

Registered number: 05494036

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**UNDO LIMITED**

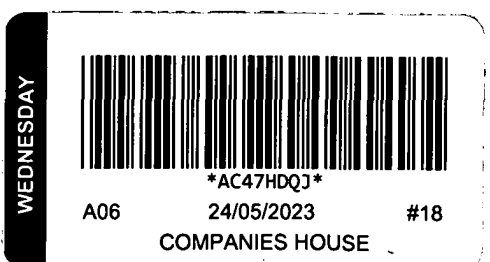
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**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2022**



**UNDO LIMITED**  
**REGISTERED NUMBER: 05494036**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2022**

	Note	2022 £	2021 £
<b>FIXED ASSETS</b>			
Intangible assets	4	99,566	110,672
Tangible assets	5	9,191	33,979
Investments	6	8	8
		<u>108,765</u>	<u>144,659</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	7	810,946	2,215,327
Cash at bank and in hand		1,439,839	1,139,852
		<u>2,250,785</u>	<u>3,355,179</u>
Creditors: amounts falling due within one year	8	(320,231)	(1,522,144)
<b>NET CURRENT ASSETS</b>		<u>1,930,554</u>	<u>1,833,035</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,039,319</u>	<u>1,977,694</u>
Creditors: amounts falling due after more than one year	9	-	(3,920,000)
<b>NET ASSETS/(LIABILITIES)</b>		<u><u>2,039,319</u></u>	<u><u>(1,942,306)</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	10	1,064,929	8,265
Share premium account		23,186,947	19,880,038
Profit and loss account		(22,212,557)	(21,830,609)
		<u><u>2,039,319</u></u>	<u><u>(1,942,306)</u></u>

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**UNDO LIMITED**  
**REGISTERED NUMBER: 05494036**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2022**

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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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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 by:

*Greg Law*

**Dr G E W Law**  
**Director**

Date: 19 May 2023

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

## UNDO LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>At 1 January 2021</b>	8,239	19,867,438	(19,014,062)	861,615
Loss for the year	-	-	(3,082,586)	(3,082,586)
Movement on share options	-	-	266,039	266,039
Shares issued during the year	26	12,600	-	12,626
<b>At 1 January 2022</b>	8,265	19,880,038	(21,830,609)	(1,942,306)
Loss for the year	-	-	(454,856)	(454,856)
Movement on share options	-	-	72,908	72,908
Shares issued during the year	1,056,664	3,306,909	-	4,363,573
<b>AT 31 DECEMBER 2022</b>	<b>1,064,929</b>	<b>23,186,947</b>	<b>(22,212,557)</b>	<b>2,039,319</b>

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

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**UNDO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**1. GENERAL INFORMATION**

Undo Limited is a private company limited by shares and incorporated in England and Wales. Its registered office is 50 - 60 Station Road, Cambridge, England, CB1 2JH.

**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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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'.

**2.3 TURNOVER**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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**UNDO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (CONTINUED)****2.4 OPERATING LEASES**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**2.5 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 range from 3 to 6 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.

**2.6 INTEREST INCOME**

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

**2.7 FINANCE COSTS**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.8 BORROWING COSTS**

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**2.9 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 Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

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**UNDO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (CONTINUED)****2.10 SHARE-BASED PAYMENTS**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

**2.11 TAXATION**

Tax is recognised in profit or loss 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 balance sheet date in the countries where the Company operates and generates income.

**2.12 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.

The estimated useful lives range as follows:

Patents and licences	-	7	years
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**2.13 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.

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**UNDO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (CONTINUED)****2.13 TANGIBLE FIXED ASSETS (CONTINUED)**

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.

The estimated useful lives range as follows:

Short-term leasehold improvements	- Over the period of the lease
Fixtures and fittings	- 25 - 33% straight-line
Computer equipment	- 33% straight line

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.

**2.14 VALUATION OF INVESTMENTS**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.15 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.

**2.16 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.

**2.17 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.



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**UNDO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**2. ACCOUNTING POLICIES (CONTINUED)**

**2.18 PROVISIONS FOR LIABILITIES**

Provisions are made where an event has taken place that gives the Group 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 Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet 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 Balance Sheet.

**3. EMPLOYEES**

The average monthly number of employees, including directors, during the year was 31 (2021 - 46).

**4. INTANGIBLE ASSETS**

	<b>Patents £</b>
<b>COST</b>	
At 1 January 2022	213,976
Additions	17,655
At 31 December 2022	<u>231,631</u>
<b>AMORTISATION</b>	
At 1 January 2022	103,304
Charge for the year on owned assets	28,761
At 31 December 2022	<u>132,065</u>
<b>NET BOOK VALUE</b>	
At 31 December 2022	<u>99,566</u>
At 31 December 2021	<u>110,672</u>

## UNDO LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022

## 5. TANGIBLE FIXED ASSETS

	Short-term leasehold property £	Fixtures and fittings £	Computer equipment £	Total £
<b>COST OR VALUATION</b>				
At 1 January 2022	51,350	150,439	206,745	408,534
Additions	-	599	2,932	3,531
Disposals	(51,350)	-	(8,100)	(59,450)
At 31 December 2022	-	151,038	201,577	352,615
<b>DEPRECIATION</b>				
At 1 January 2022	49,249	144,768	180,538	374,555
Charge for the year on owned assets	2,101	5,331	20,887	28,319
Disposals	(51,350)	-	(8,100)	(59,450)
At 31 December 2022	-	150,099	193,325	343,424
<b>NET BOOK VALUE</b>				
At 31 December 2022	-	939	8,252	9,191
At 31 December 2021	2,101	5,671	26,207	33,979

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**UNDO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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**6. FIXED ASSET INVESTMENTS**

	Investments in subsidiary companies £
<b>COST OR VALUATION</b>	
At 1 January 2022	8
At 31 December 2022	<u>8</u>

**7. DEBTORS**

	2022 £	2021 £
Trade debtors	1,390	588,674
Amounts owed by group undertakings	549,259	1,101,129
Other debtors	223,512	495,263
Prepayments and accrued income	36,785	30,261
	<u>810,946</u>	<u>2,215,327</u>

Amounts owed by group undertakings includes total amounts due of £3,849,259 (2021: £3,901,129,) and a provision against the amounts due to £3,300,000 (2021 - £2,800,000).

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022 £	2021 £
Trade creditors	21,289	12,208
Amounts owed to group undertakings	-	560,174
Other taxation and social security	76,044	104,904
Other creditors	24,996	30,615
Accruals and deferred income	197,902	814,243
	<u>320,231</u>	<u>1,522,144</u>

Other creditors include contributions of £19,204 (2021 - £25,643) payable to the Company's defined contribution pension scheme at 31 December 2022.

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**UNDO LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

	2022 £	2021 £
Other loans	-	3,920,000
	<u>-</u>	<u>3,920,000</u>
	<u>-</u>	<u>3,920,000</u>

Other loans includes a convertible loan raised using matched funding from the Government's Future Fund. Interest is incurred at 8%. The Convertible loan has a 3 year term, maturing on 24 June 2023 if not converted into shares by this date. If the loan does not convert then a redemption premium of 100% of the principal loan value is payable on maturity in addition to the principal loan. If the loan converts, which happens on a financing round or sale/listing of the business, then the price per share shall be discounted by 20% (under certain conditions) in relation to the principal loan amount only and not any interest.

On 11 August 2022 the company closed a funding round raising £903,576 from existing investors (before expenses). On 12th August, following agreement with the UK Government's Future Fund the £3.5m convertible loan notes were exchanged for ordinary shares equivalent to approximately 16% of the fully diluted share capital of the company.

**10. SHARE CAPITAL**

	2022 £	2021 £
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
1,064,929,479 (2021 - 6,572,828) Ordinary shares of £0.001 each	1,064,929	6,573
Nil (2021 - 1,691,567) B Preferred shares of £0.001 each	-	1,692
	<u>1,064,929</u>	<u>8,265</u>
	<u>1,064,929</u>	<u>8,265</u>

During the year the Company issued 1,056,665,084 (2021 - 25,321) Ordinary shares resulting in an increase in share premium of £3,306,909 (2021 - £12,600).

In addition, 1,691,567 B Preferred Shares were redesignated to Ordinary shares.

**11. COMMITMENTS UNDER OPERATING LEASES**

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	17,946	29,678
	<u>17,946</u>	<u>29,678</u>
	<u>17,946</u>	<u>29,678</u>