

# Lamellar Biomedical Limited

Registered number: SC312123

**Annual Report**  
**For the year ended 30 June 2020**

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SCT	11/09/2021	#173
COMPANIES HOUSE		

\*SAAE7PPD\*

SCT	07/08/2021	#61
COMPANIES HOUSE		

## Lamellar Biomedical Limited

### Company Information

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**Directors**                      D C M Moore            (Chairman)  
   J Cordiner  
   J Carney  
   M J Broker  
   V S Muthu  
   C Wardhaugh

**Company secretary**        Barwell Consulting Limited

**Registered number**        SC312123

**Registered office**        Level 2,  
   Suites 1 & 2  
   2 Parklands Way  
   Eurocentral  
   Holytown,  
   ML1 4WR

**Bankers**                      Bank of Scotland  
   167-201 Argyle Street  
   Glasgow  
   G2 8BU

Clydesdale Bank Plc  
19 Stuart Street  
East Kilbride  
G74 4NF

**Patent Attorneys**        Murgitroyd & Co  
   165 - 169 Scotland Street  
   Glasgow  
   G2 8BU

**Solicitors**                      Brodies LLP  
   15 Atholl Crescent  
   Edinburgh  
   EH3 8HA

Bonaccord  
31 Merchiston Park  
Edinburgh  
EH10 3PW

**Website**                      [www.lamellar.com](http://www.lamellar.com)

# **Lamellar Biomedical Limited**

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## **Lamellar Biomedical Limited**

### **Directors' Report for the year ended 30 June 2020**

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The Directors present their report and the financial statements of the Company for the year ended 30 June 2020.

#### **Directors' responsibilities statement**

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards. ("IFRS") as adopted by the European Union and applicable law.

Under company law the 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 Company and of the profit or loss of the Company for that year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgements and accounting estimates that are reasonable and prudent;
- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- state that the Company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Principal activities**

The principal activities of the Company during the year were the development and commercialisation of intellectual property relating to biotechnology therapeutic products and medical devices based on mimetics of extra-alveolar lamellar bodies.

On 30th January 2020, the World Health Organization (WHO) declared COVID-19 as a 'Public Health Emergency of International Concern'. The Pandemic has led to the closure of the office and laboratories of the business and the necessity to furlough some of the staff. The research and development activities of the business continue with an expectation to escalate again once the restrictions caused by the pandemic have subsided.

There have been no material post balance sheet events.

# **Lamellar Biomedical Limited**

## **Directors' Report for the year ended 30 June 2020**

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### **Directors**

The Directors who served during the year were:

D C M Moore (Chairman)  
A McLean (resigned 27 March 2020)  
J Carney  
V S Muthu  
J M Cordiner  
M J Broker  
C Wardhaugh (appointed 23 January 2020)

### **Small companies note**

This report has been prepared in accordance with the small companies regime of the Companies Act 2006.

This report was approved by the Board on and signed on its behalf by:

JM Cordiner  
Director  
29th July 2020

# Lamellar Biomedical Limited

## Statement of Comprehensive Income for the year ended 30 June 2020

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	Note	2020 £	2019 As Restated £
Administrative expenses		(2,013,961)	(2,254,835)
<b>Operating loss</b>	<b>4</b>	<b>(2,013,961)</b>	<b>(2,254,835)</b>
Finance Costs		(20,889)	(24,223)
Finance income	<b>5</b>	35,452	927
<b>Loss before taxation</b>		<b>(1,999,398)</b>	<b>(2,278,131)</b>
Taxation	<b>7</b>	259,625	346,906
<b>Loss for the year</b>		<b>(1,739,773)</b>	<b>(1,931,225)</b>
<b>Other comprehensive income</b>			
<b>Total comprehensive income for the year</b>		<b>(1,739,773)</b>	<b>(1,931,225)</b>

The notes on pages 10 to 27 form part of these financial statements.

# Lamellar Biomedical Limited

Registered number: SC312123

## Statement of Financial Position as at 30 June 2020

		2020	2019
			As restated
	Note	£	£
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	324,649	508,670
Intangible assets	9	-	-
		<u>324,649</u>	<u>508,670</u>
<b>Current assets</b>			
Trade and other receivables	11	168,031	237,636
Current tax assets	11	275,152	362,433
Cash and cash equivalents	12	296,274	1,640,009
		<u>739,457</u>	<u>2,240,078</u>
<b>Total assets</b>		<u><b>1,064,106</b></u>	<u><b>2,748,748</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	17	2,690	2,690
Share premium	17	14,949,936	14,949,936
Retained earnings		(14,288,389)	(12,748,671)
<b>Total equity</b>		<u>664,237</u>	<u>2,203,955</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	13	242,410	335,899
Lease Liabilities	13	56,578	51,435
<b>Total current liabilities</b>		<u>298,988</u>	<u>387,334</u>
<b>Non-current liabilities</b>			
Lease Liabilities		100,881	157,459
<b>Total liabilities</b>		<u>399,869</u>	<u>544,793</u>
<b>Total equity and liabilities</b>		<u><b>1,064,106</b></u>	<u><b>2,748,748</b></u>

The notes on pages 10 to 27 form part of these financial statements.


For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The financial statements were approved for issue by the Board on 29th July 2020 and were signed on its behalf by

JM Cordiner  
Director

 29/7/20

# Lamellar Biomedical Limited

## Statement of Changes in Equity for the year ended 30 June 2020

	Share Capital £	Share Premium £	Retained Earnings £	Total £
<b>As at 1 July 2017</b>	2,681	14,855,235	(8,799,076)	6,058,840
<b>Comprehensive Income</b>				
Loss for the year			(2,117,581)	(2,117,581)
Impact of change of accounting policy			(42,409)	(42,409)
Issue of share capital	7	70,763		70,770
Share-based payments			94,119	94,119
<b>Transactions with owners</b>	7	70,763	94,119	164,899
<b>As at 1 July 2018 (as restated)</b>	2,688	14,925,998	(10,864,947)	4,063,739
<b>Comprehensive Income</b>				
Loss for the year			(1,931,225)	(1,931,225)
Issue of share capital	2	23,938		23,940
Share-based payments			47,501	47,501
<b>Transactions with owners</b>	2	23,938	47,501	71,441
<b>As at 1 July 2019 (as restated)</b>	2,690	14,949,936	(12,748,671)	2,203,955
<b>Comprehensive Income</b>				
Loss for the year			(1,739,773)	(1,739,773)
Issue of share capital				
Share-based payments			200,055	200,055
<b>Transactions with owners</b>			200,055	200,055
<b>As at 30 June 2020</b>	2,690	14,949,936	(14,288,389)	664,237



# Lamellar Biomedical Limited

## Statement of Cash Flows for the year ended 30 June 2020

	Note	2020 £	2019 As Restated £
<b>Operating activities</b>			
Loss before tax		(1,999,398)	(2,278,131)
<b>Adjustments to reconcile loss before tax to net cash flows from operating activities:</b>			
Depreciation of property, plant and equipment		143,021	136,260
Amortisation of intangible fixed assets		30,700	27,762
Provision for impairment		36,740	11,922
Finance income		(35,542)	(927)
Share option costs		200,055	47,501
Changes in working capital:			
(Increase)/decrease in trade and other receivables		69,605	(20,624)
Increase/(decrease) in trade and other payables		(144,924)	70,650
Cash absorbed in operations		(1,699,743)	(2,005,587)
Interest received		35,542	927
Income taxes received		346,906	296,309
<b>Net cash flows used in operating activities</b>		<b>(1,317,295)</b>	<b>(1,708,351)</b>
<b>Investing activities</b>			
Sale/(Purchase) of property, plant and equipment		41,000	(170,334)
Purchase of intangible assets		(67,440)	(39,684)
<b>Net cash flows used in investing activities</b>		<b>(26,440)</b>	<b>(210,018)</b>
<b>Financing activities</b>			
Proceeds net of costs from issue of equity instruments of the Company			23,940
<b>Net cash flows from financing activities</b>			<b>23,940</b>
Net increase/ (decrease) in cash and cash equivalents		(1,343,735)	(1,894,429)
Cash and cash equivalents at the beginning of the year		1,640,009	3,534,438
<b>Cash and cash equivalents at the end of the year</b>	<b>13</b>	<b>296,274</b>	<b>1,640,009</b>

The notes on pages 7 to 27 form part of these financial statements.

# Lamellar Biomedical Limited

## **Notes to the financial statements for the year ended 30 June 2020**

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### **1. General information**

These financial statements reflect the financial performance and position of Lamellar Biomedical Limited (the 'Company') for the year to 30 June 2020.

Lamellar Biomedical Limited is a private Company, limited by share capital and incorporated in the United Kingdom under the Companies Act 2006. The address of the Company's registered office is given on the Company information page. The nature of its operations and its principal activity are set out in the Directors' Report. The Company is registered in Scotland.

The Company's principal place of business is Maxim 1, 2 Parklands Way, Eurocentral, Holytown, North Lanarkshire, MLI 4WR and Biocity, Scotland Bo'ness Rd, Motherwell, MLI SUH.

### **2. Accounting policies**

#### **a) Statement of compliance**

These financial statements have been prepared in accordance with International Financial Reporting Standards 'IFRS' adopted for use in the European Union as they apply to financial statements for the year ended 30 June 2019 and as applied in accordance with the provisions of the Companies Act 2006. The principal accounting policies are set out in the following notes.

#### **b) Basis of preparation**

The financial statements have been presented in Pounds Sterling ('Sterling') as this is the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest pound (£) except where otherwise indicated.

### **Estimates and judgements**

The financial statements have been prepared on the historical cost basis. The accounting policies have been applied consistently in all material respects.

The preparation of financial statements requires the Board to make judgements, estimates and assumptions that may affect the application of accounting policies and reported amounts of assets and liabilities as at each reporting date and the reported amounts of revenues and expenses during each reporting period. Any estimates and assumptions are based on experience and any other factors that are believed to be relevant under the circumstances and which the Board considers to be reasonable. Actual outcomes may differ from these estimates.

# Lamellar Biomedical Limited

## Notes to the financial statements for the year ended 30 June 2020

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### 2. Accounting policies (continued)

Any revisions to accounting estimates will be recognised in the year in which the estimate is revised if the revision affects only that year. If the revision affects both current and future periods, the change will be recognised over those periods.

Certain accounting policies which have a significant bearing on the reported financial condition and results of the Company require subjective or complex judgements. The principal such areas of judgement are:

#### *Cost of share based payments*

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date on which they were granted. Judgement is required in determining the most appropriate valuation model for a grant of equity instruments depending on the terms and conditions of the grant. Management are also required to use certain assumptions in determining the most appropriate inputs to the valuation model including expected life of the option, volatility, risk free rate and dividend yield. The assumptions and models used are fully disclosed in note 20.

#### *Carrying value of intangible assets*

As required by the Accounting Standards, when considering the carrying value of intangible assets, management are required to assess the asset for any indications of impairment and consider the probability of expected future economic benefit arising from such assets using reasonable and supportable assumptions. As the Company is still developing its LAMELLASOME™ technology and commercial outcomes are unknown at this time, management have elected to adopt a prudent approach and include a provision equal to the net book value of the patents at the reporting date.

Interpretation of accounting standards governing intangible assets places emphasis on greater certainty around the future economic benefits. The Directors anticipate such commercial engagement to commence at the requisite point of development of the products protected by the patents and trademarks within the intangible assets. Based on this, the directors will revise the provision and carrying value of the assets at that time.

#### Application of new and revised International Financial Reporting Standards (IFRS)

The Company has applied IFRS 16 with a date of initial application of 1 January 2019. As a result, the Company has changed its accounting policy for lease contracts as detailed below. The Company has applied IFRS 16 using the retrospective method of application. The details of the changes in accounting policies are disclosed below.

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all risks and rewards incidental to ownership of the underlying asset to the Company. Under IFRS 16, the Company recognises right-of-use assets and lease liabilities for all leases.

The adoption of the following mentioned standards, amendments and interpretations in the current year have not had a material impact on the Company's financial statements.

- IFRS 9 *Financial Instruments* (amendment): Prepayment Features with Negative Compensation
- IFRIC 23 *Uncertainty over Income Tax Treatments*
- IAS 19 *Employee Benefits* (amendment): Plan Amendment, Curtailment or Settlement
  - IAS 28 *Investments in Associates and Joint Ventures* (amendment): Long-term Interests in Associates and Joint Ventures
- Annual Improvements to IFRSs (2015 – 2017 Cycle)

# Lamellar Biomedical Limited

## Notes to the financial statements for the year ended 30 June 2020

### 2. Accounting policies (continued)

Impact on the financial statements (y/e 31 July 2019)

<b>Statement of Financial Position</b>	<b>As previously stated</b>	<b>Adjustments</b>	<b>As restated</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At July 2019			
Property, plant and equipment	352,891	155,779	508,670
Lease liabilities		(208,894)	(208,894)
Accumulated losses	(12,695,556)	(53,115)	(12,748,671)
<b>Statement of Comprehensive Income</b>	<b>As previously stated</b>	<b>Adjustments</b>	<b>As restated</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Administration expenses	(2,268,352)	13,517	(2,254,835)
Finance income	927	-	927
Finance expenses		(24,223)	(24,223)
Taxation	346,906	-	346,906
Loss for the year	(1,920,519)	(10,706)	(1,931,225)
Total comprehensive income for the year	(1,920,519)	(10,706)	(1,931,225)
<b>Statement of Cash Flows</b>	<b>As previously stated</b>	<b>Adjustments</b>	<b>As restated</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Loss before tax	(2,267,425)	(10,706)	(2,278,131)
Depreciation	92,219	44,041	136,260
Other	466,855	(33,335)	433,520
Net cash from operating activities	(1,708,351)	-	(1,708,351)
Net cash from investing activities	(210,018)	-	(210,018)
Payment to lease liabilities			
Other	23,940	-	23,940
Net cash from financing activities	23,940	-	23,940

### New and revised IFRS in issue but not yet effective

The adoption of the following mentioned standards, amendments and interpretations in future years are not expected to have a material impact on the Company's financial statements.

- IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Errors* (amendment): Definition of Material
- IFRS 9 *Financial Instruments*, IAS 39 *Financial Instruments: Recognition and Measurement* and IFRS 7 *Financial Instruments: Disclosures* (amendments): Interest Rate Benchmark Reform
- Conceptual Framework (amendment): Amendments to references to the Conceptual Framework in IFRS Standards
- IFRS 3 *Business Combinations* (amendment): Definition of a Business
- IAS 1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current
- IFRS 17 *Insurance Contracts*

### c) Going concern

At the reporting date, the Company had a cash balance of £296,274 and net assets of £644,237. As is standard for pre-sales biotechnology companies, the Company requires additional capital to finance the development of their products plus the ongoing operating costs of the business. The Directors are of the opinion that the Company will generate revenues from licensing and/or research collaboration transactions in the coming year as well as a planned equity raise to fund their product development program. Consequently, the Directors believe the Company is able to meet its liabilities and discharge its obligations for a period of at least 12 months from the date of signing of the financial statements. Accordingly the accounts have been prepared on a going concern basis.

# Lamellar Biomedical Limited

## Notes to the financial statements for the year ended 30 June 2020

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### 2. Accounting policies (continued)

#### d) Revenue and revenue recognition

Revenue represents amounts receivable from government grants and tax credits and is measured at the fair value of the consideration received or receivable.

#### e) Intangible assets

##### Patents

Patents are stated at cost less accumulated amortisation and impairment losses. Patents are amortised on a straight-line basis over their estimated useful lives. Amortisation costs are charged to administrative expenses. The useful lives are as follows:

Patents	20 years
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#### f) Property, plant and equipment

Plant and machinery is initially recognised at acquisition cost or manufactured cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Company's management. These assets are subsequently measured using the cost model, less accumulated depreciation and impairment losses.

Depreciation is provided at rates calculated to write off the cost of assets, less their estimated residual value, over their expected lives on the following bases:

Plant & machinery	over 5 years
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#### g) Impairment testing of intangible assets and property, plant and equipment

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

# Lamellar Biomedical Limited

## Notes to the financial statements for the year ended 30 June 2020

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### 2. Accounting policies (continued)

#### h) Leases

The Company has applied IFRS 16 using the retrospective method of application. The impact of the changes is disclosed in Note 2b.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-to-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortised cost using the effective interest method.

The Company has entered into a commercial lease on its property.

#### i) Financial assets and liabilities

Financial assets and liabilities are recognised when the Company unconditionally becomes a party to the contractual terms of the instrument. Unless otherwise indicated, the carrying amounts of financial assets and liabilities are considered by the Directors to be a reasonable estimate of their fair values at each reporting date.

Financial assets include trade and other receivables and cash and cash equivalents; these are classified as loans and receivables. Financial liabilities include trade and other payables and borrowings; these are classified as other financial liabilities carried at amortised cost.

#### Trade and other receivables

Trade and other receivables are recognised initially at their fair value and subsequently at their amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the recoverability of the asset is at risk, appropriate allowances for any estimated irrecoverable amounts are recognised in the Statement of Comprehensive Income.

# Lamellar Biomedical Limited

## **Notes to the financial statements for the year ended 30 June 2020**

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### **2. Accounting policies (continued)**

#### Trade and other payables

Trade and other payables are recognised initially at their fair value, net of transaction costs, and subsequently at their amortised cost using the effective interest method.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at bank including funds held in short to medium term deposit accounts.

#### j) Tax

#### Current tax

Current tax is based on taxable profit/ (loss) for the year. Taxable profit/(loss) differs from 'profit/(loss) before tax' as reported in the Statement of Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using rates that have been enacted during the reporting period.

#### k) Post-employment benefits

The Company provides post-employment benefits through a defined contribution plan. The assets of the scheme are held separately from those of the Company.

The Company has no defined benefit plans.

#### l) Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the Statement of Comprehensive Income on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the Statement of Financial Position and transferred to the statement of Comprehensive Income on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in the statement of comprehensive income in the period in which they become receivable.

# Lamellar Biomedical Limited

## **Notes to the financial statements for the year ended 30 June 2020**

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### **2. Accounting policies (continued)**

#### **m) Share-based payments**

The Company measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they were granted. Judgement is required in determining the most appropriate valuation model for a grant of equity instruments depending on the terms and conditions of the grant. Management are also required to use certain assumptions in determining the most appropriate inputs to the valuation model including expected life of the option, volatility, risk free rate and dividend yield. The assumptions and models used are fully disclosed in note 19.

Share options granted under the Company's employee share option plan carry no rights to dividends and no voting rights.

#### **n) Costs and expenses**

Costs and operating expenses are recognised in income at the time services are rendered.

#### **o) Investments**

Investments are accounted for using the equity method. These are originally recognised at cost with subsequent movements reflecting the Company's share of net profit or loss recognised as other comprehensive income in the Statement of Comprehensive Income.

### **3. Segmental reporting**

The Company has one operating segment, the development of intellectual property relating to pharmaceuticals based on the mimetics of extra-alveolar lamellar bodies. All expenditure, assets and liabilities relate to this activity. All operations are carried out in the United Kingdom.



# Lamellar Biomedical Limited

## Notes to the financial statements for the year ended 30 June 2020

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### 4. Operating loss

Loss for the year has been arrived at after charging:

	2020 £	2019 As restated £
Depreciation of owned fixed assets	107,180	92,218
Amortisation of intangible assets	30,700	27,762
Provision for impairment (Note 2)	36,740	11,922
Research and development costs	<u>838,167</u>	<u>1,157,197</u>

### 5. Finance income

	2020 £	2019 £
Bank interest receivable	<u>35,452</u>	<u>927</u>

# Lamellar Biomedical Limited

## Notes to the financial statements for the year ended 30 June 2020

### 6. Staff costs

	2020 £	2019 £
Salaries	790,507	804,765
Social security costs	93,303	84,939
Pension costs	46,689	50,725
Share-based payments	200,055	47,501
	<u>1,130,554</u>	<u>987,931</u>

The average number of persons (including Directors) employed by the Company during the year was:

	2020	2019
Management	6	7
Administration	1	2
Laboratory	4	5
	<u>11</u>	<u>14</u>

The remuneration of the Directors, is set out below in aggregate:

	2020 £	2019 £
Short-term employee benefits	336,505	328,272
Compensation for loss of office	-	-
Post-employment benefits	25,168	11,361
Share-based payments	<u>95,925</u>	<u>28,122</u>
	<u>457,598</u>	<u>368,024</u>

The number of Directors who accrued benefits under money purchase pension schemes amounted to 2 (2019: 2). The highest paid Director received emoluments, including pension contributions, of £223,822 (2019: £148,618).

No Directors exercised share options in the year or the prior year. The number that received shares under long term incentive plans during the year was 1 (2019: nil). The number of Directors whose share options lapsed during the year was 1 (2019: nil).

# Lamellar Biomedical Limited

## Notes to the financial statements for the year ended 30 June 2020

### 7. Taxation

	2020 £	2019 £
Current tax		
UK current tax credit on loss for the period	(259,625)	(346,906)
<b>Tax on loss on ordinary activities</b>	<b>(259,625)</b>	<b>(346,906)</b>
<b>Loss on ordinary activities before tax</b>	<b>(1,999,398)</b>	<b>(2,267,425)</b>
Normal applicable rate of tax	19.00%	19.00%
Loss on ordinary activities multiplied by normal rate Effects of:	(379,886)	(430,811)
Expenses not deductible for tax purposes	35,583	9,349
Research and development tax reliefs	(111,712)	(149,269)
Deferred tax adjustments	196,390	223,824
<b>UK tax charge</b>	<b>(259,625)</b>	<b>(346,906)</b>

The Company has unused tax losses of £9,735,228 (2018: £8,834,663).

No deferred tax asset is recognised in respect of these losses due to uncertainty over their recoverability.

### 8. Property, plant and equipment

	Plant & Machinery £	Right to use assets £	Total £
<b>Cost</b>			
At 1 July 2019 as restated	562,701	220,208	782,909
Disposal	(41,000)		(41,000)
<b>At 30 June 2020</b>	<b>521,701</b>	<b>220,208</b>	<b>741,909</b>
<b>Depreciation</b>			
At 1 July 2019 as restated	209,810	64,429	274,239
Charge for the year	107,180	44,041	151,221
Accumulated depreciation on disposals	(8,200)		(8,200)
<b>At 30 June 2020</b>	<b>308,790</b>	<b>108,470</b>	<b>417,260</b>
<b>Net book value</b>			
At 30 June 2020	212,911	111,738	324,649
At 30 June 2019 as restated	352,891	155,779	508,670

# Lamellar Biomedical Limited

## Notes to the financial statements for the year ended 30 June 2020

### 9. Intangible assets

	Patents	Total
	£	£
<b>Cost</b>		
At 1 July 2019	574,660	574,660
Additions	67,440	67,440
<b>At 30 June 2020</b>	<b>642,100</b>	<b>642,100</b>
<b>Amortisation</b>		
At 1 July 2019	574,660	574,660
Charge for the year	30,700	30,700
Provision for impairment	36,740	36,740
<b>At 30 June 2020</b>	<b>642,100</b>	<b>642,100</b>
<b>Net book value</b>		
At 30 June 2020	-	-
At 30 June 2019	-	-

Included in amortisation at 1 July 2019 is an impairment provision of £375,444 which has been made in line with the accounting policy (note 2). The Directors anticipate revising the provision when the commercial activity on the products protected by the intangible assets reaches a point of greater certainty.

### 10. Investments

	Unlisted investments	Total
	£	£
<b>Cost</b>		
At 30 June 2019 and 30 June 2020	16,600	16,600
<b>Impairment</b>		
At 1 July 2019 and 30 June 2020	16,600	16,600
<b>Net book value</b>		
At 30 June 2020	-	-
At 30 June 2019	-	-

# Lamellar Biomedical Limited

## Notes to the financial statements for the year ended 30 June 2020

### 11. Trade and other receivables

	2020	2019
	£	£
VAT recoverable	26,068	84,966
Prepayments and accrued income	141,963	152,670
	168,031	237,636
Current tax assets	276,107	362,433

The fair values of the Company's trade and other receivables are considered to equate to their carrying amounts. The maximum exposure to credit risk for trade receivables is represented by their carrying amount. There are no financial assets which are past due but not impaired. No financial assets are impaired.

### 12. Cash and cash equivalents

	2020	2019
	£	£
Cash at bank and on hand	296,274	1,640,009

Cash balances are held with Bank of Scotland and Clydesdale Bank and earn interest at floating rates based on daily bank deposit rates.

### 13. Current liabilities

	2020	2019
	£	£
Trade payables	73,623	128,712
Accruals and deferred income	135,730	184,804
Other taxes and social security	33,057	22,383
Lease liabilities	56,578	51,435
	298,988	387,334

The fair values of the Company's trade and other payables are considered to equate to their carrying amounts.

# Lamellar Biomedical Limited

## Notes to the financial statements for the year ended 30 June 2020

### 14. Accounting for IFRS16 Leases

The Company has entered into a commercial lease on its property.

#### Right-of-use assets

	Right of use assets		Depreciation charge	
	2020	As restated 2019	2020	As restated 2019
	£	£	£	£
Land and buildings	111,78	155,779	44,041	44,041
Total	111,738	155,779	44,041	44,041

#### Lease liabilities

	2020	As restated 2019
	£	£
Maturity analysis – contractual undiscounted cash flows		
Less than one year	72,324	72,324
One to five years	114,514	186,837
Total undiscounted cash flows	186,838	259,161
Total lease liabilities	157,460	208,895
Current	56,578	51,435
Non-current	100,882	157,460

#### Amounts recognised in Statement of Comprehensive Income

	2020	As restated 2019
	£	£
Interest on lease liabilities	20,889	24,223

### 15. Financial instruments

#### Classification

All financial assets have been classified as loans and receivables, and all financial liabilities have been classified as other financial liabilities measured at amortised cost.

#### Risk management objectives

Management identify and evaluate financial risks on an on-going basis. The principal risks to which the Company is exposed are market risk (including interest rate risk, and cash flow risk), credit risk, and liquidity risk.

#### Market risk

Market risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Company's market risks arise from open positions in interest-bearing assets and liabilities.

#### Interest rate risk

The Company's interest-bearing assets comprise only cash and cash equivalents. As the Company's interest-bearing assets do not generate significant amounts of interest, changes in market interest rates do not have any

## Lamellar Biomedical Limited

significant direct effect on the Company's income.

### Currency Risk

The Company is exposed to minimal foreign currency risk; sensitivity analysis on foreign currency exposure is therefore not relevant to the Company.

### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash balances (including bank deposits, cash and cash equivalents) and credit exposures to trade receivables. The Company's maximum exposure to credit risk is represented by the carrying value of cash and cash equivalents, trade and other receivables.

Credit risk is managed by monitoring clients and performing credit checks before accepting any customers and by placing funds only with banks with high credit-ratings assigned by international credit-rating agencies.

# Lamellar Biomedical Limited

## Notes to the financial statements for the year ended 30 June 2020

### 16. Financial instruments (continued)

#### Liquidity risk

Liquidity risk is the risk that the Company may encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

The Company seeks to manage its liquidity risk by ensuring that sufficient liquidity is available to meet its foreseeable needs.

A summary table with maturity of financial assets and liabilities presented below is used by management to manage liquidity risks. The amounts disclosed in the following tables are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the statement of financial position, as the impact of discounting is not material.

The maturity analysis of financial instruments at 30 June 2020 is as follows:

Analysis by contractual maturities:						
	Carrying amount	Demand and less than 3 months	From 3 to 12 months	From 12 months to 2 years	From 2 to 5 years	Total
	£	£	£	£	£	£
Assets:						
Cash and cash equivalents	296,274	296,274				296,274
Trade and other receivables	26,068	26,068				26,068
Current tax assets	276,107	276,107				276,107
Liabilities:						
Trade and other payables	(242,410)	(242,410)				(242,410)
	356,039	356,039				356,039