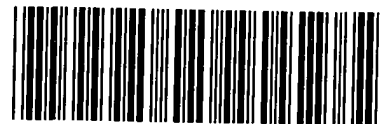


Stablepharma Limited
Annual Report and Financial Statements
Year Ended 31 January 2022
Registration number: 07925414

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COMPANIES HOUSE

Stablepharma Limited

Company Information

Directors

Dr B J Roser
Mr M C Powell
Mr N E Child
Mr C P Goddard
Mr N J Mayall
Mr O Tuncer
Mr R J Shepherd

Company secretary Ms N J Smith

Registered office Stablepharma Limited
Ground Floor
90 Victoria Street
Bristol
BS1 6DP

Auditors PKF Francis Clark
Statutory Auditor
Ground Floor
90 Victoria Street
Bristol
BS1 6DP

Stablepharma Limited

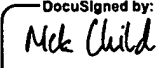
Balance Sheet

31 January 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	4	197,237	233,251
Tangible assets	5	14,534	4,283
Investments	6	2,549	-
		<u>214,320</u>	<u>237,534</u>
Current assets			
Debtors	7	628,831	286,860
Cash at bank and in hand		<u>1,885,506</u>	<u>638,891</u>
		2,514,337	925,751
Creditors: Amounts falling due within one year	8	<u>(43,447)</u>	<u>(38,412)</u>
Net current assets		<u>2,470,890</u>	<u>887,339</u>
Net assets		<u>2,685,210</u>	<u>1,124,873</u>
Capital and reserves			
Called up share capital	9	7,843	6,960
Share premium reserve		3,883,568	1,898,207
Share option reserve		1,062,043	610,948
Profit and loss account		<u>(2,268,244)</u>	<u>(1,391,242)</u>
Shareholders' funds		<u>2,685,210</u>	<u>1,124,873</u>

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 10/20/2022 and signed on its behalf by:

DocuSigned by:

AF4DA4DB9E5C459.....
 Mr N E Child
 Director

Company Registration Number: 07925414

Stablepharma Limited

Notes to the Financial Statements

Year Ended 31 January 2022

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

Stablepharma Limited

Ground Floor

90 Victoria Street

Bristol

BS1 6DP

The principal place of business is:

4 Queen Street

Bath

BA1 1HE

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. There are no material departures from FRS 102.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Stablepharma Limited

Notes to the Financial Statements

Year Ended 31 January 2022

Going concern

The preparation of the financial statements requires the directors to make a number of estimates, including an assessment of the appropriateness of the going concern basis of preparation of the financial statements. This assessment includes a review of the future economic environment and the company's future prospects and performance. The business is within its research and development phase and consequently is pre-revenue. The Directors have prepared budgets and post year end expenditure has been in line with this. Following the year end, the Company has received further funding from Innovate UK to complete the grant awarded in 2020. The Company has also launched a fundraise in return for equity with the primary intention of progressing the market authorisation of the StablevaX – Td vaccine. This fundraise is intended to raise £3m, which will provide sufficient headroom to meet expected expenditure on this project for the next 20 months. At the time of signing, 100% of this target had been reached. The Company also intends to expand the product portfolio by developing other key candidate vaccines, and has filed a patent application for further proprietary technology. The Company has also submitted an expression of interest to the Coalition for Epidemic Preparedness Innovations ("CEPI") and expects to submit a full proposal for funding. Given the research and development nature of the business there is a degree of uncertainty over the length of time it will take to complete projects, and consequently total project costs. Management carefully monitor project costs over the life of the project and will either amend the project or seek additional funds should forecasts suggest this is required. At the time of signing these accounts the directors are confident that the business has sufficient available funds to continue in business for at least the next 12 months. Consequently, the financial statements have been prepared on a going concern basis.

Key judgements and sources of estimation uncertainty

In the application of the Company's accounting policies management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgement that has a significant effect on the financial statements is in respect of the capitalisation of intangible assets. This has been assessed against FRS 102 to ensure there is probable that the expected future economic benefits will flow to the entity.

The key estimates that have a significant effect on the financial statements are in respect of the business currently being in the research and development phase. Associated costs have previously been capitalised and amortised over 3 years. Currently, however, these research and development costs are not being capitalised until the products are further along their development.

Government grants

Government grants are accounted for under the accruals method. These are credited to the profit and loss account when the company is entitled to the income.

Stablepharma Limited

Notes to the Financial Statements

Year Ended 31 January 2022

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, as follows:

Asset class	Depreciation method and rate
Computer and office equipment	25% straight line
Plant and machinery	25% straight line

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Patents	10 years straight line
Development	3 years straight line
Trademarks	10 years straight line

Stablepharma Limited

Notes to the Financial Statements

Year Ended 31 January 2022

Investments

Investments in equity shares which are not publicly traded are measured at cost less any impairment.

Share based payments

The company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. The fair value of the employee services received is measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is calculated using the Black Scholes option pricing model. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

A share-based compensation plan is also operated for consultancy services received. This is measured at the fair value of the services provided.

The equity element of the plan is credited to share option reserve.

Stablepharma Limited

Notes to the Financial Statements

Year Ended 31 January 2022

Financial instruments

Classification

The company holds the following financial instruments:

- Short term other debtors and trade creditors; and
- Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

3 Staff numbers

The average number of persons employed by the company during the year, was 8 (2021 - 8).

Stablepharma Limited

Notes to the Financial Statements

Year Ended 31 January 2022

4 Intangible assets

	Trademarks £	Development costs £	Patents £	Total £
Cost or valuation				
At 1 February 2021	-	85,273	216,690	301,963
Additions	9,993	-	4,886	14,879
At 31 January 2022	9,993	85,273	221,576	316,842
Amortisation				
At 1 February 2021	-	28,424	40,288	68,712
Amortisation charge	311	28,424	22,158	50,893
At 31 January 2022	311	56,848	62,446	119,605
Carrying amount				
At 31 January 2022	9,682	28,425	159,130	197,237
At 31 January 2021	-	56,849	176,402	233,251

5 Tangible assets

	Computer and office equipment £	Plant and machinery £	Total £
Cost or valuation			
At 1 February 2021	2,370	2,374	4,744
Additions	4,821	10,228	15,049
At 31 January 2022	7,191	12,602	19,793
Depreciation			
At 1 February 2021	461	-	461
Charge for the year	1,647	3,151	4,798
At 31 January 2022	2,108	3,151	5,259
Carrying amount			
At 31 January 2022	5,083	9,451	14,534
At 31 January 2021	1,909	2,374	4,283

Stablepharma Limited

Notes to the Financial Statements

Year Ended 31 January 2022

6 Investments

	2022 £	2021 £
Investments in subsidiaries	2,549	-

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
Stablepharma SL	Spain C. de Santiago Grisolia, 2, 28002 Tres Cantos, Madrid	Ordinary	100%	0%
	Spain			

The company was incorporated on 30 July 2021.

Subsidiary undertakings

Stablepharma Spain SL

The principal activity of Stablepharma Spain SL is Pharmaceutical technology research and development. The loss for the financial period of Stablepharma Spain SL was £763 and the aggregate amount of capital and reserves at the end of the period was £1,743.

7 Debtors

	2022 £	2021 £
Prepayments	31,734	2,351
Other debtors	597,097	284,509
	628,831	286,860

Stablepharma Limited

Notes to the Financial Statements

Year Ended 31 January 2022

8 Creditors

Creditors: amounts falling due within one year

	2022 £	2021 £
Due within one year		
Trade creditors	17,058	11,070
Taxation and social security	15,139	2,445
Accruals and deferred income	11,250	24,897
	<u>43,447</u>	<u>38,412</u>

9 Share capital

Allotted, called up and fully paid shares

	No.	2022 £	No.	2021 £
Ordinary of £0.0001 each	<u>78,427,012</u>	<u>7,843</u>	<u>69,599,267</u>	<u>6,960</u>

On 31 August 2021, the company issued 8,827,745 Ordinary shares of £0.0001. The net premium generated from this share issued was £1,985,361.

Stablepharma Limited

Notes to the Financial Statements

Year Ended 31 January 2022

10 Related party transactions

At 31 January 2022 the balance owed from N Child was £515 (2021: £627). No interest was paid on this balance. In the year shares were sold of £125,000 (2021: £nil).

At 31 January 2022 the balance owed to R Shepherd was £78 (2021: £1,000). No interest was paid on this balance.

During the year N Mayall (Director) purchased shares for £20,000 (2021: £nil). £20,000 was deemed to be market value at the time of acquisition.

During the year C Goddard (Director) purchased shares for £15,000 (2021: £nil). £15,000 was deemed to be market value at the time of acquisition.

During the year R Shepherd (Director) purchased shares for £20,000 (2021: £nil). £20,000 was deemed to be market value at the time of acquisition.

During the year the Company made purchases from Pen Adventures LLP (related company through common director) of £56,580. During the year Stablepharma Limited repaid £59,580. At 31 January 2022 the balance owed to Pen Adventures LLP was £nil (2021: £3,000).

During the year the Company made purchases from Stablepharma Spain S.L. of £61,414. During the year Stablepharma Limited repaid £61,414. At 31 January 2022 the balance owed to Stablepharma Spain S.L. was £nil (2021: £nil).

11 Share-based payments

The company introduced an unapproved share based remuneration scheme in 2020 for certain employees and consultants. Under the scheme the board of directors can grant options over shares in the company to employees of, or consultants to the company.

Options are granted with a fixed exercise price for the reporting date given the restricted market for the shares. The contractual life of an option is 15 years from the grant date.

The expense recognised in the year for share based payment plan in respect of consultants' services received is £93,249 (2021: £nil). All of which related to equity-settled share based payment transactions.

The share-based remuneration expense totals £340,593 (2021: £nil) and is calculated using the black scholes model.

Stablepharma Limited

Notes to the Financial Statements

Year Ended 31 January 2022

	2022	2022	2021	2021
	Number	Exercise price	Number	Exercise price
		Pence		Pence
Outstanding at 1 February	4,251,558	14.37	4,251,558	14.37
Granted	5,264,044	3.01	-	-
Outstanding at 31 January	<u>9,515,602</u>	<u>8.09</u>	<u>4,251,558</u>	<u>14.37</u>

Equity-settled

	2022	2021
	Black-Scholes	Black-Scholes
<i>Option pricing model used</i>		
Weighted average share price at grant date (pence)	£0.1393	-
Exercise price (pence)	£0.0301	-
Weighted average contractual life (years)	15	-
Expected volatility	50%	-
Expected dividend growth rate	0%	-
Risk-free interest rate	3%	-

12 Audit report

The Independent Auditors' Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report was Paul Putnam, who signed for and on behalf of PKF Francis Clark on 20.01.2022.