
EAGLE GENOMICS LIMITED

Unaudited Report and Financial Statements

Year ended 31 March 2020

Company Number: 06587071

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EAGLE GENOMICS LIMITED**COMPANY INFORMATION**

DIRECTORS	Anthony Finbow Clifford Meltzer Simon Thorpe Robert Genieser Delphine Gény-Stephann (appointed 3 December 2019)
COMPANY SECRETARY	Gavin Horn
REGISTERED NUMBER	06587071
REGISTERED OFFICE	The Biodata Innovation Centre Wellcome Genome Campus Hinxton Cambridge CB10 1DR
INDEPENDENT ACCOUNTANTS	BDO LLP Newton House Cambridge Business Park Cambridge CB4 0WZ
BANKERS	Lloyds TSB Bank Plc 95-97 Regent Street Cambridge CB2 1BQ

Eagle Genomics Limited is a private Company limited by shares and incorporated in England and Wales.

EAGLE GENOMICS LIMITED

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EAGLE GENOMICS LIMITED

DIRECTORS' REPORT

The directors present their report together with the unaudited financial statements for the year ended 31 March 2020.

Principal activity

The principal activity of the Company is the provision of an Enterprise Cloud software platform, the e[datascientist], together with associated services allowing global enterprises, primarily in the life sciences, health and fast-moving consumer good sectors, to fully exploit large scale, complex life sciences data. The Company's solutions enable its customers to bring new products and services to market, improve their business processes, accelerate product innovation and productivity and, therefore, enhance commercial performance.

Directors

The directors of the Company during the year and since the year end were:

Anthony Finbow

Simon Thorpe (resigned 10 September 2020)

Clifford Meltzer

Robert Genieser

Delphine Gény-Stephann (appointed 3 December 2019)

Miklós Kóbor (appointed 10 September 2020)

Alistair Watson (appointed 28 October 2022)

Going concern

The directors have prepared these financial statements on a going concern basis, which assumes that the Company will be successful in raising further capital from investors or securing revenue growth in the next 12 months. While the directors believe, based on discussions with investors that they will be successful in raising the additional capital as part of a final close to the current £20m funding round, these discussions are ongoing. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include any adjustments should the going concern basis of preparation be inappropriate.

Post balance sheet events

In September 2020 the Company raised a further £5m through the issuance of Series B shares. At this time, the £1.5m of convertible loan notes and £0.2m of Advanced Subscription Agreements outstanding at 31 March 2020 were converted into shares.

Between October 2021 and September 2022, the Company raised a further £7.8m through the issuance of Convertible Loan Notes. In October 2022, the Company raised a further £10m through the issuance of Series C shares. At this time, £7.8m of Convertible Loan Notes described above were converted into shares. In December 2022, the Company raised a further £2m through the issuance of Series C shares.

EAGLE GENOMICS LIMITED**DIRECTORS' REPORT (continued)**

Directors' responsibilities statement

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 period.

Directors' responsibilities statement (continued)

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;
- 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.

For the year ending 31st March 2020 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

Approved by the Board and signed on its behalf by:



Anthony Finbow

Director

Dated: 27 February 2023

EAGLE GENOMICS LIMITED**INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Turnover		467,843	986,123
Cost of sales		(104,080)	(52,189)
Gross profit		363,763	933,934
Administrative expenses		(4,337,513)	(2,701,605)
Other income		333,036	342,419
Operating loss	4	(3,640,714)	(1,425,252)
Interest receivable		134	222
Interest payable and similar expenses		(40,978)	-
Loss before taxation		(3,681,558)	(1,425,030)
Taxation credit on loss	5	-	157,783
Loss and total comprehensive income for the financial year		(3,681,558)	(1,267,247)

The results stated above are derived from continuing activities.

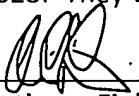
The notes on pages 8 to 19 form part of these financial statements.

EAGLE GENOMICS LIMITED**BALANCE SHEET AT 31 MARCH 2020**

Company Number: 06587071	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible assets	6		5,504		-
Tangible assets	7		19,839		10,880
Investment in subsidiaries			10,976		-
			36,319		10,880
Current assets					
Debtors	8	578,785		1,050,343	
Cash at bank		566,131		2,174,521	
		1,144,916		3,224,864	
Creditors: Amounts falling due within one year	9	(2,721,718)		(1,075,169)	
Net current assets			(1,576,802)		2,149,695
Total assets less current liabilities			(1,540,483)		2,160,575
Capital and reserves					
Called up share capital	11		960		960
Share based payment reserve			22,874		22,874
Share premium			5,745,771		5,765,270
Profit and loss account			(7,310,088)		(3,628,529)
Shareholders' funds			(1,540,483)		2,160,575

For the year ending 31st March 2020 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on 27 February 2023. They were signed on its behalf by:


Anthony Finbow
Director

The notes on pages 8 to 19 form part of these financial statements.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with FRS102 Section 1A Small Entities.

Basis of measurement

The financial statements have been prepared on a historical cost basis. The preparation of financial statements in compliance with FRS 102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the accounting policies.

The following principal accounting policies have been applied.

Going concern

At 31 March 2020, the Company had net assets of (£1,540,483), (2019: £2,160,575) and cash of £566,131. During the year, the Company raised £1.765m from investors through the issuance of convertible loan notes and advanced subscriptions.

The directors have prepared these financial statements on a going concern basis, which assumes that the Company will be successful in raising further capital from investors or securing revenue growth in the next 12 months. While the directors believe, based on discussions with investors that they will be successful in raising the additional capital as part of a final close to the current £20m funding round, these discussions are ongoing. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. The financial statements do not include any adjustments should the going concern basis of preparation be inappropriate.

Turnover

Turnover comprises the value of sales (excluding VAT) of goods and services in the normal course of business. All revenue is measured at fair value of consideration. The Company has different sources of revenue and the policy on revenue recognition of each is detailed below.

Software is sold under a subscription model and revenues cover the contractual period of use. They are recognised over the period to which the subscription fee relates.

Turnover relating to the provision of service contracts and custom development is recognised using a percentage of completion method.

EAGLE GENOMICS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

1. ACCOUNTING POLICIES (continued)*Pension costs*

Contributions to the Company's defined contribution pension scheme are charged to the income statement in the year in which they become payable. The assets of the scheme are held separately from those of the Company in an independently administered fund.

Intangible assets

Intangible assets are stated at historical cost less accumulated amortisation. Amortisation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases as shown below.

Website development costs	50% straight line
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Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases as shown below. Assets held under finance leases and hire purchase agreements are depreciated over the term of the lease.

Fixtures & Fittings	33% straight line
Computer equipment	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other income' on the statement of comprehensive income.

Leased assets

Rentals under operating leases are charged to the income statement on a straight-line basis over the lease term.

EAGLE GENOMICS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

1. ACCOUNTING POLICIES (continued)*Current and deferred taxation*

The charge for taxation is based on the profit or loss for the period and takes into account deferred taxation. Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

The recognition of deferred tax assets is limited 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 currency

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the income statement.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Grants

Grants are credited to the income statement as the related expenditure is incurred. The deferred element of grants is included in creditors as deferred income.

Holiday pay accrual

A liability is recognised to the extent that any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement accrued at the balance sheet date.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with maturities of three months or less subject to insignificant risk of changes in value.

EAGLE GENOMICS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

1. ACCOUNTING POLICIES (continued)*Financial Assets*

Financial assets are recognised at the transaction price and carried at amortised cost. If collection is expected in one year or less, they are classified as current assets, if not, they are presented as non-current assets. Provision against trade receivables is made when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the assets carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

Financial Liabilities

Financial liabilities are recognised at the transaction price and carried at amortised cost. They are classed as current liabilities if the payment is due within one year or less. If not, they are presented as non-current liabilities.

**2. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

In preparing these financial statements, the directors have had to make the following judgements:

Revenue – Management judgement has been applied in determining the allocation and timing of the recognition of revenue on contracts. Contracts can include both the sale of software subscriptions and the provision of services including integration and development. The Directors consider recognition of their separable components of revenue is appropriate based on the analysis of individual contracts, as this indicates the substance of the transaction as viewed by the customer.

Deferred tax asset - No deferred tax asset has been recognised on the loss as it is uncertain when the asset will be recovered.

3. EMPLOYEES

	2020 Number	2019 Number
The average number of employees, including directors, during the year were:		
Average number of employees	28	22
Employees at the end of the year	31	24

EAGLE GENOMICS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

4. OPERATING LOSS

	2020 £	2019 £
Operating loss is stated after charging:		
Depreciation of tangible fixed assets:		
- Owned by the Company	10,003	7,409
Share based payment charge	-	22,874
Pension costs	83,906	55,778

During the year, 14% of turnover (2019 – 14%) was attributable to markets outside the UK.

5. TAX ON LOSS FROM ORDINARY ACTIVITIES

	2020 £	2019 £
Analysis of tax credit in the year		
Current tax		
UK corporation tax credit on loss for the year	-	(157,792)
Adjustment to prior years	-	-
Tax on loss on ordinary activities	-	(157,792)

The Company has tax losses and other timing difference of approximately £5,852,450 (2019: £2,190,891) available to set against future profit. No deferred tax asset has been recognised on these losses as it is uncertain when the asset will be recovered.

EAGLE GENOMICS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

6. INTANGIBLE FIXED ASSETS

	Website £
Cost	
At 1 April 2019	5,400
Additions	10,060
Disposals	-
	<hr/>
At 31 March 2020	15,460
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Depreciation	
At 1 April 2019	5,400
Charge for the year	4,556
On disposals	-
	<hr/>
At 31 March 2020	9,956
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Net book value	
At 31 March 2020	5,504
	<hr/>
At 31 March 2019	-
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EAGLE GENOMICS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

7.**TANGIBLE FIXED ASSETS**

	Fixtures & fittings £	Computer equipment £	Total £
Cost			
At 1 April 2019	11,496	37,976	49,472
Additions	1,616	17,346	18,962
Disposals	-	(3,939)	(3,939)
At 31 March 2020	13,112	51,383	64,495
Depreciation			
At 1 April 2019	10,828	27,764	38,592
Charge for the year	641	9,362	10,003
On disposals	-	(3,939)	(3,939)
At 31 March 2020	11,469	33,187	44,656
Net book value			
At 31 March 2020	1,643	18,196	19,839
At 31 March 2019	668	10,212	10,880

EAGLE GENOMICS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

8. DEBTORS

	2020 £	2019 £
Trade receivables	172,631	38,850
Other debtors	289,603	699,016
Owed by group companies	75,920	-
Corporation tax recoverable	-	157,783
Prepayments and accrued income	40,631	154,694
	578,785	1,050,343

9. CREDITORS

	2020 £	2019 £
Trade payables	152,459	129,977
Taxation and social security	147,450	190,778
Other creditors	9,534	9,771
Accruals and deferred income	606,297	744,643
Loans	1,805,978	-
	2,721,718	1,075,169

EAGLE GENOMICS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

10. COMMITMENTS UNDER OPERATING LEASES

As at 31 March 2020, the Company had total future minimum commitments under non-cancellable operating leases as set out below.

	2020	2019
	£	£
Expiry date:		
Within one year	12,225	48,757
Between 2 and 5 years	-	12,225
Total	12,225	60,982

11. SHARE CAPITAL

	2020	2019
	£	£
Allotted, called up and fully paid		
55,604 (2019: 55,554) Ordinary shares of £0.01 each	556	556
40,441 (2019: 40,411) Series A shares of £0.01 each	404	404
Total	960	960

During the year, the Company issued 50 Ordinary shares as a result of the exercise of employee share options.

EAGLE GENOMICS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

12 SHARE OPTIONS

The Company offers its employees an equity-settled share-based remuneration scheme as part of a long-term incentive plan to retain and reward key staff.

Option scheme:

	Weighted average exercise price (pence) 2020	Number 2020	Weighted average exercise Price (pence) 2019	Number 2019
Outstanding at the beginning of the year	1,677	5,978	1,677	6,993
Granted during the year	2,654	15,208	2,654	850
Lapsed during the year	(76)	(330)	(322)	(1,281)
Exercised during the year	(9)	(50)	(115)	(584)
Outstanding at the end of the year	2,377	20,806	2,217	5,978

The exercise price of options outstanding at the end of the year were between 1,250p and 2,654p (2019 – between 1,250p and 2,654p) and their weighted average remaining contractual life was 7.88 years (2019 – 3.41 years). None of the total number of options outstanding at the end of the year had vested. The following information is relevant in the determination of the fair value of options granted during the current and previous years under the equity-settled share-based remuneration schemes operated by Eagle Genomics Limited.

	2020	2019
Equity-settled		
Option pricing model used	Black-Scholes	Black-Scholes
Weighted average share price at grant date (pence)	10,158p	8,847p
Exercise price (pence)	2,654p	2,654p
Weighted average contractual life (years)	7.88	3.41
Expected volatility	50%	50%
Expected dividend growth rate	-	-
Risk-free interest rate	1.60%	2.81%

EAGLE GENOMICS LIMITED**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

12 SHARE OPTIONS (CONTINUED)

The share-based remuneration expense comprises:

	2020	2019
	£	£
Equity-settled schemes	-	22,874

The Company did not enter any share-based payment transactions with parties other than employees during the current period.

13. RELATED PARTY TRANSACTIONS

During the year, the Company traded with the following related parties:

Practive Health Inc, of which Clifford Meltzer is a director and shareholder invoiced the Company nil (2019: 247,891) for fees in relation to a Collaboration Agreement and £nil (2019: £nil) was outstanding at the year end.

Eagle Genomics Inc, a 100% owned subsidiary of Eagle Genomics Ltd invoiced the Company £25,114 for professional services (2019: nil) and £25,114 (2019: nil) was outstanding at the year end.

Eagle Genomics India Pty Ltd, a 100% owned subsidiary of Eagle Genomics Ltd invoiced the Company £50,806 for professional services (2019: nil) and £50,806 (2019: nil) was outstanding at the year end.

14. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the directors of the Company.

EAGLE GENOMICS LIMITED

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020 (continued)**

15. POST BALANCE SHEET EVENTS

In September 2020 the Company raised a further £5m through the issuance of Series B shares. At this time, the £1.5m of convertible loan notes and £0.2m of Advanced Subscription Agreements outstanding at 31 March 2020 were converted into shares.

Between October 2021 and September 2022, the Company raised a further £7.8m through the issuance of Convertible Loan Notes.

In October 2022, the Company raised a further £10m through the issuance of Series C shares. At this time, the £7.8m of Convertible Loan Notes described above were converted into shares.