
CELADON PHARMA LTD

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2021

CELADON PHARMA LTD
REGISTERED NUMBER: 11549833

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	568,072	451,846
		<u>568,072</u>	<u>451,846</u>
Current assets			
Stocks		1,774	-
Debtors: amounts falling due within one year	5	347,459	66,932
Cash at bank and in hand	6	59,466	53,357
		<u>408,699</u>	<u>120,289</u>
Creditors: amounts falling due within one year	7	(3,337,224)	(1,121,150)
Net current liabilities		<u>(2,928,525)</u>	<u>(1,000,861)</u>
Total assets less current liabilities		<u>(2,360,453)</u>	<u>(549,015)</u>
Creditors: amounts falling due after more than one year		(34,171)	(43,333)
Net liabilities		<u><u>(2,394,624)</u></u>	<u><u>(592,348)</u></u>
Capital and reserves			
Called up share capital	9	2	2
Profit and loss account		(2,394,626)	(592,350)
		<u><u>(2,394,624)</u></u>	<u><u>(592,348)</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 September 2022.

CELADON PHARMA LTD
REGISTERED NUMBER: 11549833

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

Mr J Short

Director

The notes on pages 3 to 8 form part of these financial statements.

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

1. General information

Celadon Pharma Ltd is a private company, limited by shares, registered in England and Wales. The registered office address is 32-33 Cowcross Street, London, EC1M 6DF. The company registration number is 11549833.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

At the date of the financial statements, the directors have assessed the company's situation with regards to the negative reserves, which have arisen due to the company not generating any revenues. The Directors have prepared cash flow forecasts for the Company for a period of 12 months from the date of the approval of the financial statements. These forecasts reflect an assessment of the current and future market conditions and their impact on the Company. On this basis, the Directors have reasonable expectation that the Company has adequate resources and working capital to continue in its operational existence for the foreseeable future, and thus continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP. Monetary amounts in these financial statements are rounded to the nearest £.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following

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

2. Accounting policies (continued)

2.4 Revenue (continued)

conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.7 Taxation

Tax is recognised in the Statement of comprehensive income except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.8 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Plant and machinery	- 5 years straight line
Office equipment	- 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of comprehensive income.

2.11 Debtors

Short-term debtors are measured at transaction price, less any impairment.

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 Financial instruments

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

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

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

3. Employees

The average monthly number of employees, including directors, during the year was 11 (2020 - 2).

4. Tangible fixed assets

	Plant and machinery £	Office equipment £	Total £
Cost			
At 1 January 2021	506,632	-	506,632
Additions	186,475	65,818	252,293
At 31 December 2021	693,107	65,818	758,925
Depreciation			
At 1 January 2021	54,786	-	54,786
Charge for the year	120,993	15,074	136,067
At 31 December 2021	175,779	15,074	190,853
Net book value			
At 31 December 2021	517,328	50,744	568,072
At 31 December 2020	451,846	-	451,846

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

5. Debtors

	2021 £	2020 £
Trade debtors	60,490	-
Amounts owed by group undertakings	100,000	-
Other debtors	35,910	66,932
Prepayments and accrued income	151,059	-
	<u>347,459</u>	<u>66,932</u>

6. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>59,466</u>	<u>53,357</u>

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	9,996	6,667
Other loans	-	86,000
Trade creditors	51,932	109,815
Amounts owed to group undertakings	3,181,500	821,161
Other taxation and social security	65,054	-
Other creditors	-	97,507
Accruals and deferred income	28,742	-
	<u>3,337,224</u>	<u>1,121,150</u>

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

	2021 £	2020 £
Bank loans	<u>34,171</u>	<u>43,333</u>

CELADON PHARMA LTD

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

9. Share capital

	2021 £	2020 £
Authorised, allotted, called up and fully paid		
2 (2020 - 2) Ordinary shares of £1.00 each	<u>2</u>	<u>2</u>

10. Post balance sheet events

On 28 March 2022, then entire share capital of Vertigrow Technology Ltd (which wholly owns Celadon Pharma Ltd) was acquired by Summerway Capital Plc to create the Celadon Pharmaceuticals Group (a company listed on the AIM market).

11. Parent Company and controlling party

The parent company at 31 December 2021 was Vertigrow Technology Ltd, a company registered in England and Wales. Its registered office address is 32-33 Cowcross Street, London, England, EC1M 6DT.

The ultimate controlling party at 31 December 2021 was J Short by virtue of his shareholding and directorship in the company. J Short is also considered to be key management personnel.

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.