

Cytora Limited

Financial Statements

For the year ended 31 March 2022

For Filing with Registrar

Company Registration No. 08229538 (England and Wales)

Cytora Limited

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Balance Sheet

As at 31 March 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	5		38,990		44,968
Current assets					
Debtors	6	898,622		2,285,785	
Cash at bank and in hand		5,683,434		4,073,968	
		<u>6,582,056</u>		<u>6,359,753</u>	
Creditors: amounts falling due within one year	7	<u>(3,566,274)</u>		<u>(360,356)</u>	
Net current assets			<u>3,015,782</u>		<u>5,999,397</u>
Total assets less current liabilities			<u>3,054,772</u>		<u>6,044,365</u>
Provisions for liabilities	8		<u>(117,216)</u>		<u>(117,216)</u>
Net assets			<u><u>2,937,556</u></u>		<u><u>5,927,149</u></u>
Capital and reserves					
Called up share capital	9		1,425		1,425
Share premium account			22,419,413		22,418,808
Profit and loss reserves	10		<u>(19,483,282)</u>		<u>(16,493,084)</u>
Total equity			<u><u>2,937,556</u></u>		<u><u>5,927,149</u></u>

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 8 December 2022 and are signed on its behalf by:

R G Hartley
Director

Company Registration No. 08229538

Cytora Limited

Statement of Changes in Equity

For the year ended 31 March 2022

	Share capital	Share premium	Profit and loss reserves	Total	
Notes	£	£	£	£	
Balance at 1 April 2020	1,424	22,414,973	(13,262,758)	9,153,639	
Year ended 31 March 2021:					
Loss and total comprehensive income for the year	-	-	(3,230,326)	(3,230,326)	
Issue of share capital	9	1	3,835	-	3,836
Balance at 31 March 2021	1,425	22,418,808	(16,493,084)	5,927,149	
Year ended 31 March 2022:					
Loss and total comprehensive income for the year	-	-	(2,990,198)	(2,990,198)	
Issue of share capital	9	-	605	-	605
Balance at 31 March 2022	1,425	22,419,413	(19,483,282)	2,937,556	

Cytora Limited

Notes to the Financial Statements

For the year ended 31 March 2022

1 Accounting policies

Company information

Cytora Limited is a private company limited by shares incorporated in England and Wales. The registered office is 6th Floor, One London Wall, London, United Kingdom, EC2Y 5EB.

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 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.

1.2 Going concern

The accounts have been prepared on a going concern basis as the directors' have a reasonable expectation that the company has adequate resources to continue trading for the foreseeable future. The company recognised a loss of £3,103,170 (2021: £3,230,326) during the year and had accumulated losses at year end of £19,596,254 (2021: £16,493,084). At the year end the company had cash reserves of £5,683,434 (2021: £4,073,968). The directors have prepared forecasts for a period of at least 12 months from the date of approval of these statements which indicates the company is able to operate with the funds available.

The directors regularly review the costs incurred by the company which enables them to manage cash burn and runway. In addition to this the directors are also working to secure additional revenue and since the year end have secured additional contracts.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Revenue is recognised on a straight line basis over the period of the contract.

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.

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:

Computers	33% straight line
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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.

Cytora Limited

Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

1 Accounting policies

(Continued)

1.5 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.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

Basic financial instruments are measured at cost. The company has no other financial instruments or basic financial instruments measured at fair value.

1.8 Equity instruments

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

1.9 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.

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Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

1 Accounting policies

(Continued)

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.

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.11 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.

1.12 Retirement benefits

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

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

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Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

1 Accounting policies

(Continued)

1.14 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 in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Share based payments

In assessing what is the true reflection of the value of the company, the directors have had to take into consideration key factors to calculate an appropriate fair value of the share options issued to employees.

Research and development tax credit

In assessing the value of the research and development tax credit the directors have recognised £572,685 (2021: £2,154,650) as a receivable in the financial statements. This has been calculated based on the directors' best estimate of what will be received based on the research and development tax claim report and supporting calculations.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	34	43

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Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

4 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	(685,659)	(615,373)
Adjustments in respect of prior periods	36,100	(782,618)
	<u>(649,559)</u>	<u>(1,397,991)</u>
Total current tax	<u>(649,559)</u>	<u>(1,397,991)</u>

5 Tangible fixed assets

	Computers
	£
Cost	
At 1 April 2021	127,474
Additions	31,671
Disposals	(67,453)
	<u>91,692</u>
At 31 March 2022	<u>91,692</u>
Depreciation and impairment	
At 1 April 2021	82,506
Depreciation charged in the year	27,976
Eliminated in respect of disposals	(57,780)
	<u>52,702</u>
At 31 March 2022	<u>52,702</u>
Carrying amount	
At 31 March 2022	<u>38,990</u>
At 31 March 2021	<u>44,968</u>

6 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	1,920	-
Other debtors	896,702	2,285,785
	<u>898,622</u>	<u>2,285,785</u>

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Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

7 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	267,651	42,647
Taxation and social security	117,519	63,970
Other creditors	3,181,104	253,739
	<u>3,566,274</u>	<u>360,356</u>

8 Provisions for liabilities

	2022	2021
	£	£
	117,216	117,216
	<u>117,216</u>	<u>117,216</u>

During a prior year, one of the founders was granted additional equity options. If in the future, there is an exit event for the current equity holders then the founder will purchase the options he has been granted. The company has agreed to provide for the future tax liability that the founder would have personally had to incur.

9 Called up share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 0.001p each	89,439,719	89,439,719	894	894
A ordinary shares of 0.0009p each	12,394,600	12,394,600	112	112
Growth shares of 0.001p each	2,007,511	2,007,511	20	20
B ordinary shares of 0.001p each	472,894	340,953	3	3
	<u>104,314,724</u>	<u>104,182,783</u>	<u>1,029</u>	<u>1,029</u>
Preference share capital				
Issued and fully paid				
B preference shares of 0.001p each	39,592,181	39,592,181	-	-
	<u>39,592,181</u>	<u>39,592,181</u>	<u>-</u>	<u>-</u>
Preference shares classified as equity			396	396
Preference shares classified as liabilities			(396)	(396)
			<u>-</u>	<u>-</u>
Total equity share capital			<u>1,425</u>	<u>1,425</u>

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Notes to the Financial Statements (Continued)

For the year ended 31 March 2022

9 Called up share capital

(Continued)

A ordinary shares have full voting, dividend and capital distribution rights (including on a winding up).

B ordinary shares have no voting, information or dividend rights and rank below B preference shares on a winding up.

Ordinary shares have full voting, dividend and capital distribution rights (including on a winding up).

B preference shares have full voting, dividend and capital distribution rights (including on a winding up).

Growth shares do not entitle the holders to receive notice of, attend, speak at or vote at any general meeting or written resolutions of the company.

Any profits which are distributed in respect of any financial year will be distributed as to 0.0001% to the holders of the growth shares pro rata to their respective holdings of growth shares and the balance among the holders of the ordinary and A ordinary shares pro rata to their respective holdings of such shares.

During the year a warrant was issued that grants the holder an opportunity to take part in any potential future external investment round for an estimated 26.9m shares at a price related to the previous fundraising and any future next fundraising.

10 Profit and loss reserves

Accumulated losses represents cumulative losses, net of dividends paid and other adjustments.

11 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 Jonathan Sutcliffe and the auditor was Moore Kingston Smith LLP.

12 Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with any wholly owned members of the group.

13 Controlling party

No individual shareholder has a controlling interest in the company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.