

Company Registration No. 08489619 (England and Wales)

APTA BIOSCIENCES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
PAGES FOR FILING WITH REGISTRAR

APTA BIOSCIENCES LIMITED

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APTA BIOSCIENCES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2018

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		207,049		210,557
Tangible assets	5		495		988
Investments	6		1		1
			<u>207,545</u>		<u>211,546</u>
Current assets					
Debtors	7	6,847		243,450	
Cash at bank and in hand		224,622		52,951	
		<u>231,469</u>		<u>296,401</u>	
Creditors: amounts falling due within one year	8	(1,454,174)		(1,236,318)	
Net current liabilities			<u>(1,222,705)</u>		<u>(939,917)</u>
Total assets less current liabilities			<u>(1,015,160)</u>		<u>(728,371)</u>
Capital and reserves					
Called up share capital	10		9,346		9,346
Share premium account			4,717,754		4,717,754
Equity reserve			185,400		185,400
Other reserves			221,648		221,648
Profit and loss reserves			<u>(6,149,308)</u>		<u>(5,862,519)</u>
Total equity			<u>(1,015,160)</u>		<u>(728,371)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

APTA BIOSCIENCES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2018

The financial statements were approved by the board of directors and authorised for issue on 2 September 2019 and are signed on its behalf by:

Mr W Addison
Director

Company Registration No. 08489619

APTA BIOSCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Apta Biosciences Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Elms Courtyard, Bromsberrow, Ledbury, Herefordshire, HR8 1RZ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The financial statements present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a small-sized group. The company has therefore taken advantage of the exemptions provided by section 399 of the Companies Act 2006 not to prepare group accounts.

1.2 Going concern

These financial statements have been prepared on the going concern basis. The directors consider that the company will be able to generate sufficient income and raise sufficient finance to fund its operations for the foreseeable future and to meet its liabilities as they fall due.

1.3 Research and development expenditure

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

1.4 Intangible fixed assets other than goodwill

Intangible assets are initially measured at cost and subsequently measured at cost, net of amortisation and any impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents and intellectual property	10% straight line
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APTA BIOSCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	20% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Short term trade debtors are measured at transaction price, less any impairment. Other debtors are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost, less any impairment.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

APTA BIOSCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Short term trade creditors are measured at transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost.

1.9 Compound instruments

The component parts of compound instruments issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

APTA BIOSCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Share options

The company has granted share options. The options have been calculated using the Black-Scholes model which requires judgement in determining and assessing key assumptions and therefore results in some estimation uncertainty.

Loan notes

The company has issued convertible loan notes. The fair value of the liability component is estimated using the prevailing interest rate for a similar non-convertible instrument and amortised using the effective interest method which therefore results in some estimation uncertainty.

3 Employees

There were no members of staff employed by the company during the current or previous year.

APTA BIOSCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

4 Intangible fixed assets

	Patents and IP £
Cost	
At 1 January 2018	310,274
Additions	30,574
	<hr/>
At 31 December 2018	340,848
	<hr/>
Amortisation and impairment	
At 1 January 2018	99,717
Amortisation charged for the year	34,082
	<hr/>
At 31 December 2018	133,799
	<hr/>
Carrying amount	
At 31 December 2018	207,049
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At 31 December 2017	210,557
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5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2018 and 31 December 2018	2,467
	<hr/>
Depreciation and impairment	
At 1 January 2018	1,479
Depreciation charged in the year	493
	<hr/>
At 31 December 2018	1,972
	<hr/>
Carrying amount	
At 31 December 2018	495
	<hr/>
At 31 December 2017	988
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APTA BIOSCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

6 Fixed asset investments

	2018 £	2017 £
Shares in group undertakings	1	1
	<u>1</u>	<u>1</u>

Shares in group undertakings represent the company's 100% interest in the issued share capital of Apta Biosciences Pte Ltd, a company incorporated in Singapore. The company was placed into formal liquidation on 20 December 2017.

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2018 & 31 December 2018	1
Carrying amount	
At 31 December 2018	1
At 31 December 2017	1

7 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Corporation tax recoverable	-	240,567
Other debtors	6,847	2,883
	<u>6,847</u>	<u>243,450</u>

APTA BIOSCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

8 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	201,134	214,286
Other creditors	1,253,040	1,022,032
	<u>1,454,174</u>	<u>1,236,318</u>

At 31 December 2018, there are £198,240 secured redeemable loan notes and £741,600 secured redeemable convertible loan notes in issue. Both loan notes carried interest at 10% until 30 June 2017 after which the interest rate increased to 20%.

The secured redeemable loan notes were redeemable by the company at any time up to the maturity date of 31 December 2017. During the year, the maturity date was extended to 31 March 2019. Subsequent to the year end, the company remains in dialogue with its major loan note holders who have not requested redemption of their loan notes at the date of these financial statements. Upon issue, each loan note holder was granted 10 warrant options for each £480 nominal value of loan notes purchased. On 15 April 2017 a further 10 warrant options were granted per £480 nominal value of loan notes and on 30 June 2017 a further 20 warrant options were granted per £480 nominal value of loan notes issued.

The secured redeemable convertible 20% loan notes are redeemable by the company at any time or automatically convert to ordinary shares of 1p each on the company raising £1,000,000 in a bona fide funding round. The conversion price is price paid per share in the funding round multiplied by a factor of 0.8. Upon issue, each loan note holder was granted 48 warrant options for each £480 nominal value of loan notes purchased.

All loan notes in issue are secured by way of debentures over the company's IP and work in progress.

APTA BIOSCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

9 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2018 Number	2017 Number	2018 £	2017 £
Outstanding at 1 January 2018	190,976	31,489	10.28	8.91
Granted	-	173,176	-	10.31
Expired	-	(13,689)	-	7.50
	<u>190,976</u>	<u>190,976</u>	<u>10.28</u>	<u>10.28</u>
Outstanding at 31 December 2018	190,976	190,976	10.28	10.28
	<u>190,976</u>	<u>190,976</u>	<u>10.28</u>	<u>10.28</u>
Exercisable at 31 December 2018	164,276	164,276	10.28	10.28
	<u>164,276</u>	<u>164,276</u>	<u>10.28</u>	<u>10.28</u>

The options outstanding at 31 December 2018 had an exercise price ranging from £10 to £12, and an average remaining contractual life of 9 years.

Inputs were as follows:	2018	2017
Weighted average share price (£)	10.00	10.00
Weighted average exercise price (£)	10.28	10.28
Expected volatility (%)	15.00	15.00
Expected life (years)	5.00	5.00
Risk free rate (%)	0.60	0.60
Expected dividends yields (%)	-	-
	<u>-</u>	<u>-</u>

During the year, the company recognised a total profit and loss account charge of £Nil (2017 - £31,926) which related to equity settled share based payment transactions.

APTA BIOSCIENCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

10 Called up share capital

	2018	2017
	£	£
Ordinary share capital		
Issued and fully paid		
934,577 (2017: 934,577) Ordinary shares of 1p each	9,346	9,346
	<u> </u>	<u> </u>

11 Related party transactions

Mr F Edenius and Mr W Addison, directors, are considered to be key management of Anglo Scientific Limited.

During the year, the company accrued costs of £31,350 (2017 - £104,500 accrued) for management and investor relationship activities and incurred overhead expense re-charges of £Nil (2017 - £4,353) from Anglo Scientific Limited. At 31 December 2018, included within trade creditors is an amount of £136,414 (2017 - £136,414) and included in other creditors is an amount of £135,850 (2017 - £104,500) due to Anglo Scientific Limited.

12 Controlling party

In the opinion of the directors, the company is not under the control of any individual or organisation.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.