

Registered number: 11496099 (England and Wales)

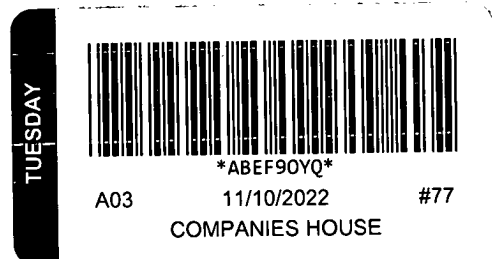
# **BECKLEY PSYTECH LIMITED**

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**Amended**

**These accounts replace the original accounts and are now the statutory accounts, prepared as they were at the date of the original accounts.**



**Beckley Psytech Limited**  
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**For the year ended 31 December 2021**

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**Beckley Psytech Limited**  
**Company Information**

**Directors**

M J Norris  
S J Wooding  
M Wayne  
C A Jochnick  
C Feilding Mellen  
A M C Charteris  
A George

**Registered number**

11496099

**Registered office**

Beckley Park  
Beckley  
Oxford  
Oxfordshire  
OX3 9SY

**Independent auditor**

PricewaterhouseCoopers LLP  
3 Forbury Place  
23 Forbury Road  
Reading  
RG1 3JH

**Beckley Psytech Limited**  
**Directors' Report**  
**For the year ended 31 December 2021**

The Directors present their report together with the audited consolidated and parent company financial statements for Beckley Psytech Limited ("the Company") for the year ended 31 December 2021.

**Directors**

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

M J Norris  
M Wayne  
C A Jochnick  
C Feilding Mellen  
A M C Charteris  
S J Wooding (appointed 1 January 2021)  
A George (appointed 12 April 2021)

**Principal activity**

The Company's principal activity in the year was that of the research and development of psychedelic compounds into licensed pharmaceutical medicines.

**Results and dividends**

The Company and its subsidiary (together "the Group") recorded a loss of £9,061,506 for the year ended 31 December 2021 (1 September 2019 to 31 December 2020 restated – loss of £2,753,455).

During the year ended 31 December 2021, no dividend payments were made to its shareholders (1 September 2019 to 31 December 2020 – £nil).

**Charitable and political donations**

The Group and Company made charitable donations to various charities during the year which amounted to £43,435 (1 September 2019 to 31 December 2020 – £nil). No donations were made to political parties (1 September 2019 to 31 December 2020 – £nil).

**Going concern**

The Group and Company is considered by the Directors to be a going concern and the consolidated financial statements have been prepared on this basis.

The Group and Company have incurred significant losses and negative cash flows from operations since its inception and expects to continue to incur losses and negative cash flows for the foreseeable future. The Group and Company have historically financed its operations through the sale of its common stock. The Group incurred net loss of £2.8 million and £9.1 million for the 16-month period ended 31 December 2020 and year ended 31 December 2021, respectively. As of 31 December 2021, the Group had cash and cash equivalents of £18,725,922, £44,371,237 of cash in deposits and had net cash used in operating activities of £9,434,164 for the year ended 31 December 2021. The Directors believe that the Group's and Company's current cash and reserves are sufficient for it to continue in operation for a minimum period of 12 months from the date these consolidated financial statements are signed.

To date, none of the Group's and Company's product candidates have been approved for sale, and therefore, no revenue from product sales has been generated. At some stage the Company will need to raise additional funds, which is likely to come through the further sale of its common stock.

## **Beckley Psytech Limited**

### **Directors' Report (continued) For the year ended 31 December 2021**

#### **Going concern (continued)**

The Group's and Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group and Company should be able to operate within the level of its current cash reserves. After making enquiries, the Directors have a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future. The Group and Company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **Future developments**

The Group and Company will continue its normal activities for the foreseeable future.

#### **Post-Balance Sheet events**

On 27th July 2022, the Group and Company signed a letter of intent with an acquisition target to potentially acquired the targets' whole share capital. The Group and Company have also subsequently signed a loan agreement with the target and have loaned the target \$1.241 million to continue essential development work, with a non-binding agreement to advance a further \$3.759 million if required and completely at the discretion of Beckley Psytech Limited management, having due consideration for cashflow considerations. The loan amount, both past and future, is secured against the assets of the acquisition company and repayable on demand, with guarantees provided by the other group companies to Beckley Psytech Limited.

#### **Indemnification of Directors**

All of the Directors are indemnified against liabilities incurred as a result of acting as a Director of the Group and Company.

#### **Directors' responsibility statement**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The Directors are responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

**Beckley Psytech Limited**  
**Directors' Report (continued)**  
**For the year ended 31 December 2021**

**Directors' confirmations**

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditor is unaware, and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditor is aware of that information.

**Small Companies Exemption**

The Group and Company have taken the Companies Act 2006 Small Companies Exemption to not disclose the Strategic report. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

**Auditor**

PricewaterhouseCoopers LLP were appointed auditor during the year.

The auditor, PricewaterhouseCoopers LLP, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:

*Cosmo Feilding-Mellen*



Signer Name: Cosmo Feilding-Mellen  
Signing Reason: I approve this document  
Signing Time: 29-Sep-2022 | 16:35 BST

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**C Feilding Mellen**  
Director

Date: 29 September 2022

# Independent auditors' report to the members of Beckley Psytech Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Beckley Psytech Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2021 and of the Group's profit and the Group's cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Statements of Financial Position as at 31 December 2021; the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Directors' responsibility statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to data privacy, product safety and compliance with clinical trial regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the misappropriation of cash and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Evaluation of management's controls designed to identify and detect irregularities;
- Discussions with management and those outside of the finance function, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;



- Identifying and testing journal entries, in particular those journal entries posted with unusual account combinations that represent a risk of material misstatement due to fraud;
- Challenging assumptions made by management in significant accounting estimates; and
- Reading Board minutes to determine whether any known or suspected fraud or non-compliance with laws and regulations has been identified.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### **Use of this report**

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## **Other required reporting**

### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Sam Taylor (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Reading  
29 September 2022

**Beckley Psytech Limited**  
**Consolidated Statement of Comprehensive Income**  
**For the year ended 31 December 2021**

	Note	2021 £	1 September 2019 to 31 December 2020 restated £
<b>Operating expenses:</b>			
General and administrative		(4,437,191)	(973,164)
Research and development		(6,543,689)	(2,450,934)
<b>Operating Loss</b>	2	<u>(10,980,880)</u>	<u>(3,424,098)</u>
Interest income	6	19,537	-
<b>Loss before income taxes</b>		<u>(10,961,343)</u>	<u>(3,424,098)</u>
Income tax benefit	7	1,902,281	670,643
<b>Net loss for the year/period</b>		<u>(9,059,062)</u>	<u>(2,753,455)</u>
<b>Other comprehensive loss</b>			
Exchange difference on translating foreign operations		(2,444)	-
Other comprehensive loss for the year/period net of tax		<u>(2,444)</u>	<u>-</u>
<b>Total comprehensive loss for the year/period</b>		<u><u>(9,061,506)</u></u>	<u><u>(2,753,455)</u></u>

All amounts relate to continuing activities.

See Note 18 – Restatement of financial statements for the previous financial period for more information.

The notes on pages 18 to 38 form part of these financial statements.

**Beckley Psytech Limited**  
**Registered Number: 11496099**  
**Consolidated Statement of Financial Position**  
**As at 31 December 2021**

	Note	2021 £	2020 restated £
<b>Assets</b>			
<b>Non-Current assets</b>			
Property, plant and equipment	8	12,341	-
		<u>12,341</u>	<u>-</u>
<b>Current assets</b>			
Trade and other receivables	10	4,233,810	3,753,598
Financial assets held at amortised cost – term deposits	15	44,371,237	-
Cash and cash equivalents	15	18,725,922	12,026,557
		<u>67,330,969</u>	<u>15,780,155</u>
<b>Total assets</b>		<u><u>67,343,310</u></u>	<u><u>15,780,155</u></u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	2,789,238	700,615
<b>Total Current liabilities</b>		<u>2,789,238</u>	<u>700,615</u>
<b>Total liabilities</b>		<u><u>2,789,238</u></u>	<u><u>700,615</u></u>
<b>Net assets</b>		<u><u>64,554,072</u></u>	<u><u>15,079,540</u></u>

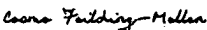

**Beckley Psytech Limited**  
**Consolidated Statement of Financial Position (continued)**  
**As at 31 December 2021**

	Note	2021	2020 restated
		£	£
<b>Issued capital and reserves</b>			
Share capital	12	6,737	4,704
Share premium	12	75,595,342	17,750,485
Translation Reserve	12	(2,444)	-
Accumulated deficit	12	(11,045,563)	(2,675,649)
<b>Total equity</b>		<b>64,554,072</b>	<b>15,079,540</b>

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

See Note 18 – Restatement of financial statements for the previous financial period for more information.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2022.

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 Signer Name: Cosmo Feilding-Mellen  
 Signing Reason: I approve this document  
 Signing Time: 29-Sep-2022 | 16:35 BST  
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**C Feilding Mellen**  
 Director

The notes on pages 18 to 38 form part of these financial statements.

**Beckley Psytech Limited**  
**Registered Number: 11496099**  
**Company Statement of Financial Position**  
**As at 31 December 2021**

	Note	2021 £	2020 restated £
<b>Assets</b>			
<b>Non-Current assets</b>			
Property, plant and equipment	8	12,341	-
Fixed asset investments	9	1	-
		<u>12,342</u>	<u>-</u>
<b>Current assets</b>			
Trade and other receivables	10	4,319,160	3,753,598
Financial assets held at amortised cost – term deposits	15	44,371,237	-
Cash and cash equivalents		18,624,184	12,026,557
		<u>67,314,581</u>	<u>15,780,155</u>
<b>Total assets</b>		<u>67,326,923</u>	<u>15,780,155</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	11	2,781,880	700,615
<b>Total Current liabilities</b>		<u>2,781,880</u>	<u>700,615</u>
<b>Total liabilities</b>		<u>2,781,880</u>	<u>700,615</u>
<b>Net assets</b>		<u>64,545,043</u>	<u>15,079,540</u>

**Beckley Psytech Limited**  
**Company Statement of Financial Position (continued)**  
**As at 31 December 2021**

	Note	2021 £	2020 restated £
<b>Issued capital and reserves</b>			
Share capital	12	6,737	4,704
Share premium	12	75,595,342	17,750,485
Accumulated deficit	12	(11,057,036)	(2,675,649)
<b>Total equity</b>		<b>64,545,043</b>	<b>15,079,540</b>

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of profit or loss and other comprehensive income in these financial statements.

The Company reported a loss for the financial year ended 31 December 2021 of £9,070,535 (2020 restated – £2,753,455).

See Note 18 – Restatement of financial statements for the previous financial period for more information.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2022.

DocuSigned by:

*Cosmo Feilding-Mellen*



Signer Name: Cosmo Feilding-Mellen  
 Signing Reason: I approve this document  
 Signing Time: 29-Sep-2022 | 16:35 BST

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**C Feilding Mellen**  
 Director

The notes on pages 18 to 38 form part of these financial statements.

**Beckley Psytech Limited**  
**Consolidated Statement of Changes in Equity**  
**For the year ended 31 December 2021**

	<i>Note</i>	<i>Share Capital</i>	<i>Share premium</i>	<i>Translation reserve</i>	<i>Accumulated deficit</i>	<i>Total equity</i>
		£	£	£	£	£
At 1 September 2019		100	-	-	-	100
Net loss for the year		-	-	-	(3,611,379)	(3,611,379)
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,611,379)</b>	<b>(3,611,379)</b>
<b>Transactions with owners</b>						
Issuance of share capital	12	4,604	17,795,685	-	-	17,800,289
Share-based payment expense	13	-	-	-	14,693	14,693
<b>At 31 December 2020</b>		<b>4,704</b>	<b>17,795,685</b>	<b>-</b>	<b>(3,596,686)</b>	<b>14,203,703</b>
Effect on correction	18	-	(45,200)	-	921,037	875,837
<b>At 31 December 2020 restated</b>		<b>4,704</b>	<b>17,750,485</b>	<b>-</b>	<b>(2,675,649)</b>	<b>15,079,540</b>
Net loss for the year		-	-	-	(9,059,062)	(9,059,062)
Exchange difference on translating foreign operations		-	-	(2,444)	-	(2,444)
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>-</b>	<b>(2,444)</b>	<b>(9,059,062)</b>	<b>(9,061,506)</b>
<b>Transactions with owners</b>						
Issuance of share capital	12	2,033	58,008,870	-	-	58,010,903
Transaction costs		-	(164,013)	-	-	(164,013)
Share-based payment expense	13	-	-	-	689,148	689,148
<b>At 31 December 2021</b>		<b>6,737</b>	<b>75,595,342</b>	<b>(2,444)</b>	<b>(11,045,563)</b>	<b>64,554,072</b>

See Note 18 – Restatement of financial statements for the previous financial period for more information.

The notes on pages 18 to 38 form part of these financial statements.

**Beckley Psytech Limited**  
**Company Statement of Changes in Equity**  
**For the year ended 31 December 2021**

	<i>Note</i>	<i>Share Capital</i>	<i>Share premium</i>	<i>Accumulated deficit</i>	<i>Total equity</i>
		£	£	£	£
At 1 September 2019		100	-	-	100
Net loss for the year		-	-	(3,611,379)	(3,611,379)
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>-</b>	<b>(3,611,379)</b>	<b>(3,611,379)</b>
<b>Transactions with owners</b>					
Issuance of share capital	12	4,604	17,795,685	-	17,800,289
Share-based payment expense	13	-	-	14,693	14,693
<b>At 31 December 2020</b>		<b>4,704</b>	<b>17,795,685</b>	<b>(3,596,686)</b>	<b>14,203,703</b>
Effect on correction	18	-	(45,200)	921,037	875,837
<b>At 31 December 2020 restated</b>		<b>4,704</b>	<b>17,750,485</b>	<b>(2,675,649)</b>	<b>15,079,540</b>
Net loss for the year		-	-	(9,070,535)	(9,070,535)
<b>Total comprehensive loss for the year</b>		<b>-</b>	<b>-</b>	<b>(9,070,535)</b>	<b>(9,070,535)</b>
<b>Transactions with owners</b>					
Issuance of share capital	12	2,033	58,008,870	-	58,010,903
Transaction costs		-	(164,013)	-	(164,013)
Share-based payment expense	13	-	-	689,148	689,148
<b>At 31 December 2021</b>		<b>6,737</b>	<b>75,595,342</b>	<b>(11,057,036)</b>	<b>64,545,043</b>

See Note 18 – Restatement of financial statements for the previous financial period for more information.

The notes on pages 18 to 38 form part of these financial statements.



**Beckley Psytech Limited**  
**Consolidated Statement of Cash Flows**  
**For the year ended 31 December 2021**

	Notes	2021 £	2020 restated £
<b>Cash flows from operating activities</b>			
<b>Loss for the year before income taxes</b>		(10,961,343)	(3,424,098)
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>			
Depreciation expense	8	1,969	-
Share-based payments charge	13	689,148	77,806
Interest income	6	(19,537)	-
Foreign exchange (gain)/loss		(1,076,744)	1,394
<b>Movements in working capital:</b>			
Increase in trade and other receivables	10	(831,284)	(538,855)
Increase in trade and other payables	11	2,088,623	700,615
<b>Cash generated from operations:</b>			
Interest income received		4,361	-
Taxation received		670,643	-
<b>Net cash used in operating activities</b>		<u>(9,434,164)</u>	<u>(3,183,138)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	8	(14,310)	-
Increase in deposits	15	(44,014,607)	-
<b>Net cash used in investing activities</b>		<u>(44,028,917)</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Proceeds from issuance of ordinary shares	12	59,271,041	15,256,189
Transaction costs on issue of ordinary shares		(164,013)	(45,200)
<b>Net cash generated from financing activities</b>		<u>59,107,028</u>	<u>15,210,989</u>

**Beckley Psytech Limited**  
**Consolidated Statement of Cash Flows (continued)**  
**For the year ended 31 December 2021**

	Notes	2021 £	2020 restated £
<b>Effect of exchange rate changes</b>		1,055,418	(1,394)
<b>Net increase in cash and cash equivalents</b>		<u>6,699,365</u>	<u>12,026,457</u>
Cash and cash equivalents at the beginning of year	15	12,026,557	100
<b>Cash and cash equivalents at the end of the year</b>	15	<u><u>18,725,922</u></u>	<u><u>12,026,557</u></u>

Non-cash transactions outstanding as of the year ended 31 December 2021 included unpaid issued shares of £963,934 (2020 – £2,544,200)

See Note 18 – Restatement of financial statements for the previous financial period for more information.

The notes on pages 18 to 38 form part of these financial statements.

## **Beckley Psytech Limited**

### **Notes to the Financial Statements**

#### **1. Significant accounting policies**

##### ***General information***

Beckley Psytech Limited ("the Company") is a private company, limited by shares and is incorporated and domiciled in England and Wales. The Company's registered office is at Beckley Park, Beckley, Oxford, OX3 9SY. The Company has one wholly owned subsidiary, Beckley Psytech US Inc., located in the United States of America which is consolidated into Beckley Psytech Limited.

##### ***Basis of consolidation***

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions have been eliminated on consolidation.

##### ***Basis of preparation***

The consolidated financial statements of the Company and its subsidiaries have been prepared in accordance with international accounting standards in conformity with the requirements of the UK Companies Act 2006 (the "Act"), and therefore in accordance with UK-adopted international accounting standards. On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Accounting Standards, with future changes being subject to endorsement by the UK Endorsement Board. Beckley Psytech Limited transitioned to UK-adopted International Accounting Standards in its Group and Company financial statements on 1 January 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

The Group's and Company's functional and presentational currency is Pound Sterling ("GBP" or £), rounded to the nearest pound.

The consolidated financial statements have been prepared under the historical cost convention.

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

##### ***Critical Accounting Judgements and Estimates***

The preparation of these consolidated financial statements in accordance with IFRS requires management to make judgements and estimates that affect the reported amounts of assets and liabilities and the reported amounts of expenses during the reporting period. These estimates and assumptions are based on current facts, historical experience and various other factors believed to be reasonable under the circumstances. Actual results may differ materially and adversely from these estimates. To the extent there are material differences between the estimates and actual results, the Group's and Company's future results of operations will be affected.

The most significant estimate and judgement in the Group's and Company's consolidated financial statements relate to the estimated percentage-of-completion for each research and development-related contract as this drives the timing of recognition of research and development costs.

**Beckley Psytech Limited**  
**Notes to the Financial Statements**

**1. Significant accounting policies (continued)**

**Impact of new international reporting standards, amendments and interpretations**

The Group and Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021 (unless otherwise stated). The Group and Company early adopted amendments where early adoption is permissible. The Directors do not expect that the adoption of the remaining standards and interpretations in future periods will have a material impact on the financial statements of the Group and Company. There has not been a material impact on the Group's and Company's financial statements in the period of initial application, but these amendments may impact the accounting for future transactions:

In January 2020, the IASB issued Classification of Liabilities as Current or Non-current (Amendments to IAS 1 – Presentation of Financial Statements). The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

In February 2021, the IASB issued amendments to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, which clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors.

In February 2021, the IASB issued amendments to IAS 1 – Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements, which aims to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

In May 2021, the IASB issued amendments to IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

**Going concern basis**

The Group and Company is considered by the Directors to be a going concern and the consolidated financial statements have been prepared on this basis.

The Group and Company have incurred significant losses and negative cash flows from operations since its inception and expects to continue to incur losses and negative cash flows for the foreseeable future. The Group and Company have historically financed its operations through the sale of its common stock. The Group incurred net loss of £2.8 million and £9.1 million for the 16-month period ended 31 December 2020 and year ended 31 December 2021, respectively. As of 31 December 2021, the Group had cash and cash equivalents of £18,725,922, £44,371,237 of cash in deposits and had net cash used in operating activities of £9,434,164 for the year ended 31 December 2021. The Directors believe that the Group's and Company's current cash and reserves are sufficient for it to continue in operation for a minimum period of 12 months from the date these consolidated financial statements are signed.

To date, none of the Group's and Company's product candidates have been approved for sale, and therefore, no revenue from product sales has been generated. At some stage the Company will need to raise additional funds, which is likely to come through the further sale of its common stock.

The Group's and Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group and Company should be able to operate within the level of its current cash reserves. After making enquiries, the Directors have a reasonable expectation that the Group and Company has adequate resources to continue in operational existence for the foreseeable future. The Group and Company therefore continues to adopt the going concern basis in preparing its financial statements.

**Beckley Psytech Limited**  
**Notes to the Financial Statements**

**1. Significant accounting policies (continued)**

**Research and development costs**

The Group and Company has entered into research and development-related contracts with research institutions and other companies. Research and development costs are expensed as incurred based on the Group's and Company's estimate of the percentage-of-completion for each contract at the reporting date. The Group and Company determines the percentage-of-completion for each contract on an individual basis with reference to achievement of technical milestones as established in the contract with the third parties. The nature of expenses incurred include milestone and upfront payments for license arrangements, the cost of employee compensation and related expenses, as well as expenses for third parties who conduct research and development on the Group's and Company's behalf, pursuant to development and consulting agreements in place. Judgement is required to determine the percentage-of-completion for each to distinguish between the research and development phases.

These costs are a significant component of the Group's and Company's research and development expenses and primarily relate to:

- fees paid to Clinical Research Organisations (CROs) in connection with preclinical and toxicology studies, clinical studies and investigational compounds;
- fees paid to investigative sites in connection with clinical studies;
- fees paid to CROs in connection with clinical study materials; and
- professional service fees for consulting and related services.

**Foreign currency translation**

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.

Assets and liabilities of subsidiaries that have a functional currency different from the presentation currency (pound sterling) are translated at the closing rate at the date of the Consolidated Statement of Financial Position presented. Income and expenses are translated at average exchange rates. Any resulting differences are recognised in other comprehensive income/(loss) in the Consolidated Statement of Comprehensive Income.

**Segment Information**

The Group and Company operates in one segment which develops pharmaceutical products. A single management team that reports to the Chairman of the Board of Directors comprehensively manages the entire business. Accordingly, the Group and Company views its business and manages its operations as one operational and reportable segment.

**Share-based payments**

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The Group and Company expenses stock-based compensation to employees, non-employees and board members over the requisite service period based on the estimated grant date fair value of the awards and forfeitures rates. The Group and Company accounts for forfeitures as they occur. Stock-based awards with graded-vesting schedules are recognized over the requisite service period for each separately vesting portion of the award. The Group and Company estimates the fair value of stock option grants using the Black-Scholes option pricing model, and the assumptions used in calculating the fair value of stock-based awards represent management's best estimates and involve inherent uncertainties and the application of management's judgement.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

**Beckley Psytech Limited**  
**Notes to the Financial Statements**

**1. Significant accounting policies (continued)**

**Taxation**

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets will only be recognised if it can be regarded more likely than not that there will be suitable taxable profits from which the future reversal of underlying timing differences can be deducted.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

The Group and Company accounts for uncertainty in income taxes in the consolidated financial statements by applying a two-step process to determine the amount of tax benefit to be recognized. First, the tax position must be evaluated to determine the likelihood that it will be sustained upon external examination by the taxing authorities. If the tax position is deemed more-likely-than-not to be sustained, the tax position is then assessed as the amount of benefit to recognize in the consolidated financial statements. The amount of benefits that may be used is the largest amount that has a greater than 50% likelihood of being realized upon ultimate settlement. The provision for income taxes includes the effects of any resulting tax reserves, or unrecognized tax benefits, that are considered appropriate, as well as the related net interest and penalties.

**Research and Development tax credits**

The Group and Company may be entitled to claim special tax allowances in relation to qualifying research and development expenditure (e.g. R&D tax credits). The Group and Company accounts for such allowances as tax credits, which means that they are recognised when it is probable that benefit will flow to the Group and Company and that benefit can be reliably measured. As there is no guarantee that a claim will be approved the credit will be recognised on the cash receipt basis.

As a company that carries out extensive research and development activities, the Group and Company benefits from the UK research and development tax credit regime under the scheme for small or medium-sized enterprises, or SME. Under the SME regime, the Group and Company is able to surrender some of its trading losses that arise from qualifying research and development activities for a cash rebate between 22% to 33% of such qualifying gross research and development expenditure. A large portion of costs relating to research and development, clinical trials and manufacturing activities are eligible for inclusion within these tax credit cash rebate claims.

The UK research and development tax credit is fully refundable to the Group and Company and is not dependent on current or future taxable income. The Group and Company has recorded the entire benefit from the UK research and development tax credit as a benefit which is included in the income taxes line and accordingly, reflected as part of the income tax provision.

**Beckley Psytech Limited**  
**Notes to the Financial Statements**

**1. Significant accounting policies (continued)**

**Property, plant and equipment**

Property, plant and equipment is stated at cost less accumulated depreciation and impairment costs, if any. Consistent with IAS 16, cost comprises the aggregate amount paid, and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended. An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of operations and comprehensive loss when the asset is derecognised.

Property and equipment are recorded at cost and depreciated using the straight-line method over the estimated useful lives of the respective assets, which are as follows:

Computer and computer-related equipment	- 3 years
Office equipment	- 5 years

**Impairment of assets**

Individual assets or the asset's cash generating unit are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An asset or the asset's cash generating unit is impaired when its carrying amount exceeds its recoverable amount. The recoverable amount is measured as the higher of fair value less cost of disposal and value in use. The value in use is calculated as being net projected cash flows based on financial forecasts discounted back to present value.

Impairment losses recognized for cash generating units to which goodwill has been allocated are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro-rata to the other assets in the cash generating unit.

An impairment loss is reversed if the asset's or cash generating unit's recoverable amount exceeds its carrying amount.

**Defined Contribution Schemes**

The Group and Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group and Company pays fixed contributions into a separate entity. Once the contributions have been paid the Group and Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Operations when they fall due. Amounts not paid are shown in accruals as a liability in the Consolidated Balance Sheet. The assets of the plans are held separately from the Group and Company in independently administered funds.

**Share capital and share premium**

**Share capital**

The Group and Company has issued three different classes of shares – ordinary, A Shares, and B shares, all of which are classified as equity. A Ordinary shares, B Ordinary Shares and the Ordinary shares rank pari passu in all respects, except A Ordinary and B Ordinary shares having preference on liquidation. None of the shares are redeemable.

**Beckley Psytech Limited**  
**Notes to the Financial Statements**

**1. Significant accounting policies (continued)**

**Share capital and share premium (continued)**

***Share premium***

Amounts of contribution in excess of par value are accounted for as share premium. Share premium also arises from additional capital contributions from shareholders. Incremental costs directly attributable to equity transactions such as the issue of new capital shares are shown in equity as a deduction, net of tax, from the proceeds within share premium. Transaction costs that relate to equity and non-equity transactions are allocated to those transactions using a basis of allocation that is rational and consistent with similar transactions.

**Comprehensive Loss**

Comprehensive loss includes net loss as well as other changes in shareholders' deficit that results from transactions and economic events other than those with shareholders. For the year ended 31 December 2021 and 16-month period ended 31 December 2020, the comprehensive loss balance is inclusive of net loss for the year/period and foreign currency translation adjustment.

**Financial Instruments**

***Financial assets***

Financial assets are classified as financial instruments measured at amortised cost. Financial assets measured at amortised cost are recognised when the Group and Company becomes party to the contractual provisions of the instrument and are derecognised when the contractual rights to the cash flows from the financial asset expire when the financial asset and all substantial risks and reward are transferred.

Financial assets are also derecognised (written-off) when the Group and Company has no reasonable expectation of recovering the financial asset. Indicators of where there is no reasonable expectation of recovery includes indicators of a customer's inability to pay or losses arising in relation to contract disputes.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest rate method. At each reporting date the Group and Company recognises a loss allowance for expected credit losses on financial assets measured at amortised cost. In establishing the appropriate amount of loss allowance to be recognised, the Group applies either the general approach or the simplified approach, depending on the nature of the underlying Group of financial assets.

***Financial liabilities***

Financial liabilities comprise trade and other payables. Financial liabilities are obligations to pay cash or other financial assets and are recognised in the statement of financial position when, and only when, the Group and Company becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially recognised at fair value adjusted for any directly attributable transaction costs. After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.



**Beckley Psytech Limited**  
**Notes to the Financial Statements**

**1. Significant accounting policies (continued)**

**Cash and cash equivalents and term deposits**

The Group and Company considers all highly liquid investments that have maturities of approximately three months or less when acquired to be cash equivalents.

The Group and Company considers all non-highly liquid investments that have maturities of approximately more than three months when acquired to be term deposits.

**Employee benefits**

A liability is recognised to the extent of any unpaid salaries which is accrued at the balance sheet date and carried forward to future periods.

**2. Operating loss**

The Group operating loss is stated after charging:

	<i>2021</i>	<i>1 September 2019 to 31 December 2020</i>
	£	£
Employee expenses (Note 4)	2,066,635	523,889
Share-based payments	1,366,954	655,999
Patent-related expenses	342,424	68,268
Depreciation expense	1,969	-

Patent-related expenses includes fees paid to intellectual property consultants to assist in pre-clearing freedom to operate and other matters required for future patent licensing.

**3. Auditor's remuneration**

The Group and Company incurred the following amounts, payable to its auditors in respect of the audit of the financial statements:

	<i>2021</i>	<i>1 September 2019 to 31 December 2020</i>
	£	£
Auditor's remuneration	80,000	16,000

During the reporting year, the auditor provided non-audit services to the amount of £140k (1 September 2019 to 31 December 2020 – £nil).

**Beckley Psytech Limited**  
**Notes to the Financial Statements**

**4. Employee expenses**

Employee costs consist of:

	<b>2021</b>	<b>1 September 2019 to 31 December 2020</b>
<b>Group</b>	<b>£</b>	<b>£</b>
Wages and salaries	1,855,114	492,996
Social security costs	181,043	29,227
Other pension costs	30,478	1,666
Share-based payments	1,366,954	655,999
	<b>3,433,589</b>	<b>1,179,888</b>

	<b>2021</b>	<b>1 September 2019 to 31 December 2020</b>
<b>Company</b>	<b>£</b>	<b>£</b>
Wages and salaries	1,624,026	492,996
Social security costs	180,537	29,227
Other pension costs	30,478	1,666
Share-based payments	1,366,954	655,999
	<b>3,201,995</b>	<b>1,179,888</b>

**Employee numbers**

The monthly average number of persons, including the Directors, employed by the Group and Company during the year was as follows:

	<b>2021</b>	<b>1 September 2019 to 31 December 2020</b>
<b>No. of employees</b>	<b>No. of employees</b>	<b>No. of employees</b>
	14	4

The average number of persons, including Directors, employed by the Company during the year was 13 (1 September 2019 to 31 December 2020 – 4).

**Beckley Psytech Limited**  
**Notes to the Financial Statements**

**5. Directors' remuneration**

	<i>2021</i>	<i>1 September 2019 to 31 December 2020</i>
<b>Group and Company</b>	<b>£</b>	<b>£</b>
Directors' fees	490,576	231,222
Short-term employee benefits	139,500	-
Post-employment benefits	8,438	-
<b>Total Directors' remuneration</b>	<b>638,514</b>	<b>231,222</b>

No Directors exercised share options during the current year or prior period in respect of qualifying services under a long-term incentive scheme.

The highest Director received remuneration of £312,189 (1 September 2019 to 31 December 2020 - £153,000).

The value of the Group's and Company's contributions paid to a defined contribution pension plan in respect of the highest paid Director amounted to £nil (1 September 2019 to 31 December 2020 - £nil).

**6. Interest income**

	<i>2021</i>	<i>1 September 2019 to 31 December 2020</i>
	<b>£</b>	<b>£</b>
Interest income on deposits	19,537	-
	<b>19,537</b>	<b>-</b>

**Beckley Psytech Limited**  
**Notes to the Financial Statements**

**7. Income tax benefit**

**Analysis of the tax credit**

The tax credit on the loss for the year was as follows:

<b>Corporation tax</b>	<b>2021</b>	<b>1 September 2019 to 31 December 2020</b>
	<b>£</b>	<b>£</b>
Current tax on losses for the year	(1,907,160)	(670,643)
Overseas taxation	4,879	-
<b>Total current tax</b>	<b>(1,902,281)</b>	<b>(670,643)</b>

Deferred tax assets in respect of the losses incurred by the Group and Company have not been recognised on the basis that there is uncertainty as to the timing of future taxable profits against which the losses would be utilised.

**Factors affecting the tax credit for the year**

The tax credit assessed for the year is lower (1 September 2019 to 31 December 2020 – higher) than the standard rate of corporation tax in the UK of 19% at £2,021,831 (1 September 2019 to 31 December 2020 – £650,578). The difference is explained below:

	<b>2021</b>	<b>1 September 2019 to 31 December 2020</b>
Loss for the year before income taxes:	(10,961,343)	(3,424,098)
Statutory income tax rate	19%	19%
Income tax recovery based on statutory income tax rate	(2,082,655)	(650,578)
<b>Effects of:</b>		
Expenses not deductible	1,338,036	457,708
Tax relief for qualifying research and development expenditure	(1,907,160)	(670,643)
Amounts not recognised	747,726	192,870
Effects of overseas tax rates	1,772	-
<b>Total tax credit for the year</b>	<b>(1,902,281)</b>	<b>(670,643)</b>

The unrecognised deferred tax asset as at the year end was £1,176,463 (1 September 2019 to 31 December 2020 - £192,870).

**Factors that may affect future tax (credits)/charges**

The March 2021 Budget announced that the UK Corporation tax rate will increase from 19% to 25% from 1 April 2023 for companies with taxable profits in excess of £250,000. A small profits rate (SPR) will also be introduced for companies with profits of £50,000 or less so that they continue to pay Corporation tax at 19%. For those companies that have taxable profits between £50,000 and £250,000, a margin rate relief scheme will be introduced to bridge the gap between the 19% and 25% rate providing a gradual increase in rate throughout this band.

**Beckley Psytech Limited**  
**Notes to the Financial Statements**

**8. Property, plant and equipment**

Property, plant and equipment consists of the following:

	<i>Computer and computer- related Equipment</i>	<i>Office Equipment</i>	<i>Total</i>
<b>Group and Company</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>			
Balance at 1 September 2019	-	-	-
Additions	-	-	-
<b>Balance at 31 December 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>
Additions	12,184	2,126	14,310
<b>Balance at 31 December 2021</b>	<b>12,184</b>	<b>2,126</b>	<b>14,310</b>
<b>Accumulated depreciation</b>			
Balance at 1 September 2019	-	-	-
Depreciation charge for the year	-	-	-
<b>Balance at 31 December 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation charge for the year	1,857	112	1,969
<b>Balance at 31 December 2021</b>	<b>1,857</b>	<b>112</b>	<b>1,969</b>
<b>Net book value</b>			
<b>Balance at 31 December 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 December 2021</b>	<b>10,327</b>	<b>2,014</b>	<b>12,341</b>

**Beckley Psytech Limited**  
**Notes to the Financial Statements**

**9. Fixed asset investments**

	<i>Investments in subsidiary companies</i>
<b>Company</b>	
<b>Cost or valuation</b>	<b>£</b>
At 1 January 2021	-
Additions	1
<b>At 31 December 2021</b>	<b>1</b>
<b>Cost or valuation</b>	
At 31 December 2021	1
<b>At 31 December 2020</b>	<b>-</b>

**Subsidiary undertaking**

The following is a subsidiary undertaking of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principle activity</b>	<b>Class of shares</b>	<b>Holding</b>
Beckley Psytech US Inc.	251 Little Falls Drive Wilmington New Castle Delaware 19808 United States	Research and development of psychedelic compounds	Ordinary shares	100%

The Company bought 100% of the shares in Beckley Psytech US Inc. when it was incorporated in August 2021.

**Beckley Psytech Limited**  
**Notes to the Financial Statements**

**10. Trade and other receivables**

	<b>2021</b>	<b>2020 restated</b>
<b>Group</b>	<b>£</b>	<b>£</b>
Prepayments	924,515	349,736
Tax receivables	2,345,361	859,662
Financing receivables	963,934	2,544,200
<b>Total trade and other receivables</b>	<b>4,233,810</b>	<b>3,753,598</b>

Prepayments consist of amounts paid in advance for clinical trials that are expected to progress within 12 months.

Tax receivables consist of VAT receivables due from HMRC of £438,201 (2020: £189,019), and a research & development tax credit due to the Group of £1,907,160 (2020: £670,643).

Financing receivables consist of Series A in 2020 and Series B in 2021 financing amounts due from investors who have committed funding to the Group and Company as of the end of the fiscal year but was not received until the subsequent year for the amounts of £963,934 (2020 – £2,544,200).

	<b>2021</b>	<b>2020 restated</b>
<b>Company</b>	<b>£</b>	<b>£</b>
Prepayments	924,515	349,736
Amounts owed by group undertakings	85,350	-
Tax receivables	2,345,361	859,662
Financing receivables	963,934	2,544,200
<b>Total trade and other receivables</b>	<b>4,319,160</b>	<b>3,753,598</b>

Tax receivables consist of VAT receivables due from HMRC of £438,201 (2020: £189,019), and a research & development tax credit due to the Group of £1,907,160 (2020: £670,643).

The prior year restatement relates to the recognition of prepayments and accrued liabilities for the research and development costs, as well as the recognition of the R&D tax credit receivable from HMRC. See note 18 for more details.

The amounts owed by group undertakings are unsecured, interest free and repayable on demand.

The carrying value of trade and other receivables are a reasonable approximation of their fair value.

**Beckley Psytech Limited**  
**Notes to the Financial Statements**

**11. Trade and other payables**

	<i>2021</i>	<i>2020 restated</i>
<b>Group</b>	<b>£</b>	<b>£</b>
Trade payables	1,562,151	399,156
Tax payables	165,270	43,544
Accruals	1,061,817	257,915
<b>Total trade and other payables</b>	<b>2,789,238</b>	<b>700,615</b>

	<i>2021</i>	<i>2020 restated</i>
<b>Company</b>	<b>£</b>	<b>£</b>
Trade payables	1,561,153	399,156
Tax payables	160,391	43,544
Accruals	1,060,336	257,915
<b>Total trade and other payables</b>	<b>2,781,880</b>	<b>700,615</b>

Trade payables are non-interest bearing and are normally settled in 30 to 60 days. Tax payables for the Group relate to payroll taxes owed to HMRC as well as overseas tax liabilities of £4,879. Tax payables for the Company only relate to payroll taxes owed to HMRC.

Included in the total accruals is £472,357 (2020 – £257,915) related to CRO accruals for both the Group and Company.

The carrying amounts of trade and other payables classified as financial liabilities held at amortised cost are a reasonable approximation of their fair values.



**Beckley Psytech Limited**  
**Notes to the Financial Statements**

**12. Capital and Reserves**

**Share capital**

<b>Group and Company Issued shares:</b>	<b>Ordinary shares (£0.0001)</b>	<b>Series A shares (£0.0001)</b>	<b>Series B shares (£0.0001)</b>	<b>Total shares</b>	<b>Total (£)</b>
<b>At 1 September 2019</b>	100	-	-	100	100
Issuance of share capital	19,999,900	27,040,366	-	47,040,266	4,604
<b>At 31 December 2020</b>	20,000,000	27,040,366	-	47,040,366	4,704
Issuance of share capital	-	-	20,334,787	20,334,787	2,033
<b>At 31 December 2021</b>	20,000,000	27,040,366	20,334,787	67,375,153	6,737

On 4 December 2019 the following transactions occurred:

- 100 Ordinary shares were issued to a new shareholder at par of £1, thus totalling an amount of 200 Ordinary shares issued.
- The 200 Ordinary shares, as mentioned above, with a par value of £1 were subdivided into 2,000,000 Ordinary shares with a par value of £0.0001.
- 18,000,000 Ordinary shares were issued at £0.03333 for a total consideration of £599,940.

On 29 May 2020 9,999,999 A Ordinary shares were issued at £0.3 per share for a total consideration of £3,000,000.

On 31 December 2020, 17,040,367 A Ordinary shares were issued at £0.83333 per share for a total consideration of £14,200,249.

On 2 July 2021, the Group and Company allotted and issued 18,015,777 B Ordinary Shares at £0.0001 par value each and £2.873 premium value per share for a total consideration of £51,761,129.

On 10 August 2021, the Group and Company allotted 2,319,010 B Ordinary Shares at £0.0001 par value each and £2.85952 premium value per share for a total consideration of £6,595,383.

A Ordinary shares, B Ordinary Shares and the Ordinary shares rank pari passu in all respects, except A Ordinary and B Ordinary shares having preference on liquidation. None of the shares are redeemable.

As of 31 December 2021, 328,312 B Ordinary Shares were issued at \$3.96 each (translated to £2.9275 each at the year end spot rate), totalling £ 961,134 but were unpaid and included in financing receivables. As of 31 December 2020, 3,048,012 A Ordinary Shares were issued at £0.83333 par value each, totalling £2,544,200 but were unpaid and included in financing receivables.

**Share premium**

This reserve represents the amount above the par value received for shares.

**Translation reserve**

This reserve represents foreign exchange differences arising on translation of overseas operations.

**Accumulated deficit**

This represents the Group's cumulative losses since incorporation.

**Beckley Psytech Limited**  
**Notes to the Financial Statements**

**13. Share-based payments**

The Group and Company has a stock option plan to advance the interests of the Group and Company by providing employees, contractors and Directors of the Group and Company a performance incentive for continued and improved service with the Group and Company. The plan sets out the framework for determining eligibility as well as the terms of any stock-based compensation granted. The plan was approved by the shareholders as part of the Arrangement. The standard vesting terms for employee grants are 33% on the first anniversary of the grant date and 33% thereafter each year for the succeeding 2 years.

The exercise price of the share options granted represents the per share value of ordinary shares on the date of grant, as determined by the Board of Directors, after considering the most recently available fundraising event as well as any additional factors that may have changed since the date of fundraising through the date of grant. The contractual term of the share options is six years with a vesting period of three years and there are no cash settlement alternatives for the employees. The share options are not dependent on any particular event. The share options surrender when the employee leaves the Company before the shares vest.

The following is a summary of stock option activity for the year ended 31 December 2021 and 16-month period ended 31 December 2020:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Year)
Outstanding as of 1 September 2019	-	-	-
Granted	1,925,000	£0.06	4.99
Exercised	-	-	-
Cancelled, forfeited, or expired	-	-	-
Outstanding as of 31 December 2020	<b>1,925,000</b>	<b>£0.06</b>	<b>4.99</b>
Granted	2,620,000	£1.66	5.35
Exercised	-	-	-
Cancelled, forfeited, or expired	-	-	-
Outstanding as of 31 December 2021	<b>4,545,000</b>	<b>£0.98</b>	<b>4.77</b>
Exercisable at 31 December 2020	1,146,472	£0.04	4.95
Exercisable at 31 December 2021	2,744,326	£0.47	4.43

The weighted average fair value of options granted during the year was £0.48 (1 September 2019 to 31 December 2020 – £0.03).

The range of exercise prices for options outstanding at the end of the year was £0.033 to £2.81 (1 September 2019 to 31 December 2020 – £0.033 to £0.833).

The Group and Company calculates the fair value of stock options granted by using the Black-Scholes option-pricing model with the following assumptions:

**Expected Volatility** - The volatility assumption, measured at the standard deviation of expected share price returns, is based on a statistical analysis of daily share prices of comparable publicly quoted companies over a term equivalent to the expected life of the options.

**Risk-Free Interest Rate** - The risk-free interest rate is based on the implied yield currently available on U.S. Treasury zero-coupon issues with an equivalent expected term at the grant date.

**Dividend Yield** - The Group and Company has not declared or paid dividends to date and does not anticipate declaring dividends. As such, the dividend yield has been estimated to be zero.

**Beckley Psytech Limited**  
**Notes to the Financial Statements**

**13. Share-based payments (continued)**

The assumptions used in the Black-Scholes option pricing model were as follows:

	Year Ended 31 December 2021	Period Ended 1 September 2019 to 31 December 2020
Weighted average expected term in years	1.6 years	2.8 years
Weighted average expected stock price volatility	93%	106%
Weighted average risk-free interest rate	0.20%	0.49%
Expected dividend yield	0%	0%

**14. Related party transactions**

During the year, there was a £24k donation to the Beckley Foundation from the Group and Company. Only the Executive Directors and Non-executive Directors are recognised as being key management personnel. It is the Board which has responsibility for planning, directing and controlling the activities of the Group and Company.

**Key management personnel compensation**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and Company, including the Directors of the Group and Company.

	2021	2020
	£	£
Directors' fees	490,576	231,222
Short-term employee benefits	139,500	-
Post-employment benefits	8,438	-
Total key management personnel compensation	638,514	231,222

During the year, key management personnel were granted 1,225,000 (1 September 2019 to 31 December 2020 – 700,000) share options resulting in a charge of £233,318 (1 September 2019 to 31 December 2020 – £26,509).

In keeping with the Group's and Company's corporate social responsibility and intention to support cutting-edge research in the field of psychedelic medicine, the Group and Company committed to future contributions to a UK-based think-tank and UN-accredited non-governmental organisation. The Group and Company agreed to pay a royalty of 1% of net revenues to the Beckley Foundation, an associated charity, on a yearly basis. No payments to the Foundation are expected until the Group and Company is revenue-generating.

**Beckley Psytech Limited**  
**Notes to the Financial Statements**

**15. Financial instruments**

All financial instruments are held at amortised cost.

	2021 £	2020 restated £
<b>Financial assets at amortised cost</b>		
Trade and other receivables	3,309,295	3,403,862
Term deposits	44,371,237	-
Cash and cash equivalents	18,725,922	12,026,557
<b>Financial liabilities measured at amortised cost</b>		
Trade and other payables	2,789,238	700,615

**Financial risk management**

**Financial assets at amortised cost – term deposits**

The deposits balance consists of a treasury deposit with Barclays Bank for a fixed term of one year, as well as a deposit with maturity terms of 95 day, which is subject to an insignificant risk of changes in value. The 12 month treasury deposit is for an amount of \$40,000,000 (£29,585,883) with an interest rate of 0.22%. The 95 day deposit is for an amount of \$20,000,000 (£14,785,354). The interest rate on the notice deposit is variable and tracks the US Fed central rate. The current effective pre-notice rate for the USD 95-Day ND is 0.2%.

The Group and Company has exposure to financial risk, credit risk, liquidity risk and foreign currency risk. Interest rate risk is not significant to the Group and Company as it does not hold debt.

**Financial risk**

Financial risk is the risk that the Group and Company will not be able to meet its obligations to pay back its debts. The Group's and Company's principal financial instruments comprise cash and cash equivalents and short-term liabilities such as trade payables. The Group and Company regularly reviews its working capital requirements in respect of the demands of research and development activities. The Directors believe there to be no foreseeable material financial risk in the Group and Company as it has cash reserves to cover short-term liabilities.

**Credit Risk**

Exposure to credit risk arises as a result of transactions in the Group's and Company's ordinary course of business and is applicable to all commitments with third parties. The Group and Company receives standard 30 day terms from their suppliers. The Group and Company has policies and procedures to monitor their exposure and to minimise any risks of losses. Due to the Group's and Company's pre-revenue stage, there are no third-party debtors at the balance sheet date; therefore, the maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets. Specifically, term deposits (discussed above) and trade and other receivables (discussed in Note 10). As such, credit risk is immaterial.

**Liquidity Risk**

The Group and Company aims to maintain sufficient liquidity optimising the working capital structure to maximise the efficiency of returns on their research and development activities whilst safeguarding the business as a going concern. The Directors believe there to be no foreseeable material liquidity risk in the Group and Company as it has cash reserves to cover projected demands.

**Beckley Psytech Limited**  
**Notes to the Financial Statements**

**15. Financial instruments (continued)**

**Financial risk management (continued)**

**Foreign Currency Risk**

Foreign currency risk primarily relates to changes in the exchange rates arising from operating expenses denominated in the US dollar relating to its US operations. Assuming other factors remained constant and that no further foreign exchange risk management action were taken, a 10% appreciation or depreciation against the Pound Sterling at December 31, 2021 would have the effects seen below. No components of equity are subject to foreign currency risk. No impact to 2020 as US operations began in 2021.

	Impact on pre-tax loss	
	2021	2020
	£	£
US/GBP exchange rate – increase 10%	4,566,404	-
US/GBP exchange rate – decrease 10%	(6,677,262)	-

The above impact is for both cash and cash equivalents and term deposits. Cash and cash equivalents consists of \$16,183,595 (£11,964,009) at 31 December 2021. The deposits balance consists of a treasury deposit with Barclays Bank for a fixed term of one year, as well as a deposit with maturity terms of 95 day, which is subject to an insignificant risk of changes in value. The 12 month treasury deposit is for an amount of \$40,000,000 (£29,585,883) with an interest rate of 0.22%. The 95 day deposit is for an amount of \$20,000,000 (£14,785,354).

The Group and Company trades principally in GBP and USD and other foreign currency transactions are a very small percentage of their total costs. The Directors do not consider that the changes to currency valuations after the report date have significantly altered the fair value of the assets and liabilities on the statement of financial position at the year end date.

**Management of capital**

The Group and Company defines its capital as share capital and accumulated deficit. The Group's and Company's objectives in managing capital are to ensure that sufficient funds are available to carry out its research and development activities. To date, these programs have been funded through the sale of equity securities.

**16. Capital commitments**

The Group had no contractual commitments to purchase tangible fixed assets at the year end (2020 – £nil).

The Company had no contractual commitments to purchase tangible fixed assets at the year end (2020 – £nil).

**17. Post-Balance Sheet events**

On 27th July 2022, the Group and Company signed a letter of intent with an acquisition target to potentially acquired the targets' whole share capital. The Group and Company have also subsequently signed a loan agreement with the target and have loaned the target \$1.241 million to continue essential development work, with a non-binding agreement to advance a further \$3.759 million if required and completely at the discretion of Beckley Psytech Limited management, having due consideration for cashflow considerations. The loan amount, both past and future, is secured against the assets of the acquisition company and repayable on demand, with guarantees provided by the other group companies to Beckley Psytech Limited.

**Beckley Psytech Limited**  
**Notes to the Financial Statements**

**18. Restatement of financial statements for the previous financial period**

During 2021, the Group and Company identified an error in the methodology used to calculate the percentage of completion of research and development costs. The adjustment resulted in the recognition of prepayments and CRO accruals of £336,383 and £131,190 respectively.

Another item identified was in the R&D tax credit receivable being recognised after payment by HMRC, post signing of the prior period financial statements that related to 2020 and 2019. The adjustment resulted in a tax receivable of £670,643 and a corresponding tax credit for the same amount.

The Group and Company also identified an error in the methodology used to calculate the share-based payment expense. The adjustment increased the share-based payment expense by £63,113 for the period.

The Group and Company also incorrectly included a financing cash inflow in the cash flow statement relating to shares issued but not yet paid at year end, with an equal and opposite movement through working capital within operating cash flows. The amount of these unpaid shares at the period end were £2,544,200.

The Group and Company also incorrectly classified transactions costs in relation to Share Premium as an expense through the Statement of Comprehensive Income rather than within Equity. These transaction costs totalled £45,200.

As a result of these corrections, the Group and Company have restated the financial statements line items for the period ended 31 December 2020, in accordance with International Financial Reporting Standards as described below:

<i>Consolidated Statement of Financial Position</i>	31 December 2020		
	Original		Restated
	Presentation	Adjustment	Presentation
	£	£	£
CRO accruals	(126,725)	(131,190)	(257,915)
Prepayments	13,353	336,383	349,736
Tax receivables	189,019	670,643	859,662
Cash and cash equivalents	12,026,556	1	12,026,557
Effect on equity (accumulated as of 31 December 2020)	<b>12,102,203</b>	<b>875,837</b>	<b>12,978,040</b>

<i>Consolidated Statement of Changes in Equity</i>	31 December 2020		
	Original		Restated
	Presentation	Adjustment	Presentation
	£	£	£
Loss before income taxes	(3,611,379)	187,281	(3,424,098)
Income tax benefit	-	670,643	670,643
Share-based payment expense	14,693	63,113	77,806
Share premium reserve	17,795,685	(45,200)	17,750,485
Effect on equity (accumulated as of 31 December 2020)	<b>14,198,999</b>	<b>875,837</b>	<b>15,074,836</b>

**Beckley Psytech Limited**  
**Notes to the Financial Statements**

**18. Restatement of financial statements for the previous financial period (continued)**

<i>Consolidated Statement of Cash Flows</i>	31 December 2020		
	Original		Restated
	Presentation	Adjustment	Presentation
	£	£	£
Loss before income taxes	(3,611,379)	187,281	(3,424,098)
Share-based payments charge	14,693	63,113	77,806
Increase in trade and other receivables	(2,746,572)	2,207,717	(538,855)
Increase in trade and other payables	569,425	131,190	700,615
Rounding difference	-	(1)	(1)
Net cash used in operating activities	<b>(5,773,833)</b>	<b>2,589,300</b>	<b>(3,184,533)</b>

<i>Consolidated Statement of Cash Flows</i>	31 December 2020		
	Original		Restated
	Presentation	Adjustment	Presentation
	£	£	£
Proceeds from issuance of ordinary shares	17,800,289	(2,544,100)	15,256,189
Transaction costs on issue of ordinary shares	-	(45,200)	(45,200)
Net cash generated from financing activities	<b>17,800,289</b>	<b>(2,589,300)</b>	<b>15,210,989</b>

**19. Controlling party**

Beckley Psytech Limited is owned by a number of shareholders and individually, no shareholder is able to exert control. Therefore, the Directors are of the opinion that there is no ultimate controlling party.

**20. Parent company exemption**

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of profit and loss and other comprehensive income in these financial statements. The loss attributable to the Company is disclosed at the bottom of the Company's statement of financial position.