

REGISTERED NUMBER: 10541091 (England and Wales)

Celixir Limited

Strategic Report, Report of the Directors and

Financial Statements

for the Period 1 August 2020 to 31 March 2021

Grenfell James Audit LLP, Statutory Auditor
13 The Courtyard
Timothy's Bridge Road
Stratford Upon Avon
Warwickshire
CV37 9NP



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for the period 1 August 2020 to 31 March 2021**

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Celixir Limited

Company Information
for the period 1 August 2020 to 31 March 2021

DIRECTORS:

Dr D M Disley
Sir M J Evans
Mr C Hurvitz
Mr A T Reginald

SECRETARY:

Mr A T Reginald

REGISTERED OFFICE:

Celixir House, Stratford-upon-Avon
Business & Technology Park
Innovation Way
Stratford-upon-Avon
Warwickshire
CV37 7GZ

REGISTERED NUMBER:

10541091 (England and Wales)

AUDITORS:

Grenfell James Audit LLP, Statutory Auditor
13 The Courtyard
Timothy's Bridge Road
Stratford Upon Avon
Warwickshire
CV37 9NP

Celixir Limited

Strategic Report for the period 1 August 2020 to 31 March 2021

The directors present their strategic report for the period 1 August 2020 to 31 March 2021.

REVIEW OF BUSINESS

During the reporting period, the focus of the Celixir group of companies has been commencing a planned clinical trial of its lead product, Heartcel™. SARS-CoV-2 dictated that the clinical trial be moved to Europe and the Celixir group has focused on securing trial sites and gaining appropriate regulatory approvals in Europe. Sites and approvals have been gained and a clinical trial of Heartcel™ will be the principal focus for Celixir for 2021.

As the lead product, Celixir's resources continue to be focused on the development of Heartcel™, which the Board believes is likely to deliver the best value for shareholders.

Daiichi Sankyo continues with the partnership for the development of Heartcel™ for the Japanese market, through the licensing partnership entered into in 2016.

Celixir continues to develop its portfolio of over 50 patent applications, of which to date 35 have been granted.

The directors have undertaken an impact assessment of Brexit and have concluded that this should not have any significant impact on operations in the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider that the main risk facing the Celixir group of companies is further delays to the commencement of the clinical trial in Europe, but expect patient recruitment in Q3 2021 and results in Q4 2021/ Q1 2022. While the results of the trial cannot be predicted with any certainty, the directors expect to see safety and the potential for benefit in patients treated with Heartcel™, because an early independent academic trial in Greece had previously indicated promising results.

PERFORMANCE

The loss for the period after taxation was £4,604 (year to 31st July 2020: £143k). No dividend for the period has been paid or is proposed (year to 31st July 2020: £nil).

KEY PERFORMANCE INDICATORS

Monthly burn-rate and funding

The Celixir group of companies has focused on reducing its cost base throughout FY20/21 to ensure that there will be sufficient funding to reach a data milestone in FY21/22 and has successfully reduced its monthly burn rate to targeted levels of less than £150k per month.

Additional clinical trial sites and data milestone

Securing clinical trial sites in Europe and gaining the relevant approvals has mitigated the effect of SARS-CoV-2 and will allow Celixir to reach a data milestone within 6 months of the trial restarting. The CRO (Clinical Research Organisation) engaged to lead the trial overseas is making good progress with the set-up arrangements.

ON BEHALF OF THE BOARD:



Mr A T Reginald - Director

15 July 2021

Celixir Limited

Report of the Directors for the period 1 August 2020 to 31 March 2021

The directors present their report with the financial statements of the company for the period 1 August 2020 to 31 March 2021.

PRINCIPAL ACTIVITY

Celixir is a clinical development stage bio-pharmaceutical group formed as Cell Therapy Ltd in 2009 based on the pioneering work of co-founder, Professor Sir Martin Evans, winner of the 2007 Nobel Prize for Medicine.

Celixir Limited is the parent company of the group; the activities of the group span research, development, commercialisation and manufacture of cellular medicines.

DIVIDENDS

No dividends will be distributed for the period ended 31 March 2021.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2020 to the date of this report.

Dr D M Disley
Sir M J Evans
Mr C Hurvitz
Mr A T Reginald

Other changes in directors holding office are as follows:

Professor F E Murray - resigned 19 November 2020

POLITICAL DONATIONS AND EXPENDITURE

The Company made no political or charitable donations in the period (year to 31st July 2020: £nil) and incurred no political expenditure during the period (2020: £nil).

**Report of the Directors
for the period 1 August 2020 to 31 March 2021**

GOING CONCERN

The directors have prepared these financial statements on the basis that Celixir Limited ("the Company") is a going concern and is able to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements.

At 31st March 2021, the Celixir Group had cash available of £1.4m (31st July 2020: £1.2m). Since the period end, the Group has incurred cash expenses of approximately £500k, resulting in cash balances of £900k at the date of these financial statements.

The ability of Celixir group of companies to continue operations in its current capacity is dependent on additional equity finance being raised, which is dependent on data from the clinical trial. Discussions with prospective investors are in progress. In addition, opportunities continue to be considered to build on the out-license of Heartcel™ to Daiichi Sankyo for Japan, by out-licensing in additional geographies. Any such out-license would be expected to include significant upfront payments to the Group.

The principal operational objective of the Celixir group remains undertaking the planned clinical trial for Heartcel™ in Europe, positive data from which would be expected to result in significant interest from prospective investors and licensing partners.

However, the directors recognise that there remains uncertainty in relation to the outcome of such discussions and that there is no certainty that the targeted funding will be secured. Accordingly, the directors have planned for a range of potential scenarios for the business. In the absence of additional funding being secured, there would be a focus on supporting the development of Heartcel™ in Japan by Daiichi Sankyo, and the directors would implement further cost savings to deliver the clinical trial.

The directors have prepared working capital projections for the Celixir group of companies, which demonstrate that the group is able to meet its liabilities as they fall due for the period to 31st July 2022, whilst continuing to deliver its principal operational objective.

Given the nature of the business, the directors 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.

On the basis of the above, the directors have concluded that it remains appropriate to prepare these financial statements on the going concern basis.

CHANGE OF COMPANY NAME

On 22nd day of January 2021 the company, being a public limited company, re-registered under S.102-104 of the Companies Act 2006 as a private company limited by shares. The company's name was changed from Celixir PLC to Celixir Limited.

**Report of the Directors
for the period 1 August 2020 to 31 March 2021**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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. They are 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Grenfell James Audit LLP, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mr A T Reginald - Director

15 July 2021

Report of the Independent Auditors to the Members of Celixir Limited

Opinion

We have audited the financial statements of Celixir Limited (the 'company') for the period ended 31 March 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report of the Independent Auditors to the Members of Celixir Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of Celixir Limited

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (UK GAAP, FRS 102, Companies Act 2006), and the relevant tax compliance regulations. In addition we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations relating to health and safety, employee matters, environmental and bribery and corruption practices.

We understood how the Company is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. We considered the risk of fraud through management override and concluded that this presented limited risk. We also considered the possibility of fraudulent or corrupt payments made through third parties and conducted testing on third party vendors. These procedures included the testing of transactions back to source information and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above. Our procedures involved journal entry testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business.

We did not identify any material instances of non-compliance with laws and regulations

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

We found no evidence of fraud, and noted that there is no obvious incentive for management override, and consider that the audit team collectively had the appropriate competence to identify non-compliance with laws and regulations. Our audit work led us to conclude that the risk of material misstatement was low.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
Celixir Limited**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Edward Grenfell James (Senior Statutory Auditor)
for and on behalf of Grenfell James Audit LLP, Statutory Auditor
13 The Courtyard
Timothy's Bridge Road
Stratford Upon Avon
Warwickshire
CV37 9NP

15 July 2021

Celixir Limited

**Statement of Comprehensive Income
for the period 1 August 2020 to 31 March 2021**

	Notes	period 1.8.20 to 31.3.21 £	year ended 31.7.20 £
TURNOVER		-	-
Administrative expenses		4,604	143,328
OPERATING LOSS and LOSS BEFORE TAXATION		(4,604)	(143,328)
Tax on loss	5	-	-
LOSS FOR THE FINANCIAL PERIOD		(4,604)	(143,328)
OTHER COMPREHENSIVE INCOME			
Share option reserve movement		9,184	(31)
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX		9,184	(31)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		4,580	(143,359)

The notes form part of these financial statements

Celixir Limited (Registered number: 10541091)

**Balance Sheet
31 March 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Investments	6	4,263,347	4,258,389
CURRENT ASSETS			
Debtors	7	550,066	-
Cash at bank		680,033	1,230,477
		<u>1,230,099</u>	<u>1,230,477</u>
CREDITORS			
Amounts falling due within one year	8	<u>132,427</u>	<u>132,427</u>
NET CURRENT ASSETS		<u>1,097,672</u>	<u>1,098,050</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,361,019</u>	<u>5,356,439</u>
CAPITAL AND RESERVES			
Called up share capital	9	62,240	62,240
Share premium	10	3,567,174	3,567,174
Share based payment reserve	10	1,260,120	1,250,936
Treasury shares	10	(145,134)	(145,134)
Merger reserve	10	10,981,212	10,981,212
Retained earnings	10	<u>(10,364,593)</u>	<u>(10,359,989)</u>
SHAREHOLDERS' FUNDS		<u>5,361,019</u>	<u>5,356,439</u>

The financial statements were approved by the Board of Directors and authorised for issue on 15 July 2021 and were signed on its behalf by:



Mr A T Reginald - Director

The notes form part of these financial statements

**Statement of Changes in Equity
for the period 1 August 2020 to 31 March 2021**

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 August 2019	62,161	(10,216,661)	3,406,681
Changes in equity			
Issue of share capital	79	-	160,493
Total comprehensive income	-	(143,328)	-
Balance at 31 July 2020	<u>62,240</u>	<u>(10,359,989)</u>	<u>3,567,174</u>
Changes in equity			
Total comprehensive income	-	(4,604)	-
Balance at 31 March 2021	<u><u>62,240</u></u>	<u><u>(10,364,593)</u></u>	<u><u>3,567,174</u></u>

	Share based payment reserve £	Treasury shares £	Merger reserve £	Total equity £
Balance at 1 August 2019	1,250,967	(145,134)	10,981,212	5,339,226
Changes in equity				
Issue of share capital	-	-	-	160,572
Total comprehensive income	(31)	-	-	(143,359)
Balance at 31 July 2020	<u>1,250,936</u>	<u>(145,134)</u>	<u>10,981,212</u>	<u>5,356,439</u>
Changes in equity				
Total comprehensive income	9,184	-	-	4,580
Balance at 31 March 2021	<u>1,260,120</u>	<u>(145,134)</u>	<u>10,981,212</u>	<u>5,361,019</u>

The notes form part of these financial statements

Celixir Limited

**Cash Flow Statement
for the period 1 August 2020 to 31 March 2021**

	Notes	period 1.8.20 to 31.3.21 £	year ended 31.7.20 £
Cash flows from operating activities			
Cash generated from operations	1	4,514	(132,797)
Net cash from operating activities		<u>4,514</u>	<u>(132,797)</u>
Cash flows from investing activities			
Purchase of fixed asset investments		(4,958)	-
Net cash from investing activities		<u>(4,958)</u>	<u>-</u>
Cash flows from financing activities			
Intercompany Loans		(550,000)	132,427
Share issue		-	79
Net cash from financing activities		<u>(550,000)</u>	<u>132,506</u>
Decrease in cash and cash equivalents		<u>(550,444)</u>	<u>(291)</u>
Cash and cash equivalents at beginning of period	2	1,230,477	1,230,768
Cash and cash equivalents at end of period	2	<u><u>680,033</u></u>	<u><u>1,230,477</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the period 1 August 2020 to 31 March 2021**

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	period 1.8.20 to 31.3.21 £	year ended 31.7.20 £
Loss before taxation	(4,604)	(143,328)
Share Based Payment	9,184	10,531
	<u>4,580</u>	<u>(132,797)</u>
Increase in trade and other debtors	(66)	-
Cash generated from operations	<u><u>4,514</u></u>	<u><u>(132,797)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 31 March 2021

	31.3.21 £	1.8.20 £
Cash and cash equivalents	<u><u>680,033</u></u>	<u><u>1,230,477</u></u>

Year ended 31 July 2020

	31.7.20 £	1.8.19 £
Cash and cash equivalents	<u><u>1,230,477</u></u>	<u><u>1,230,768</u></u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.8.20 £	Cash flow £	At 31.3.21 £
Net cash			
Cash at bank	<u>1,230,477</u>	<u>(550,444)</u>	<u>680,033</u>
	<u>1,230,477</u>	<u>(550,444)</u>	<u>680,033</u>
Total	<u><u>1,230,477</u></u>	<u><u>(550,444)</u></u>	<u><u>680,033</u></u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the period 1 August 2020 to 31 March 2021**

1. STATUTORY INFORMATION

Celixir Limited is a private company, 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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going Concern

The directors have prepared these financial statements on the basis that Celixir Limited ("the Company") is a going concern and is able to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements.

At 31st March 2021, the Celixir Group had cash available of £1.4m (31st July 2020: £1.2m). Since the period end, the Group has incurred cash expenses of approximately £500k, resulting in cash balances of £900k at the date of these financial statements.

The ability of Celixir group of companies to continue operations in its current capacity is dependent on additional equity finance being raised, which is dependent on data from the clinical trial. Discussions with prospective investors are in progress. In addition, opportunities continue to be considered to build on the out-license of Heartcel™ to Daiichi Sankyo for Japan, by out-licensing in additional geographies. Any such out-license would be expected to include significant upfront payments to the Group.

The principal operational objective of the Celixir group remains undertaking the planned clinical trial for Heartcel™ in Europe, positive data from which would be expected to result in significant interest from prospective investors and licensing partners.

However, the directors recognise that there remains uncertainty in relation to the outcome of such discussions and that there is no certainty that the targeted funding will be secured. Accordingly, the directors have planned for a range of potential scenarios for the business. In the absence of additional funding being secured, there would be a focus on supporting the development of Heartcel™ in Japan by Daiichi Sankyo, and the directors would implement further cost savings to deliver the clinical trial.

The directors have prepared working capital projections for the Celixir group of companies, which demonstrate that the group is able to meet its liabilities as they fall due for the period to 31st July 2022, whilst continuing to deliver its principal operational objective.

Given the nature of the business, the directors 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.

On the basis of the above, the directors have concluded that it remains appropriate to prepare these financial statements on the going concern basis.

First year adoption of Financial Reporting Standard 102 (FRS 102)

These financial statements for the period ended 31 March 2021 are the first that are prepared in accordance with FRS 102. The previous financial statements were prepared in accordance with IFRS, the date of transition to FRS 102 is 1 August 2019.

**Notes to the Financial Statements - continued
for the period 1 August 2020 to 31 March 2021**

2. ACCOUNTING POLICIES - continued

Preparation of consolidated financial statements

The financial statements contain information about Celixir Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Significant judgements and estimates

In application of the Group's accounting policies above, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities. These estimates and assumptions are based on historical experience and other factors considered relevant. Actual results may differ from 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 if the revision affects only that period or in the period of the revision and future payments if the revision affects both current and future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment of intangible assets

Determining whether an intangible asset is impaired requires an estimation of the value in use of the asset. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. In relation to patents, it is assumed that patents applied for will be granted in due course unless the Group has evidence to suggest otherwise. If a patent application is not pursued or rejected an impairment loss will arise.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

**Notes to the Financial Statements - continued
for the period 1 August 2020 to 31 March 2021**

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- a) they include no contractual obligations on the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial asset for a fixed number of its own equity instruments.

To the extent that this definition is not met, the financial investment is classified as a financial liability.

Where the financial liability is in the form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 period 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Notes to the Financial Statements - continued
for the period 1 August 2020 to 31 March 2021**

2. ACCOUNTING POLICIES - continued

Share based payments

The Company issues equity settled share options to certain employees. The Black-Scholes option model is used to estimate the fair value of each option at date of grant. The fair value is expensed on a straight line basis over the vesting period based on the Company's estimate of the shares that will eventually vest.

Treasury shares

Shares of the Company purchased by the Celixir Limited Employee Benefit Trust are held at cost and shown as a deduction in equity.

3. EMPLOYEES AND DIRECTORS

	period 1.8.20 to 31.3.21 £	year ended 31.7.20 £
Wages and salaries	4,226	10,620

The average number of employees during the period was as follows:

	period 1.8.20 to 31.3.21	year ended 31.7.20
Directors	1	2

	period 1.8.20 to 31.3.21 £	year ended 31.7.20 £
Directors' remuneration	-	-

4. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	period 1.8.20 to 31.3.21 £	year ended 31.7.20 £
Foreign exchange differences	-	(12)

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the period ended 31 March 2021 nor for the year ended 31 July 2020.

Notes to the Financial Statements - continued
for the period 1 August 2020 to 31 March 2021

5. TAXATION - continued

Tax effects relating to effects of other comprehensive income

	1.8.20 to 31.3.21	
	Gross £	Tax £
Share option reserve movement	9,184	-
	<u>9,184</u>	<u>-</u>
	2020	
	Gross £	Tax £
Share option reserve movement	(31)	-
	<u>(31)</u>	<u>-</u>

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 August 2020	12,465,895
Additions	4,958
	<u>12,470,853</u>
At 31 March 2021	
PROVISIONS	
At 1 August 2020 and 31 March 2021	8,207,506
	<u>8,207,506</u>
NET BOOK VALUE	
At 31 March 2021	4,263,347
	<u>4,263,347</u>
At 31 July 2020	4,258,389
	<u>4,258,389</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Cell Therapy Limited

Registered office: Celixir House Stratford-Upon-Avon Business & Technology Park, Innovation Way,
Stratford-Upon-Avon, England, CV37 7GZ

Nature of business: Bio-pharmaceutical

	% holding	2021 £	2020 £
Class of shares:			
A Ordinary shares	100.00		
B Investment shares	100.00		
Aggregate capital and reserves		(9,825,532)	(9,091,235)
Loss for the period/year		(739,255)	(2,095,616)

Celixir Limited

Notes to the Financial Statements - continued for the period 1 August 2020 to 31 March 2021

6. FIXED ASSET INVESTMENTS - continued

Celixir Innovations Limited

Registered office: Celixir House Stratford-Upon-Avon Business & Technology Park, Innovation Way,
Stratford-Upon-Avon, England, CV37 7GZ

Nature of business: Dormant

	% holding		
Class of shares:			
Ordinary shares	100.00	30.4.21 £	30.4.21 £
Aggregate capital and reserves		<u>1</u>	<u>1</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Amounts owed by group undertakings	550,000	-
VAT	66	-
	<u>550,066</u>	<u>-</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Amounts owed to group undertakings	<u>132,427</u>	<u>132,427</u>

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2021 £	2020 £
6,184,849	A Ordinary	£0.01	61,849	61,770
39,138	B Investment Shares	£0.01	<u>391</u>	<u>391</u>
			<u>62,240</u>	<u>62,161</u>

The holders of A Ordinary shares and B Investment shares are entitled to receive dividends as declared from time to time. The holders of A Ordinary shares are entitled to one vote per share at meetings of the Company. B Investment shares are non-voting.

**Notes to the Financial Statements - continued
for the period 1 August 2020 to 31 March 2021**

10. RESERVES

	Retained earnings £	Share premium £	Share based payment reserve £
At 1 August 2020	(10,359,989)	3,567,174	1,250,936
Deficit for the period	(4,604)		
Share Options	-	-	9,184
At 31 March 2021	(10,364,593)	3,567,174	1,260,120
	Treasury shares £	Merger reserve £	Totals £
At 1 August 2020	(145,134)	10,981,212	5,294,199
Deficit for the period	-	-	(4,604)
Share Options	-	-	9,184
At 31 March 2021	(145,134)	10,981,212	5,298,779

Share premium and merger reserve

On 12 April 2017 a share for share exchange was enacted with the shareholders in Cell Therapy Limited ("CTL") receiving 3 shares in Celixir Limited for every share held in CTL. The share premium in CTL as at the date of the share exchange was transferred into the merger reserve of the Company.

Treasury shares

In March 2017, the Company entered into a trust deed to establish the Celixir Limited Employee Benefit Trust, into which it transferred £78,463 used by the trust to purchase B Investment shares in the Company. During 2018, the Company transferred £66,671 to the trust which it used to make purchases of A Ordinary shares. The shares were held as treasury shares by the Company at 31 July 2020 and 31st March 2021.

Equity-settled share option scheme

The Group has a share option scheme in which certain employees participate. On 12 April 2017 a share for share exchange was enacted with the shareholders in Cell Therapy Limited ("CTL") receiving 3 shares in Celixir Limited for every share held in CTL. At the exchange, share options granted to employees in CTL were cancelled, and replaced by new options using the same 3 for 1 ratio, with the exercise price of each option adjusted accordingly, such that there was no change in the value of the options immediately before and after the exchange. In all other respects, the terms regarding the exercise price and vesting period were unchanged. Options granted prior to the exchange are restated below as if they were options in Celixir Limited from initial grant.

The vesting period is usually three years. If options remain unexercised after a period ten years from the date of grant the options expire. Options are forfeited in full if the employee leaves the Company before the options vest, except where they are determined to be a good leaver by the Remuneration Committee, in accordance with the scheme rules. Where an employee is determined to be a good leaver, a proportion of the option vests and becomes exercisable.

**Notes to the Financial Statements - continued
for the period 1 August 2020 to 31 March 2021**

11. RELATED PARTY DISCLOSURES

As at 31st March 2021, the Company's directors and their immediate relatives controlled 49.18% of the voting shares of the company (31st July 2020: 72.69%).

Cell Therapy Hellas is a 99% subsidiary of Cell Therapy Ltd, a 100% subsidiary of the Company. As at 31st March 2021 there was an intercompany loan of £50,000 owed by Cell Therapy Hellas to the Company.

As at 31st March 2021 there was an intercompany loan of £500,000 owed by Cell Therapy Ltd to the Company.

As at 31st March 2021 there was an intercompany loan of £132,427 owed by the Company to Cell Therapy Ltd.

**Notes to the Financial Statements - continued
for the period 1 August 2020 to 31 March 2021**

12. SHARE-BASED PAYMENT TRANSACTIONS

The Group has granted share options in existence at the balance sheet date as follows:

Number	Exercise price	Dates exercisable
394,500	£0.33	21 July 2018 to 21 July 2025
420,924	£3.33	25 April 2019 to 25 April 2026
60,000	£8.33	26 September 2019 to 26 September 2026
48,000	£8.33	13 October 2019 to 13 October 2026
20,000	£8.33	17 October 2019 to 17 October 2026
3,000	£8.33	1 November 2019 to 1 November 2026
0	£11.67	1 August 2020 to 1 August 2027
3,336	£11.67	6 November 2021 to 6 November 2028
61,189	£11.67	26 February 2019 to 26 February 2029
58,347	£11.67	14 February 2023 to 14 February 2033
1,069,296		

Details of the share option movements in the year and share options outstanding at the year-end are as follows:

	Number of share options	2021 Weighted average exercise price	Number of share options	2020 Weighted average exercise price
Outstanding at beginning of period	1,102,517	£3.86	1,114,591	£3.94
Granted during the period	0			
Forfeited during the period	-33,555	£11.67	79,663	£11.67
Adjustments in period	333	£11.67	-91,737	£11.67
Exercised during the period	0			
Outstanding at the end of the period	1,069,295	£3.61	1,102,517	£3.86
Exercisable at the end of the period	1,002,911	£3.28	977,655	£3.06

	2021 years	2020 years
Weighted average remaining contractual life of options outstanding at year end	5.2	6

Share-based payment reserve

	2021 £	2020 £
At start of year	1,250,936	1,250,967
Charge / credit for the year	9,184	-31
At end of year	1,260,120	1,250,936

Notes to the Financial Statements - continued
for the period 1 August 2020 to 31 March 2021

The estimated fair value of the share options at the date of grant is calculated using the Black Scholes Option model, based on the following assumptions:

	2021	2020	2019	2018	2017
Probability adjusted weighted average share price	£4.28	£4.91	£4.91	£9.21	£8.11
Weighted average exercise price	£11.67	£11.67	£11.67	£9.10	£8.33
Weighted average expected volatility**	26%	24%	25%	25%	29%
Expected life (years)	10	10	10	10	10
Risk free interest rate***	0.50%	0.21%	0.60%	1.12%	0.44%
Expected dividend yields	0.00%	0.00%	0.00%	0.00%	0.00%

Weighted average share price

	2020	2019
Weighted average share price of shares issued for cash	20.39	20.39
Probability of success rates for Phase II to Phase III trials*	21.0%	24.1%
Probability adjusted weighted average share price of shares issued for cash	4.28	4.91

13. FIRST YEAR ADOPTION

These financial statements for the period ended 31st March 2021 are the first that are prepared in accordance with Financial Reporting Standard 102 (FRS 102). The previous financial statements were prepared in accordance with International Financial Reporting Standards (IFRS), the date of transition is 1st August 2019.

There have not been any adjustments to the financial statements as a result of the transition.

Celixir Limited

**Detailed Profit and Loss Account
for the period 1 August 2020 to 31 March 2021**

	period 1.8.20 to 31.3.21		year ended 31.7.20	
	£	£	£	£
Income		-		-
Expenditure				
Share option expense	4,226		10,620	
Accountancy	342		1	
Donations	-		250	
Foreign exchange losses	-		(12)	
Impairment losses for tangible fixed assets	-		132,427	
		4,568		143,286
		(4,568)		(143,286)
Finance costs				
Bank charges		36		42
NET LOSS		(4,604)		(143,328)

This page does not form part of the statutory financial statements