

PLASTICELL LTD

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2020

PLASTICELL LTD
REGISTERED NUMBER: 04549890

STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	4	3,774,369	3,698,717
Tangible assets	5	6,699	16,353
		<u>3,781,068</u>	<u>3,715,070</u>
Current assets			
Debtors: amounts falling due within one year	6	702,159	416,739
Cash at bank and in hand	7	185,017	247,133
		<u>887,176</u>	<u>663,872</u>
Creditors: amounts falling due within one year	8	(582,732)	(769,344)
Net current assets/(liabilities)		<u>304,444</u>	<u>(105,472)</u>
Total assets less current liabilities		<u>4,085,512</u>	<u>3,609,598</u>
Provisions for liabilities			
Deferred tax		(439,782)	-
		<u>(439,782)</u>	<u>-</u>
Net assets		<u><u>3,645,730</u></u>	<u><u>3,609,598</u></u>
Capital and reserves			
Called up share capital		2	1
Share premium account		7,279,141	7,129,142
Profit and loss account		(3,633,413)	(3,519,545)
		<u><u>3,645,730</u></u>	<u><u>3,609,598</u></u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 OCTOBER 2020

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 July 2021.

Dr E Choo
Director

The notes on pages 4 to 11 form part of these financial statements.

PLASTICELL LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2020

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 November 2018	1	7,129,142	(2,965,024)	4,164,119
Loss for the year	-	-	(554,521)	(554,521)
At 1 November 2019	1	7,129,142	(3,519,545)	3,609,598
Loss for the year	-	-	(113,868)	(113,868)
Shares issued during the year	1	149,999	-	150,000
At 31 October 2020	<u>2</u>	<u>7,279,141</u>	<u>(3,633,413)</u>	<u>3,645,730</u>

The notes on pages 4 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

1. General information

The company's principal activity during the year continued to be that of research and development of biological research reagents, pharmaceuticals and cell therapies.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

At each 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 period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which is 12 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.5 Government grants

Grants are accounted under the performance model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

2. Accounting policies (continued)

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

2. Accounting policies (continued)

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- over 4 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

2. Accounting policies (continued)

2.15 Financial instruments

The Company only enters into basic financial instrument 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 ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
	8	12
Average number of employees		

4. Intangible assets

	Development expenditure £
Cost	
At 1 November 2019	5,599,183
Additions - internal	591,545
At 31 October 2020	6,190,728
Amortisation	
At 1 November 2019	1,900,465
Charge for the year on owned assets	515,894
At 31 October 2020	2,416,359
Net book value	
At 31 October 2020	3,774,369
At 31 October 2019	3,698,718

PLASTICELL LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

5. Tangible fixed assets

	Plant and machinery £
Cost or valuation	
At 1 November 2019	523,216
Additions	1,863
At 31 October 2020	525,079
Depreciation	
At 1 November 2019	506,864
Charge for the year on owned assets	11,516
At 31 October 2020	518,380
Net book value	
At 31 October 2020	6,699
At 31 October 2019	16,353

6. Debtors

	2020 £	2019 £
Trade debtors	13,275	73,725
Other debtors	676,573	330,369
Prepayments and accrued income	12,311	12,645
	702,159	416,739

7. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	185,017	247,133

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	245,000	245,000
Trade creditors	38,204	82,721
Other taxation and social security	9,547	25,791
Other creditors	285,681	411,632
Accruals and deferred income	4,300	4,200
	<u>582,732</u>	<u>769,344</u>

Other loans represent convertible loan notes totalling £170,000 (2019: £170,000) which were outstanding as at 31 October 2020 and £75,000 (2019: £75,000) for subscription to shares but repayable on demand until the shares are issued. The convertible loans have no fixed repayment date and convert, on the occurrence of contingent events or at the Board's discretion, into a variable number of shares depending on the circumstances related to these events.

9. Deferred taxation

	2020 £
Charged to profit or loss	(439,782)
At end of year	<u><u>(439,782)</u></u>

The deferred taxation balance is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	<u>(439,782)</u>	<u>-</u>

10. Related party transactions

As at 31 October 2020 the Company owed £145,000 (2019: £145,000) to its directors by way of convertible loan notes issued during the year and £75,000 (2019: £75,000) to a director, by way of a subscription to shares but repayable on demand until the shares are issued.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

11. Post balance sheet events

On 9 December 2020 loan notes of £169,974 previously issued by the Company were converted into 8,094 ordinary shares at a conversion price of £21 per share.

On 9 December 2020 the company issued shares for the amount of £1,000,020. The shares were at £30 per share for a shareholding of 33,333 ordinary shares.

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.