

PHYTOFORM LABS LTD

Registered Number
10923425
(England and Wales)

Unaudited Financial Statements for the Period Ended
31 December 2021

PHYTOFORM LABS LTD

Company Information

for the period from 1 September 2020 to 31 December 2021

Directors

Dr N Kral

W Pelton

Registered Address

Lawes Open Innovation Hub

West Common

Harpenden

AL5 2JQ

Registered Number

10923425 (England and Wales)

PHYTOFORM LABS LTD
Statement of Financial Position
31 December 2021

	Notes	31 Dec 2021		31 Aug 2020	
		£	£	£	£
Fixed assets					
Intangible assets	9		-		6,439
Tangible assets	10		65,910		67,755
			65,910		74,194
Current assets					
Debtors	13	242,869		76,014	
Cash at bank and on hand		332,668		638,102	
		575,537		714,116	
Creditors amounts falling due within one year	14	(1,769,716)		(970,368)	
			(1,194,179)		(256,252)
Net current assets (liabilities)))
			(1,128,269)		(182,058)
Total assets less current liabilities))
			(1,128,269)		(182,058)
Net assets))
			(1,128,269)		(182,058)
Capital and reserves					
Called up share capital			2		2
Profit and loss account			(1,128,271)		(182,060)
))
Shareholders' funds			(1,128,269)		(182,058)

The company was entitled to exemption from audit for this reporting period under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The directors have chosen to not file a copy of the company's profit and loss account.

The financial statements were approved and authorised for issue by the Board of Directors on 23 March 2022, and are signed on its behalf by:

W Pelton

Director

Registered Company No. 10923425

PHYTOFORM LABS LTD

Notes to the Financial Statements for the period ended 31 December 2021

1. STATUTORY INFORMATION

The company is a private company limited by shares and registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. COMPLIANCE WITH APPLICABLE REPORTING FRAMEWORK

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

3. CHANGE IN REPORTING PERIOD AND IMPACT ON COMPARABILITY

During the reporting period the company's accounting period end date was changed from 31st August 2021 to 31st December 2021 resulting in an extended accounting period covering 16 months. The 2020 comparative figures reported in these financial statements cover the 12 month period ending 31st August 2020.

4. PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was that of research and experimental development on biotechnology.

5. BASIS OF MEASUREMENT USED IN FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention.

6. ACCOUNTING POLICIES

Functional and presentation currency policy

The financial statements are presented in sterling and this is the functional currency of the company.

Property, plant and equipment policy

Tangible assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

	Straight line (years)
Plant and machinery	3
Fixtures and fittings	4
Office Equipment	3

Intangible assets policy

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of three years.

Computer software is being amortised evenly over its estimated useful life of three years.

Revenue recognition policy

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Taxation policy

Taxation for the year comprises current tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Tax credits disclosed on the income statement represent losses surrendered for research and development tax credits.

Research and development policy

Revenue expenditure on research and development is written off in the period in which it is incurred.

The company qualifies to make claims under both the SME R&D tax relief scheme and the Research and Development expenditure Credit scheme. Benefits arising from successful claims under the SME R&D tax relief scheme are reflected 'below the line' as a reduction in the Corporation Tax charge or, if loss making, as a Corporation Tax credit. Benefits arising from successful claims under the RDEC scheme are subject to Corporation Tax. Gross benefits are therefore reflected 'above the line' in Other Income with the corresponding charge to Corporation Tax reflected as an increase in the Corporation Tax charge. Benefits receivable from R&D claims are recognised in the reporting period in which the qualifying expenditure is incurred.

Foreign currency translation and operations policy

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each reporting period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement

Government grants and other government assistance policy

Grant income relating to revenue is recognised in the income statement on a systematic basis over the periods in which the entity recognises the related costs for which the grant income is intended to compensate.

Leases policy

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Employee benefits policy

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Valuation of financial instruments policy

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in base of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

Going concern

The financial statements have been prepared on a going concern basis. The company incurred losses during the period and the directors are aware that the statement of financial position shows net liabilities. However, the parent company, Phytoform Labs Inc, will continue to support the company to meet its obligations, if and when, they become due. The directors are therefore of the opinion that they should adopt the going concern basis of accounting in preparing the financial statements.

7. CRITICAL ESTIMATES AND JUDGEMENTS

There are no significant estimates or assumptions made that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next reporting period.

8. EMPLOYEE INFORMATION

	2021	2020
Average number of employees during the year	8	4

9. INTANGIBLE ASSETS

	Other	Total
	£	£
Cost or valuation		
At 01 September 20	7,740	7,740
Disposals	(7,740)	(7,740)
Amortisation and impairment		
At 01 September 20	1,301	1,301
Charge for year	3,442	3,442
On disposals	(4,743)	(4,743)
Net book value		
At 31 August 20	<u>6,439</u>	<u>6,439</u>

10. PROPERTY, PLANT AND EQUIPMENT

	Plant & machinery	Office Equipment	Total
	£	£	£
Cost or valuation			
At 01 September 20	22,959	54,875	77,834
Additions	20,241	17,300	37,541
Disposals	-	(1,011)	(1,011)
At 31 December 21	<u>43,200</u>	<u>71,164</u>	<u>114,364</u>
Depreciation and impairment			
At 01 September 20	4,576	5,503	10,079
Charge for year	15,273	23,426	38,699
On disposals	-	(324)	(324)
At 31 December 21	<u>19,849</u>	<u>28,605</u>	<u>48,454</u>
Net book value			
At 31 December 21	<u>23,351</u>	<u>42,559</u>	<u>65,910</u>
At 31 August 20	<u>18,383</u>	<u>49,372</u>	<u>67,755</u>

11. DESCRIPTION OF FINANCIAL COMMITMENTS OTHER THAN CAPITAL COMMITMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

Within one year £18,945 (2021: £18,945)

Between one and five years £7,104 (2021: £26,049)

12. DESCRIPTION OF NATURE OF TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with group companies.

During the year the directors remuneration was £116,620 (2020: £ 77,431)

Ultimate controlling party:

The immediate controlling party is Phytoform Labs Inc., a company incorporated in the USA with its registered offices situated at "Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware, 19801"

13. DEBTORS

	2021	2020
	£	£
Trade debtors / trade receivables	919	-
Other debtors	234,087	75,519
Prepayments and accrued income	7,863	495
Total	<u>242,869</u>	<u>76,014</u>

14. CREDITORS WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors / trade payables	30,425	1,516
Amounts owed to related parties	1,715,339	961,599
Taxation and social security	14,097	6,204
Other creditors	2,568	1,049
Accrued liabilities and deferred income	7,287	-
Total	<u>1,769,716</u>	<u>970,368</u>

Charges:

On 12 October 2021 a fixed charge over the company's bank accounts was registered at Companies House.

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.