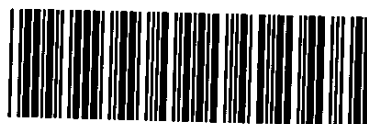


4basebio Discovery Limited  
Directors' Report and Financial Statements  
For the period ended 31 December 2022  
Registration Number: 12984957

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## Company Information

Directors	Heikki Lanckriet David Roth
Registered Number	12984957
Registered Office	25 Norman Way Over Cambridgeshire CB24 5QE

## Balance Sheet as at 31 December 2022

	Note	1 Jan 22 to 31 Dec 22 £	1 Jan 22 to 31 Dec 22 £	29 Oct 20 to 31 Dec 21 £	29 Oct 20 to 31 Dec 21 £
Fixed Assets					
Intangible Fixed Assets	4		145,440		38,439
Tangible Fixed Assets	5		231,275		14,532
Current Assets	6	132,428		47,574	
Cash at bank and in hand		119,704		-	
		252,132		47,574	
Creditors: amounts falling due within one year	7	(2,841,577)		(616,762)	
Net Current Liabilities			(2,589,445)		(569,188)
Creditors: Amounts Falling due after more than one year			-		-
Net Liabilities			<u>(2,212,730)</u>		<u>(516,217)</u>
Called up Share Capital			1		1
Share Premium Account					-
Profit and Loss Account			<u>(2,212,731)</u>		<u>(516,218)</u>
			<u>(2,212,730)</u>		<u>(516,217)</u>

The company has opted not to file the Directors' Report and Profit and Loss Account in accordance with provisions applicable to companies subject to the small companies' regime.

For the year ended 31<sup>st</sup> December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476.

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

These accounts 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 companies.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



David Roth

Date: 17 March 2023

The notes on pages 4 to 9 form part of these financial statements.

**Statement of Changes in Equity**  
**For the period ended 31 December 2022**

	Called up Share Capital £	Profit and Loss Account £	Total Equity £
Issued on Incorporation 29 October 2020	1	-	1
Loss for the period	-	(516,218)	(516,218)
As at 31 December 2021 and 1 January 2022	1	(516,218)	(516,217)
Loss for the period	-	(1,696,513)	(1,696,513)
As at 31 December 2022	1	(2,212,731)	(2,212,730)

The notes on pages 4 to 9 form part of these financial statements.

## **Notes to the Financial Statements for the period ended 31 December 2022**

### **1. General information**

4basebio Discovery Limited is a private company, limited by share capital and incorporated in England and Wales, registered number 12984957. The address of the registered office is 25 Norman Way, Over, Cambridgeshire CB24 5QE. The company was incorporated 29 October 2020.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A - small entities of Financial Reporting Standard 102, the 'Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

The following principal accounting policies have been applied:

#### **2.2 Going concern**

The company is expected to continue to incur losses during 2023. The company has received confirmation that its parent company, 4basebio PLC, will provide sufficient funds to enable the company to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of the financial statements. Accordingly, the directors believe that the financial statements should be prepared on a going concern basis.

#### **2.3 Foreign currency translation**

The company's functional and presentational currency is GBP.

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 the Profit and Loss Account.

Foreign exchange gains are presented in the Profit and Loss Account within administrative expenses.

## Notes to the Financial Statements for the period ended 31 December 2022

### 2. Accounting policies (continued)

#### 2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

#### 2.5 Research and development

Expenditure on research is written off against profits in the period in which it is incurred. Development expenditure is capitalised and amortised over its useful life.

#### 2.6 Pension Costs

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are recognised in the profit and loss account when due.

#### 2.7 Current and deferred taxation

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.

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 balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## Notes to the Financial Statements for the period ended 31 December 2022

### 2. Accounting policies (continued)

#### 2.8 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 bases:

Freehold buildings	- 20 years straight line
Fixtures and fittings	- 4 years straight line
Office furniture and equipment	- 4 years straight line
Laboratory Equipment	- 4 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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account

#### 2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are amortised on a straight line basis over their estimated useful life. The carrying values of intangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives are as follows:

Patents – 20 years



## Notes to the Financial Statements for the period ended 31 December 2022

### 2. Accounting policies (continued)

#### 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. Work in progress and finished goods include labour and attributable overheads.

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 Profit and Loss Account.

#### 2.11 Debtors

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

#### 2.12 Cash and cash equivalents

Cash and cash equivalents are represented by cash in hand.

#### 2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities 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 such as trade and other debtors and creditors and loans from related parties.

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 Profit and Loss Account.

Financial assets and liabilities are offset, and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 3. Employees

The average monthly number of employees, including directors, during the period was 19 (2021 – 4).

## Notes to the Financial Statements for the period ended 31 December 2022

### 4. Intangible fixed assets

	£
Cost	
At 1 January 2022	39,257
Additions	112,150
At 31 December 2022	<u>151,407</u>
Depreciation	
At 1 January 2022	818
Charge for the period	5,149
At 31 December 2022	<u>5,967</u>
Net Book Value as at 31 December 2022	145,440
Net Book Value as at 31 December 2021	38,439

### 5. Tangible fixed assets

	Plant and Equipment £
Cost	
At 1 January 2022	15,263
Additions	259,856
At 31 December 2022	<u>275,119</u>
Depreciation	
At 1 January 2022	731
Charge for the period	43,113
At 31 December 2022	<u>43,844</u>
Net Book Value as at 31 December 2022	231,275
Net Book Value as at 31 December 2021	14,532

## Notes to the Financial Statements for the period ended 31 December 2022

### 6. Current Assets

	2022	2021
	£	£
Trade Debtors	53,484	-
Prepayments	18,818	20,957
Other tax asset	60,126	26,617
	<u>132,428</u>	<u>47,574</u>

### 7. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade Creditors	103,136	6,993
Amounts owed to group undertakings	2,699,771	472,057
Accrual	-	114,338
Other taxes and social security	38,670	23,374
	<u>2,841,577</u>	<u>616,762</u>

### 8. Related party transactions

The company has taken advantage of the exemptions provided in FRS 102 Section 1A - small entities from disclosing transactions with members of the same group that are wholly owned.

### 9. Ultimate controlling party

Since 8 December 2021, the Company's ultimate parent undertaking is 4basebio PLC (formerly 4basebio UK Societas), registered office 25 Norman Way, Over, Cambridgeshire, CB24 5QE. Prior to that date, the Company ultimate controlling party was 2Invest AG (formerly 4basebio AG), a company registered in Germany.