabilities			<u>(1,035,627)</u>		<u>770,390</u>
Creditors amounts falling due after more than one year	11		<u>(1,365,223)</u>		<u>(2,650,393)</u>
			<u>(2,400,850)</u>		<u>(1,880,003)</u>
Capital and reserves					
Called up share capital	14		11,101		11,101
Share premium account	15		12,835		12,835
Profit and loss account	15		<u>(2,424,786)</u>		<u>(1,903,939)</u>
Shareholders' funds			<u>(2,400,850)</u>		<u>(1,880,003)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Approved by the Board for issue on 20 JULY 2012



Dr N M Mackenzie
Director



Dr A Kaufhold
Director

Company Registration No 05123966

CMP THERAPEUTICS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The continued operations of the company are currently dependent on the support of Inventage Venture Capital

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Patents

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Plant and machinery	33% Straight line
Computer equipment	33% Straight line

1.5 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

1.6 Share-based payments

The company has issued share options to certain directors and employees. These financial statements have been prepared in accordance with Financial Reporting Standard for Small Entities which does not require equity-settled share based payment arrangements to be recognised as an expense

2 Operating loss	2011	2010
	£	£
Operating loss is stated after charging		
Amortisation of intangible assets	-	6,353
Depreciation of tangible assets	3,835	3,750
Auditors' remuneration	5,155	5,155
Directors' remuneration	180,521	164,552

CMP THERAPEUTICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

3	Investment income	2011	2010
		£	£
	Bank interest	4,422	326
	Other interest	-	73
		<u>4,422</u>	<u>399</u>
4	Amounts written off investments	2011	2010
		£	£
	Amounts written off fixed asset investments		
	- permanent diminution in value	-	18,368
		<u>-</u>	<u>18,368</u>
5	Taxation	2011	2010
		£	£
	Domestic current year tax		
	U K corporation tax	(72,299)	(64,783)
	Adjustment for prior years	-	(28,404)
		<u>(72,299)</u>	<u>(93,187)</u>
6	Intangible fixed assets		
			Patents
			£
	Cost		
	At 1 January 2011 & at 31 December 2011		34,670
			<u>34,670</u>
	Amortisation		
	At 1 January 2011 & at 31 December 2011		34,670
			<u>34,670</u>
	Net book value		
	At 31 December 2011		-
			<u>-</u>
	At 31 December 2010		-
			<u>-</u>

CMP THERAPEUTICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

7 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 January 2011	11,362
Additions	144
	<hr/>
At 31 December 2011	11,506
	<hr/>
Depreciation	
At 1 January 2011	3,749
Charge for the year	3,836
	<hr/>
At 31 December 2011	7,585
	<hr/>
Net book value	
At 31 December 2011	3,921
	<hr/>
At 31 December 2010	7,612
	<hr/>

CMP THERAPEUTICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

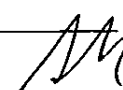
FOR THE YEAR ENDED 31 DECEMBER 2011

8 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 1 January 2011	18,368
Disposals	(18,368)
	<u>-</u>
At 31 December 2011	-
Provisions for diminution in value	
At 1 January 2011	18,368
On disposals	(18,368)
	<u>-</u>
At 31 December 2011	-
Net book value	
At 31 December 2011	<u>-</u>
At 31 December 2010	<u>-</u>

9 Debtors	2011	2010
	£	£
Other debtors	<u>77,717</u>	<u>120,060</u>

10 Creditors amounts falling due within one year	2011	2010
	£	£
Trade creditors	16,915	29,466
Taxation and social security	21,287	20,232
Other creditors	1,278,822	63,827
	<u>1,317,024</u>	<u>113,525</u>



CMP THERAPEUTICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

11 Creditors amounts falling due after more than one year	2011	2010
	£	£
Other creditors	-	1,285,170
Preference shares classed as a financial liability	1,365,223	1,365,223
	<u>1,365,223</u>	<u>2,650,393</u>
Analysis of loans		
Wholly repayable within five years	1,256,700	1,285,170
Included in current liabilities	(1,256,700)	-
	<u>-</u>	<u>1,285,170</u>
Preference shares classified as financial liabilities		
In more than two years but not more than five years	<u>1,365,223</u>	<u>1,365,223</u>

A and B preference share have full voting and capital distribution rights including in the event of winding up. The shares have attached a fixed cumulative preferential dividend at the rate of 8.5% per annum. The shares confer rights of redemption and may be converted into ordinary shares.

12 Pension costs

Defined contribution

	2011	2010
	£	£
Contributions payable by the company for the year	<u>5,100</u>	<u>4,125</u>

13 Share-based payments

During the year ended 31 December 2010, CMP Therapeutics Ltd operated an Enterprise Management Incentive share option agreement, under which an option over 160,000 shares each in the company's share capital has been granted to 1 employee, Dr Neill Mackenzie (the only employee) at an exercise price of £0.60 per share payable on the exercise of the option. The options can be exercised at any time from 1 November 2010.

14 Share capital	2011	2010
	£	£
Allotted, called up and fully paid		
1,110,100 Ordinary shares of 1p each	<u>11,101</u>	<u>11,101</u>

CMP THERAPEUTICS LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2011****15 Statement of movements on reserves**

	Share premium account £	Profit and loss account £
Balance at 1 January 2011	12,835	(1,903,938)
Loss for the year	-	(520,848)
Balance at 31 December 2011	<u>12,835</u>	<u>(2,424,786)</u>

16 Contingent liabilities

The company has entered into an agreement in respect of patent application, which in the event of the product launch will result in payment of £300,000 becoming due to the medical research council

17 Financial commitments

At 31 December 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 December 2012

	2011 £	2010 £
Operating leases which expire Within one year	<u>5,725</u>	<u>5,725</u>

18 Control

The company is controlled by the board of directors

CMP THERAPEUTICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

19 Related party relationships and transactions

The company has taken advantage of the exemption available in accordance with FRS 8 'Related party disclosures' not to disclose transactions entered between the parent and its subsidiary company, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions

During the year the company paid

£nil (2010 £4,440) to Bioquest Limited, in relation to bookkeeping and administration fees,

£nil (2010 £53,571) to Support4Bio Limited in relation to consultancy fees, and

£nil (2010 £9,460) to Roji Limited in relation to consultancy fees

All of these companies are related parties through directors having material interests in them

At the year end, a balance of £558 was owing to the director Dr N Mackenzie in relation to expenses incurred, but not yet reimbursed

Included within creditors falling due within one year is convertible loan stock of €1.5m (2010 €1.5m) held by LV Limited Partnership, an incorporated entity in the Bahamas which has a material interest in the company. This amount has been converted to a sterling equivalent using the appropriate year end exchange rate