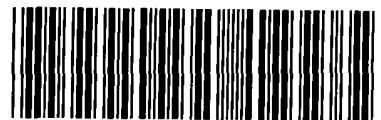


Silence Therapeutics (London) Limited
(Registered Number: 2757200)

**Annual Report
for the year ended
31 December 2018**

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Silence Therapeutics (London) Limited

Annual report for the year ended 31 December 2018

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Silence Therapeutics (London) Limited

Directors

David Horn Solomon (appointed 9 January 2019)

David Ellam (resigned 9 January 2019)

Registered office

27 Eastcastle Street

London

W1W 8DH

Silence Therapeutics (London) Limited

Strategic report

The director presents their strategic report for the year ended 31 December 2018.

Principal activities

The principal activity of the company was to research and develop pharmaceutical products. These activities ceased on 16 July 2018. The company continues as a going concern and is expected to be made dormant in due course.

Review of the business

During the year the company made a loss for the financial year of £574 (2017: £7,096). The results of the company for the year are set out in the Statement of comprehensive income on page 7. The loss for the financial year is considered the only key performance indicator for the company.

The company had net liabilities at 31 December 2018 of £22,494,627 (2017: £22,494,053). The position of the company at the year-end is set out in the Balance sheet on page 8.

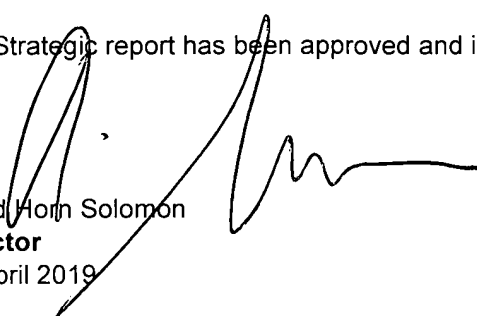
Principal risks and uncertainties

The company is exposed to liquidity risk. The Company's parent, Silence Therapeutics plc, provides liquidity and has confirmed its intention to continue to provide financial support to the company for a period of at least twelve months from the date of signing these financial statements.

Key performance indicators

The directors of the Silence Therapeutics plc group manage the group's operations on a total basis and monitor performance at a consolidated level. For this reason, the director of the company believes that an analysis using key performance indicators for the company is not necessary nor appropriate for an understanding of the development, performance and position of the company. The development, performance and position of the Silence Therapeutics group, which includes the company, is discussed in the Silence Therapeutics group Annual Report and Accounts, which can be obtained from the Company Secretary at Silence Therapeutics plc, 72 Hammersmith Road, London, W14 8TH.

The Strategic report has been approved and is signed by order of the board by:



David Horn Solomon
Director
23 April 2019

Silence Therapeutics (London) Limited

Director's report

The director presents his report and the audited financial statements of the Company for the year ended 31 December 2018.

Future developments

The company's activities ceased on 16 July 2018. The company continues as a going concern and is expected to be made dormant in due course.

Dividends

The director does not recommend the payment of a dividend (2017: none).

Political donations and political expenditure

The company did not make any political donations or expenditure during the year (2017: none).

Financial risk management

The company is exposed to liquidity risk. Silence Therapeutics plc provides liquidity and has agreed to provide continued financial support to enable the company to meet its obligations. The company's activities do not expose it to market risk, credit risk, price risk, or interest rate cash flow risk.

Directors

The director of the company during the year and up to the date of signing the financial statements was:

David Horn Solomon – Director (appointed 9 January 2019)

Robert Quinn – Company Secretary (appointed 9 January 2019)

David Ellam – Director and Company Secretary (resigned 9 January 2019)

During the year, no director (2017: none) had a material interest in any contract that was significant in relation to the company's business.

Indemnification of directors

Qualifying third party indemnity provisions (as defined by the Companies Act 2006) are in force for the benefit of the director and former director who held office during 2018 and up to the signing date of the annual report.

Research and development

In 2018, the company there was no expenditure on research and development (2017: £5,216).

Going concern

Silence Therapeutics plc has confirmed its intention to continue to provide financial support to the company for a period of at least twelve months from the date of signing these financial statements. Therefore, the financial statements have been prepared on the going concern basis, as explained in note 2.1.1 on page 11, which also discloses further details on the ability of Silence Therapeutics plc to support the company.

Silence Therapeutics (London) Limited

Director's report (continued)

Post balance sheet events

There were no reportable post balance sheet events.

Employees

The company had no employees at any point during the year (2017: none).

Statement of director's responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the director must not approve the financial statements unless he is 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 the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting 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 director is 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.

The director is 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.

Small Company Exemption

In preparing this report, the director has taken advantage of the Small Companies Exemption in Part 16 of the Companies Act 2006. The director has elected not to have the annual report and accounts for the financial year ended 31 December 2018 audited, as permitted under the Companies Act 2006 Section 477.

By order of the board

David Horn Solomon
Director
23 April 2019

Silence Therapeutics (London) Limited

Statement of comprehensive income for the year ended 31 December 2018

		2018	2017
	Note	£	£
Research and development costs		-	(5,216)
Operating loss		-	(5,216)
Net foreign exchange expenses		(574)	(1,880)
Income tax expense	5	-	-
Loss for the financial year and total comprehensive expense		(574)	(7,096)

The notes on pages 10 to 14 form an integral part of these financial statements. All operations are continuing.

Silence Therapeutics (London) Limited

Balance sheet as at 31 December 2018

	Note	2018 £	2017 £
Current assets			
Trade and other receivables	6	-	-
Current liabilities			
Trade payables	7	-	-
Borrowings	8	(22,494,627)	(22,494,053)
Net liabilities		<u>(22,494,627)</u>	<u>(22,494,053)</u>
Called up share capital	9	140,000	140,000
Share premium account		596,887	596,887
Retained loss		<u>(23,231,514)</u>	<u>(23,230,940)</u>
Total equity		<u>(22,494,627)</u>	<u>(22,494,053)</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 16 of the companies Act 2006. The members of the company have not required the company to obtain an audit of its accounts for the year ended 31 December 2018 and the director has therefore not elected to have the annual report and accounts audited as permitted under the Companies Act 2006 Section 477. The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The financial statements on pages 7 to 14 were approved by the Board of Directors and were signed on its behalf by:-



David Horn Solomon

Director

Silence Therapeutics (London) Limited

Registered number 2757200

23 April 2019

Silence Therapeutics (London) Limited

Statement of changes in equity for the year ended 31 December 2018

	Called up share capital	Share premium account	Retained loss	Total equity
	£	£	£	£
Balance as at 1 January 2017	140,000	596,887	(23,223,844)	(22,486,957)
Loss for the financial year and total comprehensive expense	-	-	(7,096)	(7,096)
Balance as at 31 December 2017 and at 1 January 2018	140,000	596,887	(23,230,940)	(22,494,053)
Loss for the financial year and total comprehensive expense	-	-	(574)	(574)
Balance as at 31 December 2018	140,000	596,887	(23,231,514)	(22,494,627)

The share capital consists of 14,000,000 ordinary shares of 1p each. The share premium account is additional paid-up capital (not distributable).

Silence Therapeutics (London) Limited

Notes to the financial statements for the year ended 31 December 2018

1. General information

The principal activity of Silence Therapeutics (London) Limited was to research and develop pharmaceutical products. These activities ceased on 16 July 2018. The company continues as a going concern and is expected to be made dormant in due course.

The company is a private company, limited by its share capital, and is incorporated and domiciled in England.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented.

2.1 Basis of preparation

The financial statements of Silence Therapeutics (London) Limited have been prepared in accordance with Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101). The financial statements have been prepared under the historical cost convention and in accordance with the Companies Act 2006.

The Company has presented its results under Financial Reporting Standard 101, "Reduced Disclosure Framework" (FRS 101). The last financial statements under FRS 101 were for the year ended 31 December 2017.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- The following paragraphs of IAS 1 *Presentation of financial statements*:
 - 10(d), (statement of cash flows for the period)
 - 16 (statement of compliance with all IFRS),
 - 38A-B (detail in respect of minimum comparative information)
 - 38C-D (additional comparative information)
 - Paragraph 79(a)(iv) – (A reconciliation of the number of shares outstanding at the beginning and end of the period for each class of shares need not be presented for prior periods)
 - 111 (cash flow statement information)
 - 134 – 136 (information on an entity's objectives, policies and processes for managing capital (qualitative and quantitative))
- IFRS 7 *Financial instruments: Disclosures*
- IAS 7 *Statement of cash flows*
- Paragraphs 30 and 31 of IAS 8 *Accounting policies, changes in accounting estimates and errors*
- Paragraphs 17 and 18A of IAS 24 *Related party disclosures* and the requirements therein to disclose related party transactions entered into between two or more members of a group.

Silence Therapeutics (London) Limited

2.1.1 Going concern

These financial statements have been prepared on a going concern basis, which the director deem appropriate in light of the immediate and ultimate parent (Silence Therapeutics plc) indicating its willingness to provide support for the company to meet its liabilities as they fall due, should this be required. Silence Therapeutics plc has confirmed its intention to continue to provide such support for a period of at least twelve months from the date of signing these financial statements.

The ability of Silence Therapeutics plc to support the company has been considered. Note 2.3 to the Silence Therapeutics plc financial statements for the year ended 31 December 2018, which were approved on 16 April 2019, includes the following disclosure in respect of its ability to continue as a going concern:

"Based on the Directors' current forecasts and plans and, considering the existing cash, cash equivalents and term deposit, the Group and Company [Silence Therapeutics plc] have sufficient funding to continue their operations beyond H1 2020. Before then, the Group and Company will need to raise additional funding in order to support research and development efforts, as well as to support activities associated with operating as a public company. The Directors expect to finance the Group's and Company's cash needs through a combination of some, or all, of the following: equity offerings, collaborations, strategic alliances, or licensing arrangements.

"The Directors are confident that it is appropriate to prepare these financial statements on the going concern basis. However, there is no guarantee that attempts to raise adequate additional financing on a timely basis will be successful and therefore this represents a material uncertainty, which may cast significant doubt about the Group's and Company's ability to continue as a going concern. These financial statements do not include the adjustments that would result if the Group or Company were unable to continue as a going concern."

On the basis of the above, the Silence Therapeutics (London) Limited financial statements for the year ended 31 December 2018 have been prepared on the going concern basis.

2.1.2 New standards, amendments and IFRIC interpretations

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 31 December 2018, have had a material impact on the company.

2.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). The financial statements are presented in Sterling, which is also the company's functional currency.

(b) Transactions and balances

There were no foreign currency transactions during the years presented.

2.3 Research and development

Expenditure on research and development activities is recognised in the income statement as an expense as incurred. To date, no development costs have been capitalised as they have not met the recognition criteria for capitalisation.

Silence Therapeutics (London) Limited

2.4 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.5 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.6 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost.

2.7 Income tax

The tax expense for the period comprises current and deferred tax. The current tax charge is recognised on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the United Kingdom. Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the balance sheet and are expected to apply when the deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

There are no critical accounting estimates or judgements that impact these financial statements.

4. Employees and directors

The company had no employees at any point during the year (2017: none).

The directors received no emoluments in respect of his service to Silence Therapeutics (London) Limited (2017: nil).

Silence Therapeutics (London) Limited

4. Employees and directors (continued)

The directors of the company were remunerated by Silence Therapeutics plc for their service to Silence Therapeutics plc as follows:

Directors' remuneration

	Base salary 2018 £000s	Benefits in kind 2018 £000s	Bonus 2018 £000s	Pension 2018 £000s	Total 2018 £000s	Base salary 2017 £000s	Benefits in kind 2017 £000s	Bonus 2017 £000s	Pension 2017 £000s	Total 2017 £000s
David Ellam ¹	212	12	59	17	300	193	7	177	15	392
David Horn Solomon ²	145	93	100	11	349	-	-	-	-	-
Total	357	105	159	28	649	193	7	177	15	392

- 1 Ceased to be a Director on 9 January 2019. Settlement agreement payments totalling £138k are expected to be paid in 2019 and are not included above as this cost will be recognised in 2019. Base salary includes £9k in lieu of holiday not taken.
- 2 Appointed as a Director (Chief Executive Officer) on 17 July 2018. Base salary includes £8k in lieu of holiday not taken. Taxable benefits include £83k for accommodation allowance, including associated income tax and National Insurance Contributions of £43k which will be settled on behalf of the Director. Bonus includes £40k sign-on bonus.

In addition, Silence Therapeutics plc incurred charges for share options it issued:

	Share options charge 2018 £000s	Share options charge 2017 £000s
David Ellam	127	83
David Horn Solomon	93	-
Total	220	83

No remuneration borne by Silence Therapeutics plc has been apportioned to the company. Given the remuneration figures presented above have not been apportioned to the company, they have been stated in thousands of Pounds (as presented in the Annual Report and Accounts for Silence Therapeutics plc).

No share options were exercised by the directors of the company during the year ended 31 December 2018 (2017: none).

5. Income tax

There was no tax payable in the year (2017: nil).

As the activities of the company ceased in 2018, no tax losses are available for relief against future profits.

The total income tax expense is reconciled to the loss before tax at the standard rate of UK corporation tax below:

	2018 £	2017 £
Loss before tax	(574)	(7,096)
Tax credit at the standard rate of UK corporation tax of 19% (2017: 19.25%)	109	1,366
impact of unrelieved tax losses not recognised	(109)	(1,366)
Income tax expense	-	-

Silence Therapeutics (London) Limited

6. Trade and other receivables

There were no trade and other receivables as at 31 December 2018 (2017: none).

7. Trade payables

There were no trade payables as at 31 December 2018 (2017: none).

8. Borrowings

Borrowings represents a loan payable to Silence Therapeutics plc, the parent company. No interest is charged on this loan. The loan is presented as current as it is repayable on demand.

9. Called up share capital

	2018 £	2017 £
Authorised 100,000,000 (2017: 100,000,000) ordinary shares of 1p each	1,000,000	1,000,000
Allotted and fully paid 14,000,000 (2017: 14,000,000) ordinary shares of 1p each at 31 December	140,000	140,000

10. Capital and other commitments

There were no capital or other commitments contracted for but not provided for as at 31 December 2018 (2017: none).

11. Contingent liabilities

There were no contingent liabilities as at 31 December 2018 (2017: none).

12. Related party transactions

The director considers that there are no (2017: none) key managers, whose roles and activities within the company define them as related parties in accordance with IAS 24, outside of the Board of Directors. No director of the company received any remuneration for the year (2017: none).

13. Ultimate controlling party

The immediate and ultimate parent undertaking is Silence Therapeutics plc, a company registered in England. There are no intermediary holding companies and as such both the largest and smallest group of companies the company is consolidated into is under Silence Therapeutics plc. Copies of the Silence Therapeutics plc consolidated financial statements can be obtained from the Company Secretary at Silence Therapeutics plc, 72 Hammersmith Road, London, W14 8TH.