

Company Registration No. 10649320 (England and Wales)

SPYBIOTECH LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
PAGES FOR FILING WITH REGISTRAR

SPYBIOTECH LIMITED

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SPYBIOTECH LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

		2021		2020 (unaudited)	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	5		254,563		161,562
Tangible assets	6		154,883		350,209
			<u>409,446</u>		<u>511,771</u>
Current assets					
Debtors	7	736,930		444,809	
Cash at bank and in hand		<u>21,477,391</u>		<u>502,381</u>	
		22,214,321		947,190	
Creditors: amounts falling due within one year	8	<u>(343,068)</u>		<u>(196,830)</u>	
Net current assets			<u>21,871,253</u>		<u>750,360</u>
Total assets less current liabilities			<u>22,280,699</u>		<u>1,262,131</u>
Provisions for liabilities	9		<u>(59,877)</u>		<u>(44,825)</u>
Net assets			<u><u>22,220,822</u></u>		<u><u>1,217,306</u></u>
Capital and reserves					
Called up share capital	10		6,273		5,400
Share premium account			28,698,889		4,998,600
Other reserves			883,801		356,128
Profit and loss reserves			<u>(7,368,141)</u>		<u>(4,142,822)</u>
Total equity			<u><u>22,220,822</u></u>		<u><u>1,217,306</u></u>

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

These financial statements have been prepared and delivered 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 9 December 2021 and are signed on its behalf by:

S Biswas
Director

Company Registration No. 10649320

SPYBIOTECH LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Share premium account £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 April 2019		5,400	4,998,600	-	(2,341,909)	2,662,091
Year ended 31 March 2020:						
Loss and total comprehensive income for the year (unaudited)		-	-	-	(1,800,913)	(1,800,913)
Share based payments (unaudited)		-	-	356,128	-	356,128
Balance at 31 March 2020 (unaudited)		5,400	4,998,600	356,128	(4,142,822)	1,217,306
Year ended 31 March 2021:						
Loss and total comprehensive income for the year		-	-	-	(3,225,319)	(3,225,319)
Issue of share capital	10	873	23,700,289	-	-	23,701,162
Share based payments	11	-	-	527,673	-	527,673
Balance at 31 March 2021		6,273	28,698,889	883,801	(7,368,141)	22,220,822

SPYBIOTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Spybiotech Limited is a private company limited by shares incorporated in England and Wales. The registered office is 7600 The Quorum, Alec Issigonis Way, Oxford, OX4 2JZ.

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. The principal accounting policies adopted are set out below.

1.2 Going concern

The Directors have adopted the going concern basis in preparing the financial statements. In assessing whether the going concern assumption is appropriate the Directors have taken into account all relevant information about the existing status of the company and future potential scenarios up to the end of December 2022 (the "going concern review period").

As part of this assessment the Directors have prepared cash flow forecasts, taking account of the significant cash resources held by the Company following successful completion of Series A fundraising in February 2021. These forecasts indicate the company has sufficient cash on hand to continue to operate for an extended period of time, including for the going concern review period.

As such the financial statements continue to be prepared on a going concern basis.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Revenue from license contracts is recognised in full once an irrevocable and non-refundable license has been granted for which the company has no further performance obligations.

1.4 Research and development expenditure

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

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

SPYBIOTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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 & licences	10% straight line
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1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, 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:

Leasehold improvements	Over the period of the lease
Plant and equipment	25% straight line
Fixtures and fittings	33% straight line
Computers	33% straight line

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 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash at bank only.

1.9 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

Basic financial assets, which include trade debtors, cash and bank balances, corporation tax recoverable and other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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.

SPYBIOTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including trade creditors, taxation and social security and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction 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.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

SPYBIOTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 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.

1.16 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 in the period are included in profit or loss.

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.

3 Auditor's remuneration

	2021	2020
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	36,750	-
	<u> </u>	<u> </u>

No other payments were made to, or services provided by Ernst & Young in either year.

SPYBIOTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number (unaudited)
Total	10	10

5 Intangible fixed assets

	Patents & licences £
Cost	
At 1 April 2020 (unaudited)	190,775
Additions	117,949
At 31 March 2021	308,724
Amortisation and impairment	
At 1 April 2020 (unaudited)	29,213
Amortisation charged for the year	24,948
At 31 March 2021	54,161
Carrying amount	
At 31 March 2021	254,563
At 31 March 2020 (unaudited)	161,562

SPYBIOTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Tangible fixed assets

	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 April 2020 (unaudited)	28,586	970,719	18,462	40,177	1,057,944
Additions	1,044	50,759	3,808	8,322	63,933
At 31 March 2021	29,630	1,021,478	22,270	48,499	1,121,877
Depreciation and impairment					
At 1 April 2020 (unaudited)	6,185	655,825	15,866	29,859	707,735
Depreciation charged in the year	2,967	245,329	2,674	8,289	259,259
At 31 March 2021	9,152	901,154	18,540	38,148	966,994
Carrying amount					
At 31 March 2021	20,478	120,324	3,730	10,351	154,883
At 31 March 2020 (unaudited)	22,401	314,894	2,596	10,318	350,209

7 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		(unaudited)
Corporation tax recoverable	515,497	278,026
Other debtors	109,143	54,493
	624,640	332,519
Amounts falling due after more than one year:		(unaudited)
Other debtors	112,290	112,290
Total debtors	736,930	444,809

8 Creditors: amounts falling due within one year

	2021	2020
	£	£
		(unaudited)
Trade creditors	178,853	43,183
Taxation and social security	13,325	15,341
Other creditors	150,890	138,306
	343,068	196,830

SPYBIOTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Provisions for liabilities

	2021 £	2020 £
		(unaudited)
Property related provisions	59,877	44,825
Movements on provisions:		Property related provisions £
At 1 April 2020 (Unaudited)		44,825
Additional provisions in the year		15,052
At 31 March 2021		59,877

10 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid		(unaudited)		(unaudited)
Ordinary shares of 0.1p each	5,000,000	5,000,000	5,000	5,000
A Ordinary shares of 0.01p each	4,000,000	4,000,000	400	400
Series A1 shares of 0.01p each	7,900,387	-	790	-
Series A2 shares of 0.01p each	833,333	-	83	-
	17,733,720	9,000,000	6,273	5,400

During the year, the company issued 7,900,387 £0.0001 Series A1 shares for a total consideration of £21,201,163.

During the year, the company issued 833,333 £0.0001 Series A2 shares for a total consideration of £2,499,999.

SPYBIOTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

11 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2021 Number	2020 Number (unaudited)	2021 £	2020 £ (unaudited)
Outstanding at 1 April 2020	581,110	-	0.20	-
Granted	1,531,692	653,332	0.14	0.20
Surrendered	(431,110)	-	0.20	-
Expired	(150,000)	(72,222)	0.20	0.20
Outstanding at 31 March 2021	1,531,692	581,110	0.14	0.20
Exercisable at 31 March 2021	295,568	367,395	0.03	0.20

The options outstanding at 31 March 2021 had an exercise price range of £0.001 and £0.67, and a remaining contractual life ranging from 6.58 to 9.67 years.

Inputs were as follows:

	2021	2020
Weighted average share price	3.00	1.00
Weighted average exercise price	0.14	0.20
Expected volatility	50.00	50.00
Expected life	10.00	10.00
Risk free rate	0.42	1.21

During the year, the company recognised expenses of £527,673 (2020 - £356,128) which related to equity settled share based payment transactions.

12 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Daniel Dennett at Ernst & young LLP

SPYBIOTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

13 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases in respect of rental property, as follows:

2021	2020
£	£
	(unaudited)
93,575	187,150
<u> </u>	<u> </u>

SPYBIOTECH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Related party transactions

During the year, the company incurred costs (consisting of both cash and share based payments) of £53,502 (2020: £11,000) in respect of non-executive directors' fees. Included within other creditors as at 31 March 2021 are accrued directors fees of £15,000 (2020: £11,000).

During the year the company incurred costs (consisting of both cash and share based payments) of £903,173 (2020: £585,624) in respect of fees paid to senior management and company shareholders who have served as either consultants, suppliers or executive directors to the company.

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.