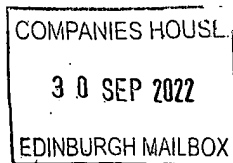


Registered Number:08340031



AXOL BIOSCIENCE LTD

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021



AXOL BIOSCIENCE LTD

REGISTERED NUMBER:08340031

**BALANCE SHEET
AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 As Restated £
Fixed assets			
Intangible assets	4	65,250	56,966
Tangible assets	5	87,504	174,140
Investments	6	1	1
		<u>152,755</u>	<u>231,107</u>
Current assets			
Stocks	7	-	508,489
Debtors: amounts falling due within one year	8	1,306,381	1,318,625
Cash at bank and in hand	9	200,887	311,009
		<u>1,507,268</u>	<u>2,138,123</u>
Creditors: amounts falling due within one year	10	(817,263)	(994,871)
Net current assets		<u>690,005</u>	<u>1,143,252</u>
Total assets less current liabilities		<u>842,760</u>	<u>1,374,359</u>
Creditors: amounts falling due after more than one year		(107,845)	(353,667)
Net assets		<u><u>734,915</u></u>	<u><u>1,020,692</u></u>
Capital and reserves			
Called up share capital		128,589	128,589
Share premium account		5,299,919	5,299,919
Profit and loss account		(4,693,593)	(4,407,816)
		<u><u>734,915</u></u>	<u><u>1,020,692</u></u>

AXOL BIOSCIENCE LTD

REGISTERED NUMBER:08340031

**BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021**

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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 on

28th September 2022


.....
Wayne Stuart Humphreys
Director

The notes on pages 4 to 13 form part of these financial statements.

AXOL BIOSCIENCE LTD**REGISTERED NUMBER:08340031****STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2021**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 31 December 2019 as previously stated	127,589	5,299,919	(3,491,389)	1,936,119
Prior year adjustment (note 13)	-	-	(586,331)	(586,331)
At 31 December 2019 as restated	127,589	5,299,919	(4,077,720)	1,349,788
At 1 January 2020	127,589	5,299,919	(4,077,720)	1,349,788
Loss for the financial year	-	-	(330,096)	(330,096)
Issuance of share capital	1,000	-	-	1,000
At 31 December 2020	128,589	5,299,919	(4,407,816)	1,020,692
At 1 January 2021	128,589	5,299,919	(4,407,816)	1,020,692
Loss for the financial year	-	-	(285,777)	(285,777)
At 31 December 2021	128,589	5,299,919	(4,693,593)	734,915

AXOL BIOSCIENCE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Axol Bioscience Ltd is a private company limited by shares incorporated in Scotland. The registered office is Meditrina Building Research Campus, Babraham, Cambridge, England, CB22 3AT.

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The directors reviewed the recognition of capitalised research and development expenditure during the year, concluding that the prior year capitalisation was not appropriate. A prior year adjustment has been recognised as set out in note 13.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

2.3 Going concern

The directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The company has received assurances and confirmation of support from its shareholders that they will continue to provide support to enable it to meet its obligations as they fall due and operate as a going concern. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

AXOL BIOSCIENCE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 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'.

2.5 Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.6 Hire Purchase and leasing commitments

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.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.8 Interest income

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.9 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.

2.10 Borrowing costs

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

2.11 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.

2.12 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.

2.13 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.

2.14 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.

AXOL BIOSCIENCE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.14 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.

Depreciation is provided on the following basis:

Fixtures and fittings	-	33%
Computer equipment	-	33%
Science equipment	-	20%

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.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.16 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.

2.17 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.

2.18 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.

2.19 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.19 Financial instruments (continued)

and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of comprehensive income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

AXOL BIOSCIENCE LTD**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021****3. Employees**

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Employees	3	29

The reduction in employee numbers reflects the transfer of staff to Censo Biotechnologies Limited in April 2021.

4. Intangible assets

	Patents £
Cost	
At 1 January 2021 (as restated, see note 13)	169,026
Additions	31,831
At 31 December 2021	200,857
Amortisation	
At 1 January 2021 (as restated, see note 13)	112,060
Charge for the year on owned assets	23,547
At 31 December 2021	135,607
Net book value	
At 31 December 2021	65,250
At 31 December 2020	56,966

AXOL BIOSCIENCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation				
At 1 January 2021	57,094	36,403	517,328	610,825
Additions	-	3,906	1,550	5,456
Disposals	-	(616)	(16,040)	(16,656)
At 31 December 2021	57,094	39,693	502,838	599,625
Depreciation				
At 1 January 2021	52,450	32,106	352,129	436,685
Charge for the year on owned assets	3,116	3,139	83,252	89,507
Disposals	-	(103)	(13,968)	(14,071)
At 31 December 2021	55,566	35,142	421,413	512,121
Net book value				
At 31 December 2021	1,528	4,551	81,425	87,504
At 31 December 2020	4,644	4,297	165,199	174,140

6. Fixed asset Investments

The fixed investments of £1 relate to the cost of share capital in subsidiary company Axol Bioscience Inc. based in the US.

7. Stocks

	2021 £	2020 £
Raw materials and consumables	-	508,489
	-	508,489

AXOL BIOSCIENCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Debtors

	2021 £	2020 £
Trade debtors	153,554	311,839
Amounts owed by group undertakings	810,497	602,182
Other debtors	68,928	96,659
Prepayments and accrued income	52,433	140,946
Tax recoverable	220,969	166,999
	<u>1,306,381</u>	<u>1,318,625</u>

9. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	200,887	311,009
	<u>200,887</u>	<u>311,009</u>

10. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	169,434	404,992
Amounts owed to group undertakings	230,147	-
Obligations under finance lease and hire purchase contracts	40,195	39,681
Other creditors	24,925	75,301
Accruals and deferred income	352,562	474,897
	<u>817,263</u>	<u>994,871</u>

11. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	44,487	50,000
Net obligations under finance leases and hire purchase contracts	63,358	103,667
Other creditors	-	200,000
	<u>107,845</u>	<u>353,667</u>

AXOL BIOSCIENCE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

12. Related party transactions

Balances with fellow group companies are shown in notes 8 and 10. The company has taken advantage of the available exemption with wholly owned group companies.

13. Prior year adjustment

The directors reviewed the previous practice of capitalising certain research and development costs, concluding that they should have been written off as incurred in prior years. A prior year adjustment has been recognised below.

	31 December 2020 £	31 December 2019 £
Intangible assets as previously stated	631,115	600,959
Prior year adjustment	(574,149)	(586,331)
Intangible assets as restated	<u>56,966</u>	<u>14,628</u>
	31 December 2020 £	31 December 2019 £
Net assets as previously stated	1,594,841	1,936,119
Prior year adjustment	(574,149)	(586,331)
Net assets as restated	<u>1,020,692</u>	<u>1,349,788</u>
	31 December 2020 £	31 December 2019 £
Loss for the year as previously stated	(342,278)	(121,095)
Prior year adjustment (write off less amortisation)	12,182	(586,331)
Loss for the year as restated	<u>(330,096)</u>	<u>(707,426)</u>

14. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on *29 September 2022* by Andrew Shaw (Senior statutory auditor) on behalf of Anderson Anderson & Brown Audit LLP.

AXOL BIOSCIENCE LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Controlling party

The immediate and ultimate parent company is Censo Biotechnologies Limited, a company registered in Scotland.