

**CRISTAL HEALTH LTD (TRADING AS AKRIVIA HEALTH)**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 MARCH 2021**

**CRISTAL HEALTH LTD**  
**REGISTERED NUMBER: 11892096**

**BALANCE SHEET**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	4	29,131	17,987
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	738,635	234,238
Cash at bank and in hand	6	222,934	1,827,845
		<u>961,569</u>	<u>2,062,083</u>
Creditors: amounts falling due within one year	7	(307,253)	(175,571)
		<u>654,316</u>	<u>1,886,512</u>
<b>Net current assets</b>		<u>654,316</u>	<u>1,886,512</u>
<b>Total assets less current liabilities</b>		<u>683,447</u>	<u>1,904,499</u>
<b>Net assets</b>		<u><u>683,447</u></u>	<u><u>1,904,499</u></u>
<b>Capital and reserves</b>			
Called up share capital	8	151	148
Share premium account		3,016,952	2,866,954
Share-based payment reserve		177,436	44,679
Profit and loss account		(2,511,092)	(1,007,282)
		<u>683,447</u>	<u>1,904,499</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 by:

**Michael Denis**  
Director  
Date: 26 May 2021

The notes on pages 2 to 9 form part of these financial statements.

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

**1. General information**

CRISTal Health Ltd is a private company limited by shares and incorporated in England and Wales. The registered address and principal place of business is Oxford Centre For Innovation, New Road, Oxford, OX1 1BY.

The principal activity of the Company is that of the development of treatments and services in mental health and dementia.

**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**

During the year ended 31 March 2021, the World entered into a global pandemic, COVID-19. Despite the pandemic, the Company has continued to develop during the year and has been successful in receiving grant funding for research and development projects and made strong progress towards long-term strategic collaborations.

The Company has incurred a loss for the period of £1,503,810 (2020: £1,007,282) and has net assets as at 31 March 2021 of £683,447 (2020: £1,904,499) of which cash represents £296,599 (2020: £1,827,845). The Directors have prepared forecasts and projections using what they consider to be reasonable assumptions relating to the Company's financial performance, current financial position and existing financial resources for a period of at least 12 months from signing of the financial statements which show the Company to be a going concern. The Company is continuing to grow and invest in research and development with the continued support of its investors and considers the cash flows of the Company to be sufficient to ensure the Company remains a going concern.

Based on the above, the Directors are of the opinion that the going concern principle is applicable and that the Company has the necessary resources to continue as a going concern for the foreseeable future.

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

**2. Accounting policies (continued)**

**2.3 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP, rounded to the nearest whole pound Sterling.

**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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

**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 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 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

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

**2. Accounting policies (continued)**

**2.6 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

**2.7 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.8 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.9 Share based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

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

**2. Accounting policies (continued)**

**2.10 Taxation**

Tax is recognised in profit or loss 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.

The Company recognises research and development tax credits on an accruals basis except during the first period of accounting as the Company has two years in which to prepare a claim.

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.

**2.11 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.

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.

Depreciation is provided on the following basis:

Leasehold improvements	-	10%
Office equipment	-	25%
Computer equipment	-	33%

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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.12 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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

**2. Accounting policies (continued)****2.13 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**2.14 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.

**2.15 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.

**3. Employees**

The average monthly number of employees, including directors, during the year was 20 (2020 - 10).

**4. Tangible fixed assets**

	Leasehold improvements £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 April 2020	10,000	1,226	8,711	19,937
Additions	-	9,179	9,524	18,703
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	10,000	10,405	18,235	38,640
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 April 2020	167	260	1,523	1,950
Charge for the year on owned assets	1,000	2,206	4,353	7,559
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2021	1,167	2,466	5,876	9,509
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>				
At 31 March 2021	<u>8,833</u>	<u>7,939</u>	<u>12,359</u>	<u>29,131</u>
<b>At 31 March 2020</b>	<u>9,833</u>	<u>966</u>	<u>7,188</u>	<u>17,987</u>

**CRISTAL HEALTH LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
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**5. Debtors**

	2021 £	2020 £
Trade debtors	20,450	950
Other debtors	86,898	51,881
Prepayments and accrued income	244,439	18,865
Tax recoverable	386,848	162,542
	<u>738,635</u>	<u>234,238</u>

**6. Cash and cash equivalents**

	2021 £	2020 £
Cash at bank and in hand	<u>222,934</u>	<u>1,827,845</u>

**7. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Trade creditors	236,685	25,561
Other taxation and social security	25,767	21,878
Other creditors	5,219	2,900
Accruals and deferred income	39,582	125,232
	<u>307,253</u>	<u>175,571</u>

**8. Share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
1,506,368 (2020 - 1,481,368) Ordinary shares of £0.0001 each	<u>151</u>	<u>148</u>

During the year ended 31 March 2021 25,000 Ordinary shares of £0.0001 were issued for a total consideration of £150,001.

During the year ended 31 March 2020 1,481,368 Ordinary shares of £0.0001 were issued for a total consideration of £2,867,102.



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

**9. Share based payments**

The Company operates a share based payment scheme whereby the options are granted at the discretion of the Directors. The options are equity settled, vest at various dates through their term based on non-market conditions and have a maximum term of 10 years.

The options are valued using the Black-Scholes model. The Company assesses the inputs into the Black-Scholes model using a range of company specific and market-based information using estimates and judgements that they consider to be appropriate.

	Weighted average exercise price (pence) 2021	Number 2021	Weighted average exercise price (pence) 2020	Number 2020
Outstanding at the beginning of the year	240	280,526		-
Granted during the year	240	19,452	240	280,526
Forfeited during the year	240	(20,906)		-
	<u>240</u>	<u>279,072</u>	<u>240</u>	<u>280,526</u>
<b>Outstanding at the end of the year</b>				

74,761 options are exercisable at 31 March 2021 (2020: no options are exercisable at 31 March 2020).

	2021 Black-Scholes	2020 Black-Scholes
Option pricing model used		
Weighted average share price (pence)	31.21	240
Exercise price (pence)	240	240
Weighted average contractual life (days)	3,650	3,650
Expected volatility	29.96% to 30.29%	33.60%
Risk-free interest rate	<u>0.251%</u>	<u>0.645%</u>
	2021 £	2020 £
Equity-settled schemes	<u>132,757</u>	<u>44,679</u>

**10. Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £23,733 (2020: £7,114). Contributions totalling £5,219 (2020: £2,900) were payable to the fund at the balance sheet date and are included in creditors.

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

**11. Commitments under operating leases**

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	12,029	60,146
Later than 1 year and not later than 5 years	-	12,029
	<u>12,029</u>	<u>72,175</u>

**12. Controlling party**

In the opinion of the Directors, there is no one ultimate controlling party.

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.