Company Registration Number 06403643

EVGEN LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 March 2022

OFFICERS AND PROFESSIONAL ADVISERS

YEAR ENDED 31 MARCH 2022

The board of directors	Barry Clare Huw Jones Richard Moulson
Registered office	Alderley Park Congleton Road Nether Alderley Cheshire United Kingdom SK10 4TG
Auditor	RSM UK Audit LLP Statutory Auditor Chartered Accountants Third Floor, Centenary House 69 Wellington Street Glasgow G2 6HG
Legal advisers	Pinsent Masons LLP 30 Crown Place London EC2A 4ES

The directors present their report and the financial statements of the company for the year ended 31 March 2022.

Principal activities

The principal activities of the Company during the year were that of a clinical stage biotechnology company.

Evgen's ambition is to be the world leader in sulforaphane and sulforaphane-like compounds, establishing a leading position in pharmaceuticals based upon sulforaphane and related analogues. The strategy to achieve this objective is:

1. Ensure the continued development of the breast cancer programme. We will design and cost a clinical trial protocol and then seek non-dilutive funding for Evgen and/or an affiliated clinical institution to sponsor the trial.
2. Initiate other clinical programmes where there is compelling pre-clinical data, e.g., in glioblastoma
3. In addition, we will pursue opportunities to apply our intellectual property on stabilised sulforaphane to non-pharmaceutical opportunities which offer a more rapid route to market, such as the out-license to Juvenescence Ltd.

Evgen operates a virtual business model, outsourcing most R&D and all manufacturing activities. In relation to the COVID-19 epidemic, there have been minor delays to our pre-clinical and manufacturing outsourcers and with no on-going clinical trials we are not affected by the focus of trial sites on COVID-19.

Business Review

In the last year the Company had a strong focus on manufacturing and formulation and clinical trials preparation. This groundwork sets the stage for very visible progress in our development programmes in the current year.

The Company continues to focus our resources on specific diseases and developing these to proof of concept for onward out-licensing. This has allowed a focus on the opportunities appropriate to its size, capabilities and resources. Equally, and because of the breadth of opportunities in sulforaphane science, the Company enables academic and biopharma companies to access its technology in other areas where there is a compelling rationale, at minimal expenditure to Evgen.

The partnership with JuvLife, the dietary products and functional foods division of Juvenescence Ltd, is an additional application of the Sulforadex® technology in a field not otherwise able to be exploited. JuvLife has a well-qualified and experienced team that has made good progress during the last year. With a US market launch planned for around the end of 2023, this monetisation of the sulforaphane technology and expertise will provide valuable revenues and risk mitigation for shareholders, as well as validation of our strategy.

At the end of the year there was sufficient cash resources to fund the Company through the potential value enhancement points from both completion of current pre-clinical projects and, in particular, clinical data from both the Phase I/Ib volunteer and phase Ib/IIa glioblastoma trials. The Company is also going to be seeking to extend business partnerships around the technology and development pipeline.

Results and dividends

The loss for the year, after taxation, amounted to £301,000 (2021: £1,733,000). The directors have not recommended a dividend.

Directors

The directors who served the company during the year were as follows:

Barry Clare
Huw Jones
Richard Moulson

Auditor

RSM UK Audit LLP have expressed their willingness to continue in office as auditors for the year. A resolution to reappoint them will be presented at the forthcoming AGM.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Signed on behalf of the directors

Richard Moulson

Director

Registered office:

Alderley Park
Congleton Road
Nether Alderley
Cheshire
United Kingdom
SK10 4TG

Approved by the directors on 7 June 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31 MARCH 2022

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 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 year.

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; and

- 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.

In so far as the directors are, individually, aware:

- there is no relevant audit information of which the company's auditor is unaware; and

- each director has taken all steps that they ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EVGEN LIMITED

Opinion

We have audited the financial statements of Evgen Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of total comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (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 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's 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. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- gaining assurance over support provided to the Company by its parent;
- evaluating the integrity and accuracy of the cashflow forecasts prepared by management for the Group;
- assessing the appropriateness of assumptions and explanations provided by management to supporting information, where available;
- evaluating the accuracy and consistency of disclosures made in the financial statements in respect of principal risks and going concern.

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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 directors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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 is 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.

Auditor's 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 an auditor's report 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct or indirect impact on the financial statements are FRS 101, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included review of financial statement disclosures and testing to supporting documentation, completion of a disclosure checklist to identify areas of non-compliance and inspection of external tax advisor's provision and workings.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing the appropriateness of journal entries and other adjustments, assessing whether the judgements made in making accounting estimates are indicative of potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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

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 an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

ALAN AITCHISON (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Third Floor, Centenary House

69 Wellington Street

Glasgow

G2 6HG

7 June 2022

EVGEN LIMITED

STATEMENT OF TOTAL COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2022

	Note	2022 £000	*2021* *£000*
Revenue	**2**	-	*194*
Operating expenses			
Operating expenses		(365)	*(2,427)*
Share based compensation		-	-
		(365)	(2,427)
Operating loss	3	(365)	(2,233)
Loss on ordinary activities before taxation		(365)	*(2,233)*
Tax on loss on ordinary activities	6	64	*500*
Loss and total comprehensive loss for the financial year		(301)	(1,733)

All of the activities of the company are classed as continuing.

EVGEN LIMITED
Registered Number 06403643

BALANCE SHEET

AS AT 31 MARCH 2022

	Note	£000	2022 £000	*£000*	*2021 £000*
Fixed assets					
Intangible assets	7		53		66
Tangible assets	8		2		3
Current assets					
Debtors	9	78		576	
Cash at bank		697		471	
		775		1,047	
Creditors: Amounts falling due within one year	10	(11,788)		(11,773)	
Net current liabilities			(11,013)		(10,726)
Total assets less current liabilities			(10,958)		(10,657)
Net liabilities			(10,958)		(10,657)
Capital and reserves					
Called-up share capital	11		37		*37*
Share premium			2,103		*2,103*
Share based compensation			-		-
Profit and loss account			(13,098)		*(12,797)*
Shareholders' deficit			*(10,958)*		*(10,657)*

These accounts were approved by the directors and authorised for issue on 7 June 2022 and are signed on their behalf by:

Richard Moulson
Director

EVGEN LIMITED

STATEMENT OF CHANGES IN EQUITY

AS AT 31 MARCH 2022

	Share capital	Share premium	Share based compensation	Profit & loss account	Total equity
	£000	£000	£000	£000	£000
At 31 March 2020	**37**	**2,103**	**615**	**(11,679)**	**(8,924)**
Total comprehensive loss for the year	-	-	-	(1,733)	(1,733)
Share based payments - lapsed options	-	-	(615)	615	-
At 31 March 2021	**37**	**2,103**	**-**	**(12,797)**	**(10,657)**
Total comprehensive loss for the year	-	-	-	(301)	(301)
At 31 March 2022	**37**	**2,103**	**-**	**(13,098)**	**(10,958)**

1. Accounting policies

General information

Evgen Limited is a private company limited by shares, incorporated and domiciled in England and Wales. The financial statements are prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards. The Company's financial statements are presented in Sterling and all values are rounded to the nearest pound thousand (£'000) except when otherwise indicated.

Basis of preparation

The financial statements are prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and under the historical cost convention.

In accordance with FRS 101, the Company has taken advantage of the exemptions from the following disclosure requirements:

- IFRS 2 'Share based payments' – Available disclosure exemptions
- IFRS 7 'Financial Instruments: Disclosures' – Carrying amounts, fair values, interest income/expense and net gains/ losses for each category of financial instrument, risks associated with financial instruments (including management of risks, maximum credit risk, credit quality of financial assets, analysis of financial assets past due or impaired, maturity analysis for financial liabilities, sensitivity analysis for market risks)
- IFRS 13 'Fair Value Measurement' – The fair value hierarchy, fair value measurements, (including valuation technique(s) and inputs), if the highest and best use of a non-financial asset differs from its current use, the reason for non-recurring fair value measurements, for Level 3 fair value measurements; unrealised fair value gains/losses in the period, the valuation process and sensitivity analysis
- IAS 1 'Presentation of Financial Statements' – Comparative reconciliations of the opening and closing number of shares and carrying amounts of property, plant and equipment, and intangible assets, objectives, policies and processes for managing capital
- IAS 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes
- IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' – IFRSs that will impact future periods
- IAS 24 'Related Party Disclosures' – Compensation for key management personnel
- IAS 36 'Impairment of Assets' – Key assumptions in the measurement of the recoverable amount of assets and reasonable changes in those assumptions that result in impairment, where recoverable amount is based on fair value less costs of disposal; the valuation technique(s) used, and if fair value is not measured using a quoted price for an identical unit; the level in the fair value hierarchy, any change in the valuation technique(s) and the reason for the change

The financial statements of the Company are consolidated in the financial statements of Evgen

Pharma plc (the 'Group'). The consolidated financial statements of Evgen Pharma plc are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

Changes in accounting policy and disclosures
There are no changes to IFRS effective from 1 January 2021 which have a material impact on the Company.

Significant estimates and judgements
In preparing its financial statements, the Company has made significant judgements, estimates and assumptions that impact on the carrying value of certain assets and liabilities, income and expenses as well as other information reported in the notes. The Company periodically monitors such estimates and assumptions and makes sure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

The R&D tax credit figure of £64k (2021: credit of £497k) included in the accounts is a management estimate which is subject to amendment by HMRC.

The judgements made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements, and the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below:

Going concern
At 31 March 2022, the Company had cash of £0.7m and the Group had cash and cash equivalents, including short-term investments and cash on deposit, of £9.0m.

As part of their going concern review the Directors have followed the guidelines published by the Financial Reporting Council entitled "Guidance on Risk Management and Internal Control and Related Financial and Business Reporting".

The Company relies on its parent company, Evgen Pharma plc, for funding. The parent company has confirmed the provision of financial support to the Company at a level sufficient to enable the Company to meet its liabilities as they fall due, and will therefore not demand repayment of the amounts due from the Company for a period of at least the next 12 months from the date of approval of these financial statements. After making enquiries and taking into account management's estimate of future revenues and expenditure, the Directors have a reasonable expectation that Evgen Pharma plc will have adequate financial resources to enable the Company to continue in operation for the foreseeable future.

The Directors have prepared detailed financial forecasts and cash flows looking beyond 12 months from the date of the approval of these financial statements. In developing these forecasts, the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period.

The Directors estimate that the cash held by the Group together with known receivables will be sufficient to support the current level of activities to the fourth quarter of 2023. On the basis of the above and the continued financial support from the Company's parent entity, Evgen Pharma plc, the Directors have adopted the going concern basis of accounting in preparing the financial statements.

Currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or at an average rate for a period if the rates do not fluctuate significantly. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Intangible assets

Intangible assets with finite useful lives that are acquired externally are carried at cost less accumulated amortisation and impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives as below. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Licences – 10-20 years

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is charged so as to write off the costs of assets over their estimated useful lives, on a straight-line basis starting from the month they are first used, as follows:

Plant, fixtures and fittings – 4 years
IT Equipment – 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the Income Statement. At each reporting date, the Company reviews the carrying amounts of its property, plant and equipment assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue from right-to-use licences is recognised at the point in time that the performance condition is satisfied.

Research and development expenditure
All research and development costs, whether funded by third parties under licence and development agreements or not, are included within operating expenses and classified as such. Research and development costs relating to clinical trials are recognised over the period of the clinical trial based on information provided by clinical research organisations. All other expenditure on research and development is recognised as the work is completed.

All ongoing development expenditure is currently expensed in the period in which it is incurred. Due to the regulatory and other uncertainties inherent in the development of the Company's programmes, the criteria for development costs to be recognised as an asset, as prescribed by IAS 38, 'Intangible assets', are not met until the product has been submitted for regulatory approval, such approval has been received and it is probable that future economic benefits will flow to the Company. The Company does not currently have any such internal development costs that qualify for capitalisation as intangible assets.

Income tax
The tax expense or credit represents the sum of the tax currently payable or recoverable and the movement in deferred tax assets and liabilities.

(a) Current income tax
Current tax is based on taxable income for the period and any adjustment to tax from previous periods. Taxable income differs from net income in the Income Statement because it excludes items of income or expense that are taxable or deductible in other periods or that are never taxable or deductible. The calculation uses the latest tax rates for the period that have been enacted or substantively enacted by the dates of the Balance Sheet.

(b) Deferred tax
Deferred tax is calculated at the latest tax rates that have been substantially enacted by the reporting date that are expected to apply when settled. It is charged or credited in the Income Statement except when it relates to items credited or charged directly to equity, in which case it is also dealt with in equity.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income, and is accounted for using the liability method. It is not discounted.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable income will be available against which the asset can be utilised. Such assets are reduced to the extent that it is no longer probable that the asset can be utilised.

Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets and liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax assets are not recognised due to uncertainty concerning crystallisation.

Pension costs
The Company makes contributions to the private pension schemes of employees. These are expensed as incurred in the Statement of Comprehensive Income.

Operating segments
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of operating segments.

The Directors consider that there are no identifiable business segments that are subject to risks and returns different to the core business. The information reported to the Directors, for the purposes of resource allocation and assessment of performance is based wholly on the overall activities of the Company. The Company has therefore determined that it has only one reportable segment under IFRS 8.

The results and assets for this segment can be determined by reference to the Income Statement and Balance Sheet.

Financial instruments
Financial assets and financial liabilities are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

Trade and other receivables
Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. Appropriate provisions for estimated irrecoverable amounts are recognised in the Income Statement when there is objective evidence that the assets are impaired. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Cash and cash equivalents
Cash and cash equivalents consist of cash on hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade and other payables
Trade and other payables are initially measured at their fair value and are subsequently measured at their amortised cost using the effective interest rate method; this method allocates interest expense over the relevant period by applying the "effective interest rate" to the carrying amount of the liability.

Classification as debt or equity
Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions

of a financial liability and an equity instrument.

2. Revenue

	Year ended 31 March 2022 £'000	*Year ended 31 March 2021 £'000*
Revenue	-	*194*

No revenue was generated during the year ended 31 March 2022. The revenue booked in the year ended 31 March 2021 reflects the amount received for signature of the license agreement with Juvenescence in September 2020.

3. Operating loss

Operating loss is stated after charging:

	Year ended 31 March 2022 £'000	*Year ended 31 March 2021 £'000*
Research and development expenses:		
Amortisation of licences	13	*15*
Other research and development	62	*2,023*
Staff costs	212	*226*
Establishment and general:		
Foreign exchange loss	2	*9*
Auditor's remuneration - audit of the financial statements*	17	*17*
Other administrative expenses	59	*137*
Total operating expenses	**365**	*2,427*

*Non-audit fees have been disclosed in the consolidated financial statements.

4. Particulars of employees

The average number of staff employed by the Company during the financial year amounted to:

	2022	*2021*
	No	*No*
Number of staff	2	2

The aggregate payroll costs of the above were:

	2022	*2021*
	£'000	*£'000*
Wages and salaries	176	*188*
Employers National Insurance	22	*23*
Employers pension costs	13	*15*
	211	*226*

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was nil (2021: nil). All directors' remuneration is paid by the parent company, Evgen Pharma plc. The Company paid no remuneration of any nature, including pension contributions, to the directors during the year.

6. Taxation on ordinary activities

(a) Analysis of charge in the year

	2022	*2021*
	£'000	*£'000*
Current tax		
UK Corporation tax based on the results for the year at 19% (2021: 19%)	-	-
Adjustments in respect of prior periods	-	*3*
R&D tax credit	64	*497*
Net tax credit	**64**	*500*

(b) Factors affecting total tax charge

The tax charge for each year can be reconciled to the loss per the statement of comprehensive income as follows:

	2022	*2021*
	£'000	*£'000*
Loss on ordinary activities before taxation	(365)	(2,233)
Loss before tax at the effective rate of corporation tax in the United Kingdom of 19% (2021: 19%)	(69)	*(424)*
Effects of:		
Losses not recognised	69	*424*
Prior year adjustments	-	*3*
R&D tax credit	64	*497*
Tax credit for the year	**64**	*500*

The enacted UK corporation tax rate of 25% forms the basis for the deferred tax calculation (2021: 19%). At 31 March 2022, the Company had tax losses available for carry forward of approximately £9.5m (31 March 2021: £9.3m). The Company has not recognized deferred tax assets relating to these losses of £2.4m (2021: £1.7m). These assets are not recognised due to the uncertainty in the timing of crystallisation.

7. Intangible fixed assets

	Licences
	£'000
Cost	
At 31 March 2021 and 31 March 2022	168
Depreciation	
At 01 April 2021	102
Charge for the year	13
At 31 March 2022	115
Net book value	
At 31 March 2022	**53**
At 31 March 2021	*66*

Intangible assets constitute licenses to intellectual property. The remaining amortisation periods are between 4 months and 15 years.

8. Tangible fixed assets

	Fixtures & Fittings	**Computer Equipment & Software**	**Total**
	£'000	**£'000**	**£'000**
Cost			
At 01 April 2021	2	*26*	28
Additions	-	-	-
Disposals	-	(23)	(23)
At 31 March 2022	2	3	5
Depreciation			
At 01 April 2021	*2*	23	25
Charge for the year	-	1	1
Disposals	-	(23)	(23)
At 31 March 2022	2	1	3
Net book value			
At 31 March 2022	-	**2**	**2**
At 31 March 2021	-	*3*	*3*

9. Debtors

	2022	*2021*
	£'000	*£'000*
Trade and other receivables	14	*18*
Current tax receivable	64	*497*
Prepayments and accrued income	-	*61*
	78	*576*

10. Creditors: Amounts falling due within one year

	2022	*2021*
	£'000	*£'000*
Trade creditors	2	*-*
Amounts owed to group undertakings	11,746	*11,729*
Other taxation and social security	6	*4*
Other creditors	1	*2*
Accruals and deferred income	33	*38*
	11,788	*11,773*

11. Share capital

Allotted, called up and fully paid:

	2022		*2021*	
	No	£'000	*No*	*£'000*
Ordinary shares of £1 each	36,462	37	*36,462*	*37*

The Ordinary shares rank pari passu in all respects including in relation to dividends and repayment of capital, and have equal voting rights with one vote per share. There are no restrictions on the transferability of the shares.

Reserves

The share premium reserve represents the difference between the net proceeds of equity issues and the nominal share capital of the shares issued.

The share-based compensation reserve reflects the aggregate fair value of equity-settled share-based payment transactions.

Reserves classified as retained deficit represent accumulated losses. None of the reserves are distributable.

12. Ultimate parent company and controlling party

The directors consider Evgen Pharma plc, a company registered in England and Wales, to be the ultimate parent company.

Copies of the financial statements of Evgen Pharma plc are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

The directors consider there to be no ultimate controlling party.

13. Transactions with related parties

Group undertakings

The Company has taken advantage of the exemption under FRS 101 in regard to disclosure of transactions and balances with wholly-owned group companies.

Other related party transactions

There were no other related party transactions in the year (2021: Nil).