

REGISTERED NUMBER: 09990238 (England and Wales)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2022
FOR
INFEX THERAPEUTICS LIMITED**

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for the Year Ended 31 July 2022**

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INFEX THERAPEUTICS LIMITED

COMPANY INFORMATION
for the Year Ended 31 July 2022

DIRECTORS:

Dr P Jackson
Dr C Doherty
Mr J P Moulton

REGISTERED OFFICE:

Mereside
Alderley Park
Macclesfield
Cheshire
SK10 4TG

REGISTERED NUMBER:

09990238 (England and Wales)

AUDITORS:

Fairhurst
Statutory Auditor
Chartered Accountants
Douglas Bank House
Wigan Lane
Wigan
Lancashire
WN1 2TB

BANKERS:

Barclays Bank PLC
51 Mosley Street
Manchester
M2 3HQ

STATEMENT OF FINANCIAL POSITION
31 July 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	4	-	-	-	-
Tangible assets	5	30,954	27,940	27,940	27,940
CURRENT ASSETS					
Debtors	6	672,406	613,148	613,148	613,148
Cash at bank		39,073	2,816,444	2,816,444	2,816,444
		711,479	3,429,592	3,429,592	3,429,592
CREDITORS					
Amounts falling due within one year	7	1,394,282	1,956,419	1,956,419	1,956,419
NET CURRENT (LIABILITIES)/ASSETS		(682,803)	1,473,173	1,473,173	1,473,173
TOTAL ASSETS LESS CURRENT LIABILITIES		(651,849)	1,501,113	1,501,113	1,501,113
CREDITORS					
Amounts falling due after more than one year	8	2,542,807	1,220,849	1,220,849	1,220,849
NET (LIABILITIES)/ASSETS		(3,194,656)	280,264	280,264	280,264
CAPITAL AND RESERVES					
Called up share capital		92,043	91,513	91,513	91,513
Share premium	10	6,098,910	6,084,784	6,084,784	6,084,784
Equity reserves	10	24,500	269,004	269,004	269,004
Retained earnings	10	(9,410,109)	(6,165,037)	(6,165,037)	(6,165,037)
SHAREHOLDERS' FUNDS		(3,194,656)	280,264	280,264	280,264

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 17 October 2022 and were signed on its behalf by:

Dr P Jackson - Director

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 July 2022

1. STATUTORY INFORMATION

Infex Therapeutics Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The company has recorded a loss of £3,489,576 after taxation for the year ended 31 July 2022 and has net liabilities of £3,194,656, of which £2,542,807 is owed to the parent company, Infex Therapeutics Holdings PLC.

The company has had additional loan and equity funding provided by the parent company of £1.3m and £700k since the year end, with additional fundraising proposed during 2022/23.

The company continues to benefit from Government Grants and Research and Development tax credits to support research activities, and provide working capital to the business.

After making enquiries and considering current actions, future plans and forecasts, the directors have a reasonable expectation that the company will have adequate resources, both financial and management, to continue in operational existence for the foreseeable future. On this basis the directors consider it appropriate to prepare the financial statements on the going concern basis.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for services provided and is shown net of VAT.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and impairment.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Lab equipment	- 20% - 33% on cost
Office equipment	- 33% - 50% on cost
Computer equipment	- 33% - 50% on cost

Impairment of assets

At each reporting date assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the profit and loss.

Where an impairment loss subsequently reverses, the carrying amount of each asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2022

2. ACCOUNTING POLICIES - continued

Financial instruments

Trade and other debtors are initially recognised at the transaction price and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Short term trade creditors are measured at transaction price. Financial liabilities that have no stated interest rate and are payable within one year shall be measured at the undiscounted amount due. Other financial assets and liabilities shall be measured at amortised cost using the effective interest rate.

Share-based payments are recognised at fair value with the expense charged to the profit or loss account in the relevant expense category.

Taxation

Taxation comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred, and the relevant tax credits are to be claimed where applicable.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Grant income

The company is currently in receipt of a grant from UK Research & Innovation. Grant income received has been recognised in the accounts to agree to the value expended. Additional amounts received have been recognised as deferred grant income in the balance sheet.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 23 (2021 - 24) .

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2022

4. INTANGIBLE FIXED ASSETS

	Other intangible assets £
COST	
At 1 August 2021	1
Disposals	(1)
At 31 July 2022	-
AMORTISATION	
At 1 August 2021	1
Eliminated on disposal	(1)
At 31 July 2022	-
NET BOOK VALUE	
At 31 July 2022	-
At 31 July 2021	-

5. TANGIBLE FIXED ASSETS

	Lab equipment £	Office equipment £	Computer equipment £	Totals £
COST				
At 1 August 2021	129,277	5,670	6,215	141,162
Additions	19,863	-	-	19,863
Disposals	(7,217)	(427)	(225)	(7,869)
At 31 July 2022	141,923	5,243	5,990	153,156
DEPRECIATION				
At 1 August 2021	101,337	5,670	6,215	113,222
Charge for year	16,849	-	-	16,849
Eliminated on disposal	(7,217)	(427)	(225)	(7,869)
At 31 July 2022	110,969	5,243	5,990	122,202
NET BOOK VALUE				
At 31 July 2022	30,954	-	-	30,954
At 31 July 2021	27,940	-	-	27,940

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Trade debtors	-	3,334
Other debtors	346,754	259,000
Tax	224,563	239,699
VAT	28,790	31,876
Prepayments and accrued income	72,299	79,239
	<u>672,406</u>	<u>613,148</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2022**

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	422,101	362,482
Social security and other taxes	29,420	27,914
Other creditors	239,366	-
Accrued expenses	326,828	162,010
Deferred grants	376,567	1,404,013
	<u>1,394,282</u>	<u>1,956,419</u>

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Other loans	-	1,220,849
Amounts owed to group undertakings	2,542,807	-
	<u>2,542,807</u>	<u>1,220,849</u>

Convertible loan notes have been transferred to the parent company.

Whilst the group loan of £2,542,807 is repayable on demand, the company has received written comfort that these monies will not become payable in the foreseeable future.

9. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Other loans	<u>-</u>	<u>1,220,849</u>

A group fixed and floating charge covering all the property and undertakings of the company has been registered.

10. RESERVES

	Retained earnings
	£
At 1 August 2021	(6,165,037)
Loss in the year	(3,489,576)
Reserves transfer	244,504
At 31 July 2022	<u>(9,410,109)</u>

11. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

John B S Fairhurst BA(Hons) FCA (Senior Statutory Auditor)
for and on behalf of Fairhurst

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 July 2022**

12. OTHER FINANCIAL COMMITMENTS

The company has future operating lease commitments of £467,674 (2021 - £550,346).

13. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year the company and its parent received funds from a company in which a director holds a significant interest.

14. ULTIMATE CONTROLLING PARTY

Following a share for share exchange during the year, the company is wholly owned by Infex Therapeutics Holdings PLC, with Mr J Moulton and Catapult Life Sciences Gp Llp acting as the ultimate controlling parties.

15. SHARE-BASED PAYMENT TRANSACTIONS

A warrant to subscribe for 50,000 Ordinary shares of £0.01 each at a subscription price of £1 each was granted on 19 July 2017 to Acceleris Capital Limited. The shares can be exercised until 19 July 2024.

Under the provisions of FRS 102 Section 1A the fair value of the vested shares of £25,000, calculated using other share transactions at that date, was expensed to the profit and loss account in the period to 31 July 2017. No warrants were exercised in the year to 31 July 2022.

EMI options to subscribe for 513,547 Ordinary shares of £0.01 each at a subscription price of £1 each were granted on 13 September 2018 to eligible employees of the company.

Under the provisions of FRS 102 Section 1A the fair value of the 388,014 vested shares of £188,706, was expensed to the profit and loss account in the period to 31 July 2019 and the fair value of 125,533 vested shares of £55,798 was expensed to the profit and loss account in the period to 31 July 2020. Both years were calculated using the Black-Scholes Model.

During the year, following a share for share exchange with Infex Therapeutics Holdings PLC, the EMI share options have been rolled over and replaced with a new option granted by Infex Therapeutics Holdings PLC. As a result the fair value adjustments have been reversed by way of a reserves transfer.

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.