

CELL THERAPY LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023

Bevan Buckland LLP
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

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FOR THE YEAR ENDED 31 MARCH 2023**

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CELL THERAPY LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2023

DIRECTOR: T A Reginald

REGISTERED OFFICE: Celixir House Stratford-Upon-Avon
Business & Technology Park
Innovation Way
Stratford-Upon-Avon
CV37 7GZ

REGISTERED NUMBER: 06970743 (England and Wales)

ACCOUNTANTS: Bevan Buckland LLP
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

BALANCE SHEET
31 MARCH 2023

	Notes	2023 £	£	2022 £	£
FIXED ASSETS					
Intangible assets	4		749,105		726,808
Tangible assets	5		4,711		12,113
Investments	6		8,113		8,113
			<u>761,929</u>		<u>747,034</u>
CURRENT ASSETS					
Debtors	7	1,258,180		1,321,901	
Cash at bank		<u>285,158</u>		<u>263,058</u>	
		1,543,338		1,584,959	
CREDITORS					
Amounts falling due within one year	8	<u>4,578,526</u>		<u>4,090,669</u>	
NET CURRENT LIABILITIES			<u>(3,035,188)</u>		<u>(2,505,710)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			(2,273,259)		(1,758,676)
CREDITORS					
Amounts falling due after more than one year	9		<u>7,905,083</u>		<u>8,333,333</u>
NET LIABILITIES			<u>(10,178,342)</u>		<u>(10,092,009)</u>
CAPITAL AND RESERVES					
Called up share capital			19,964		19,964
Share premium			10,454,868		10,454,868
Capital redemption reserve			1,442,528		1,442,528
Retained earnings			<u>(22,095,702)</u>		<u>(22,009,369)</u>
			<u>(10,178,342)</u>		<u>(10,092,009)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2023 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

**BALANCE SHEET - continued
31 MARCH 2023**

The financial statements were approved by the director and authorised for issue on 22 July 2023 and were signed by:

T A Reginald - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Turnover

Turnover is calculated from deferred income which is released monthly. This income amount was received in 2016 totalling £12,500,000. This was an upfront nonrefundable licensing fee, which will also include additional milestone payments and royalties during the period.

The Company carries out research, development and commercialisation of pharmaceutical products.

The Company also receives other income in relation to rental payments during the year.

Intangible assets

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.

An impairment loss has been recognised in the Income Statement, following an assessment at the Balance Sheet date indicating the recoverable amount was less than its carrying value.

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

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 33% on cost, 25% on cost and 2% on cost

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Taxation

Taxation for the year comprises current and deferred 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 or deferred 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 balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

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

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

2. **ACCOUNTING POLICIES - continued**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Equity instruments

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

Cash at bank and cash in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at transaction price.

Provision for liabilities

Provisions are recognised when the company has a present obligation (legal and constructive) from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

Functional and Presentation Currency

The company's functional and presentation currency is pounds sterling.

Share based payments

The parent company, Celixir limited, issues equity settled share options to certain employees of the Group, and the Company. Full details of the scheme are set out in the financial statements of Celixir Limited. The Black-Scholes option model is used to estimate the fair value of each option at date of grant. The fair value relating to Company employees participating in the schemes is expensed on a straight-line basis over the vesting period, based on the parent company's estimate of the shares that will eventually vest.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

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

Going Concern

The accounts have been prepared on the going concern basis, on the understanding that the directors and the parent company, Celixir Limited, will continue to financially support the company for a period of 12 months from the date of these financial statements.

Given the nature of the business, the directors also have a reasonable lead time in which to assess the likelihood of additional funding being available and if necessary will scale back the level of operational activity to allow cash to be conserved over a longer period.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 6 (2022 - 6) .

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

4. INTANGIBLE FIXED ASSETS

	Other intangible assets £
COST	
At 1 April 2022	1,500,380
Additions	115,441
At 31 March 2023	<u>1,615,821</u>
AMORTISATION	
At 1 April 2022	773,572
Charge for year	93,144
At 31 March 2023	<u>866,716</u>
NET BOOK VALUE	
At 31 March 2023	<u>749,105</u>
At 31 March 2022	<u>726,808</u>

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 April 2022 and 31 March 2023	<u>861,186</u>
DEPRECIATION	
At 1 April 2022	849,073
Charge for year	7,402
At 31 March 2023	<u>856,475</u>
NET BOOK VALUE	
At 31 March 2023	<u>4,711</u>
At 31 March 2022	<u>12,113</u>

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2022 and 31 March 2023	<u>8,113</u>
NET BOOK VALUE	
At 31 March 2023	<u>8,113</u>
At 31 March 2022	<u>8,113</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2023

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade debtors	45,787	64,806
Amounts owed by group undertakings	1,001,439	911,863
Other debtors	210,954	345,232
	<u>1,258,180</u>	<u>1,321,901</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023	2022
	£	£
Trade creditors	109,077	101,985
Amounts owed to group undertakings	3,814,575	3,213,450
Taxation and social security	757	8,897
Other creditors	654,117	766,337
	<u>4,578,526</u>	<u>4,090,669</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023	2022
	£	£
Other creditors	<u>7,905,083</u>	<u>8,333,333</u>

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.