

## Sitala Bio Limited

**Directors' report and unaudited financial  
statements**

**Period from date of incorporation on 4 May 2021  
to 31 December 2021**

***Company registration number: 13375361***

THURSDAY



\*AB6B5WT7\*

A17

16/06/2022

#132

COMPANIES HOUSE

## **Sitala Bio Limited**

### **Directors' report and unaudited financial statements**

<b><i>Contents</i></b>	<b><i>Page</i></b>
<b>Directors and other information</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Statement of directors' responsibilities in respect of the directors' report and the financial statements</b>	<b>3</b>
<b>Chartered Accountants' report to the Board of Directors on compilation of the unaudited statutory financial statements of Sitala Bio Limited</b>	<b>4</b>
<b>Profit and loss account</b>	<b>5</b>
<b>Balance sheet</b>	<b>6</b>
<b>Statement of changes in equity</b>	<b>8</b>
<b>Notes forming part of the unaudited financial statements</b>	<b>9</b>

# **Sitala Bio Limited**

## **Directors and other information**

### **Directors**

**Matthew Allister Cooper  
Dr Peter Thompson  
Dr Marco Boorsma**

### **Registered office**

**Unit D6,  
Grain House  
Mill Court  
Great Shelford  
Cambridge  
England  
CB22 5LD**

### **Company number**

**13375361**

# Sitala Bio Limited

## Directors' report

The directors present their directors' report and financial statements of the company for the period from date of incorporation on 4 May 2021 to 31 December 2021.

### Principal activity and business review

Results for the period are set out on page 5 of the financial statements and in the related notes.

The principal activity of the company is that of a research and development company. In the opinion of the directors the company will increase its research and development activities as the science progresses. The company's research and development is progressing to plan and the directors are satisfied that the company has sufficient cash on hand and access to further funding to be able to trade for a period of at least one year from the date of approval of the financial statements.

### Dividends

During the financial period the directors have not paid any dividends or recommended payment of a final dividend.

### Directors

The directors who held office during the period are as follows:

Matthew Allister Cooper  
Dr Peter Thompson  
Dr Marco Boorsma

### Political contributions

The Company made no political donations or incurred any political expenditure during the period.

### Future developments in the Business

The Company will continue research and development during 2022 and, subject to unforeseen difficulties. The directors expect the general level of activity to continue for the foreseeable future.

### Research and development

The Company is involved in research and development activities and during the period incurred £418,404 of research costs that were expensed.

### Principal risks and uncertainties

The key risks facing the company are its reliance on certain key management personnel together with the inherent uncertainty in performing research and development to develop pharmaceutical products.

On behalf of the board

DocuSigned by:  
  
5C5838DA7A3745D..  
Matthew Cooper  
Director

DocuSigned by:  
  
4F418BC84428410..  
Marco Boorsma  
Director

18 May 2022

## Sitala Bio Limited

### Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, including Section 1A.

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 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

On behalf of the board

DocuSigned by:  
  
5C5838DA7A3745D...

Matthew Cooper  
Director

DocuSigned by:  
  
4F419BC84428410...

Marco Boorsma  
Director

18 May 2022



**KPMG**  
**Audit**  
The Soloist Building  
1 Lanyon Place  
Belfast BT1 3LP  
Northern Ireland

**Chartered Accountants' report to the Board of Directors on compilation of the unaudited statutory financial statements of Sitala Bio Limited**  
*For the period ended 31 December 2021*

In accordance with the terms of our engagement letter dated 8 December 2021 and to assist you to fulfil your duties under the Companies Act 2006, we have compiled for your approval the financial statements of Sitala Bio Limited (the Company) for the period ended 31 December 2021 which comprises profit and loss account, balance sheet and the related notes from the Company's accounting records and from information and explanations you have given us.

This report is made solely to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile, for approval by the Company's Board of Directors, the financial statements that we have been engaged to compile, report to the Company's Board of Directors, as a body, that we have done so, and state those matters that we have agreed to state to them in this report, 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 Board of Directors, as a body, for our work, or for this report.

We performed our work in accordance with the International Standard on Related Services 4410 Engagements to Compile Financial Statements issued by the International Auditing and Assurance Standards Board. We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code).

As set out on page 3, you have acknowledged your duty to ensure that the Company has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit/loss of the Company, and for electing to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland international accounting standards in conformity with the requirements of the Companies Act 2006. You consider that the Company is exempt from the statutory requirement for an audit for the period.

We have not been instructed to carry out an audit or a review of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.

A handwritten signature in black ink, appearing to be 'W. M. G.' or similar, written in a cursive style.

**KPMG**  
Chartered Accountants  
The Soloist Building  
1 Lanyon Place  
Belfast  
BT1 3LP

19 May 2022

# Sitala Bio Limited

## Profit and loss account for the period ended 31 December 2021

	Note	2021 £
Turnover		-
Cost of sales		-
		<hr/>
Gross profit/(loss)		-
Administrative expense	2	(230,178)
Research and development expense	2	(418,404)
		<hr/>
Operating loss		(648,582)
		<hr/>
Loss before taxation		(648,582)
Tax on loss	5	-
		<hr/>
Loss for the financial period		<u>(648,582)</u>

All the activities of the company are from continuing operations.

The company has no other comprehensive income or loss for the financial period as set out above, accordingly no statement of other comprehensive income has been prepared.

The notes on pages 9 to 14 form part of these financial statements.

## Sitala Bio Limited

### Balance sheet as at 31 December 2021

	Note	2021 £
<b>Current assets</b>		
Debtors	6	58,057
Cash at bank and in hand		5,577,154
		<hr/>
		5,635,211
		<hr/>
<b>Creditors: amounts falling due within one period</b>	7	(268,756)
<b>Net current assets</b>		<hr/> 5,366,455
<b>Total assets less current liabilities</b>		<hr/> 5,366,455
<b>Net assets</b>		<hr/> 5,366,455
		<hr/>
<b>Capital and reserves</b>		
Called up share capital presented as equity	8	80
Share premium	8	6,014,957
Profit and loss account		(648,582)
		<hr/>
<b>Shareholders' equity</b>		<hr/> 5,366,455
		<hr/>

Advantage has been taken of the audit exemptions available for small companies conferred by Section 477 of the Companies Act 2006 on the grounds:

- that for the period ended 31 December 2021 the Company was entitled to the exemption from a statutory audit under Section 477 of the Companies Act 2006; and
- that no notice has been deposited under Section 476 of the Companies Act 2006 in relation to the financial statements for the financial period.

The directors acknowledge their responsibilities for:

- ensuring that the Company keeps proper accounting records which comply with the Companies Act 2006; and
- preparing financial statements which give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2021 and of its profit or loss for the period then ended in accordance with the requirements of the Companies Act 2006 relating to financial statements, so far as are applicable to the Company.



## Sitala Bio Limited

### Balance sheet *(continued)*

The financial statements have been prepared in accordance with the provisions in Part 15 of the Companies Act 2006 applicable to companies subject to the small companies regime and in accordance with the provisions of Section 1A FRS 102.

On behalf of the board

DocuSigned by:  
  
Ma 5C5839DA7A3745D...  
Director

DocuSigned by:  
  
4F418BC84428410...  
Marco Boorsma  
Director

18 May 2022

Company registration number: 13375361.

The notes on pages 9 to 14 form part of these financial statements.

## Sitala Bio Limited

### Statement of changes in equity for the period ended 31 December 2021

	Called up share capital £	Share premium account £	Profit and loss account £	Total £
<b>Balance at 4 May 2021</b>	80	6,014,957	-	6,015,037
<i>Total comprehensive income for the period</i>				
Profit or loss	-	-	(648,582)	(646,582)
	<hr/>	<hr/>	<hr/>	<hr/>
Total comprehensive income for the period	-	-	(648,582)	(646,582)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total contributions by and distributions to owners</b>				
	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2021</b>	<b>80</b>	<b>6,014,957</b>	<b>(648,582)</b>	<b>5,366,455</b>
	<hr/>	<hr/>	<hr/>	<hr/>

The notes on pages 9 to 14 form part of these financial statements.

# Sitala Bio Limited

## Notes

*forming part of the financial statements*

### 1 Accounting policies

Sitala Bio Limited ("the company") is a private company incorporated, domiciled and registered in the UK. The registered number is 13375361 and the registered address is Unit D6, Grain House Mill Court, Great Shelford Cambridge, England CB22 5LD.

These financial statements were prepared in accordance with Section 1A of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (UK Generally Accepted Practice applicable to Smaller Entities).

The presentation currency of these financial statements is sterling.

Under FRS 102 the Company is exempt from the requirement to prepare a cashflow statement on the grounds of its size.

#### 1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

#### 1.2 Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the directors' report.

#### 1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are generally recognised in the profit and loss account.

#### 1.4 Financial instruments

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

# Sitala Bio Limited

## Notes (continued)

### 1 Accounting policies (continued)

#### 1.5 Goodwill, negative goodwill and intangible assets

##### *Research and development*

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

#### 1.6 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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.

# Sitala Bio Limited

## Notes (continued)

### 2 Expenses and auditor's remuneration

Included in profit/loss are the following:

	2021 £
Research and development expense	418,404
Administrative expenses	227,945
	<hr/> 646,350 <hr/>

### 3 Staff costs

The average number of persons employed by the company during the financial period, including the directors, was as follows:

	2021 Number
Administrative	3
Research and development	-
	<hr/> 3 <hr/>

The aggregate payroll costs incurred during the financial period were:

	2021 £
Wages and salaries	162,596
Pension	7,408
Social insurance costs	20,506
Healthcare	2,237
	<hr/> 97,792 <hr/>

### 4 Directors' remuneration

	2021 £
The directors' aggregate remuneration was as follows:	
Directors' bonus relating to the period	42,923
	<hr/> 42,923 <hr/>

# Sitala Bio Limited

## Notes (continued)

### 5 Tax on loss on ordinary activities

#### (a) Total tax expense recognised in the profit and loss account

	2021 £
<i>Current corporation tax</i>	
Current tax on income for the period	-
	<hr/>
<b>Total current tax</b>	-
<i>Deferred tax</i>	
Origination and reversal of timing differences	-
Total deferred tax	-
	<hr/>
<b>Tax on loss on ordinary activities</b>	<hr/> <hr/>

The tax charge for the year is higher than the standard rate of tax in the UK. The difference is explained below.

#### (b) Reconciliation of effective tax rate

	2021 £
Loss for the period	(648,582)
Total tax expense	-
	<hr/>
Loss excluding taxation	(648,582)
<i>Tax using the UK corporation tax rate of 19%</i>	(123,231)
Effect of tax rates in foreign jurisdictions	
Expenses not deductible for tax purposes	15,378
Additional deduction for R&D tax credit refund	(77,880)
Surrender of tax losses for R&D tax credit refund	137,788
Remeasurement of deferred tax changes in tax rates	(15,141)
Movement in deferred tax not recognised	63,086
	<hr/>
<b>Total tax expense included in profit or loss</b>	<hr/> <hr/>

#### (c) Factors which may affect future tax charges

An increase in the UK corporation tax rate to 25% (effective 1 April 2023) was substantially enacted on 10 June 2021. This will increase the Company's future tax charges accordingly.

# Sitala Bio Limited

## Notes (continued)

<b>6 Debtors</b>	<b>2021</b>
	<b>£</b>
<i>Current</i>	
Prepayments and accrued income	1,457
Other debtors	15,147
VAT	41,453
	<hr/>
	<b>58,057</b>
	<hr/>

<b>7 Creditors: amounts falling due within one period</b>	<b>2021</b>
	<b>£</b>
Trade creditors	73,706
PAYE and social welfare	19,232
Accruals	175,819
	<hr/>
	<b>268,757</b>
	<hr/>

<b>8 Share capital</b>	<b>2021</b>
	<b>£</b>
Balance at 4 May 2021	-
<i>Amounts presented in equity</i>	
Share capital ordinary shares of £0.00001	80
Share premium	6,014,957
	<hr/>
Balance at 31 December 2021	<b>6,015,037</b>
	<hr/>

## 11 Related party transactions

During period the Company received a shareholder loan of £500k from Matthew Cooper on 17<sup>th</sup> July 2021, which was subsequently converted into share capital on 4<sup>th</sup> October 2021.

## 12 Accounting estimates and judgements

Key sources of estimation uncertainty

There are no key sources of estimation and no key accounting estimates and judgements.

## Sitala Bio Limited

### Notes *(continued)*

#### **10 Events after the end of the reporting period**

There have been no significant events affecting the Company since the end of the financial period

#### **13 Approval of financial statements**

The board of directors approved these financial statements for issue on 18 May 2022.