

# Antidote Technologies Ltd

## ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021



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## **Company Information**

**Directors:**

J Mayo  
D Currie  
K Lovell  
L Schockmel  
P Tumkosit  
S Woynar  
K Adle  
K Dennis

**Registered Office:** 39 Earlham Street  
London  
WC2H 9LT

**Registered Number:** 07611221 (England)

**Auditor:** BDO LLP  
55 Baker Street  
London  
England  
W1U 7EU

## **Directors' report**

### **Principal activities**

The principal activity of the Group during the period was that of developing a search and referral engine for clinical trials, dedicated to making clinical trials easy to find, understand and access from the patient's perspective, and providing high quality subjects for researchers. This will underpin the aim of the Group to provide a unique marketplace in which patients interested in participating in trials can connect with researchers looking for patients (and vice versa), addressing a major problem in current patient recruitment dynamics and accelerating the pace at which medical trials can be completed and new treatments made available.

### **Review of business**

During the year, the Group continued to invest in new product development and continues to improve upon the services provided. The majority of services are currently concentrated in the United States, although can be provided on a global basis as required.

### **Going Concern**

The Group experienced a significant increase in revenue in 2021 with some cash from that activity due in 2022. Covid has not directly impacted the business in any material adverse manner and indeed it has benefitted from projects relating to recruitment for Covid trials. In addition to the funding round completed in the year, in May 2022 the Group entered into a venture debt agreement for up to \$7.5m with Silicon Valley Bank. The directors have reviewed the financial forecasts of the Group and in the light of the above consider it appropriate to prepare the accounts on a going concern basis.

### **Strategic report**

The directors have not prepared a Strategic report as the Company and its subsidiaries are entitled to the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

### **Political contributions**

Neither the Company nor any of its subsidiaries made any political contributions during the year (2020: £nil).

### **Proposed dividend**

The directors do not recommend the payment of a dividend (2020: £nil).

### **Directors**

The directors of the Company who held office during the year as follows:

J Mayo

D Currie

K Lovell

L Schockmel

L Hakes (resigned 22 March 2022)

P Tumkosit

S Woynar (appointed 1 June 2021)

K Adle (appointed 22 March 2022)

K Dennis (appointed 14 April 2022)

## **Directors' report** *(continued)*

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditor**

The auditors, BDO LLP, have indicated their willingness to continue in office and pursuant to Section 487 of the Companies Act 2006, will be deemed to be reappointed and will therefore continue in office.

By order of the board



**Keith Lovell**  
Director

39 Earlham Street  
London  
WC2H 9LT  
21st September 2022

## Statement of directors' responsibilities in respect of the directors' report and the financial statements

### Directors' responsibilities statements

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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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 period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transaction 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.

## **Independent auditor's report to the members of Antidote Technologies Limited**

### **Opinion on the financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Antidote Technologies Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the Consolidated Profit and Loss Account and Statement of other Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's 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 remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

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.

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 Parent 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.

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report and consolidated financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 in this regard.

### **Other Companies Act 2006 reporting**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of Directors**

As explained more fully in the Statement of directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors 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 Parent 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 Parent Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's 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 auditor's 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:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and Company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those relating to the reporting framework. Companies Act 2006.

data privacy and the relevant tax regulations including but not limited to, Corporate and VAT legislation, and Employment Taxes.

- We assessed how the Group and Company is complying with legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes. We also reviewed the Group and Company's tax computation and return and financial statements disclosures against the requirements of the relevant tax legislation and applicable accounting frameworks respectively.
- We communicated relevant legal and regulatory frameworks and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- We assessed the susceptibility of the Group and company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where they considered there was a susceptibility to fraud.
- Our audit planning identified fraud risks in relation to management override of controls and risk of fraud in revenue recognition. We considered the processes that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud, and how management monitors such processes.
- In response to the risk of management override of control, our procedures included journal entry testing, with a focus on unusual transactions based on our knowledge of the business which were agreed to supporting documentation where applicable; and enquiries with Management and those charged with governance regarding any instances of known or suspected fraud during the year. We challenged management's assessments, assumptions and evaluated data used as the basis for making estimates to assess whether judgements made in making accounting estimates are indicative of potential bias by management.


With regards to the risk of fraud in revenue recognition, our procedures included assessing whether the revenue recognition policies adopted by the Group and Company comply with accounting standards. We sample tested sales transactions in year to supporting evidence such as contracts, evidence of delivery of the performance obligation and cash receipt from the customer. We checked a sample of revenue transaction amounts recognised around year end against the date the performance obligation was satisfied to check that revenue was recorded in the correct period and deferred revenue was appropriately calculated.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:  
  
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Leighton Thomas (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK 22 September 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

## **Consolidated Profit and Loss Account and Statement of other Comprehensive Income**

*for the year ended 31 December 2021*

	<i>Notes</i>	2021 £	2020 £
<b>Turnover</b>	3	7,762,129	2,981,146
Cost of sales		(3,697,566)	(1,120,979)
		<hr/>	<hr/>
<b>Gross profit</b>		4,064,563	1,860,167
Administrative expenses		(5,380,967)	(5,178,521)
Share based payment charge	14	(86,556)	(27,479)
		<hr/>	<hr/>
<b>Operating loss</b>		(1,402,960)	(3,345,833)
Interest payable and similar expenses	7	(112,434)	(585,364)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		(1,515,394)	(3,931,197)
Tax on loss on ordinary activities	8	(2,271)	(2,228)
		<hr/>	<hr/>
<b>Loss for the financial year</b>		(1,517,665)	(3,933,425)
<b>Other comprehensive income</b>			
Currency translation differences		(44,715)	158,541
		<hr/>	<hr/>
<b>Total comprehensive loss for the year</b>		(1,562,380)	(3,774,884)
		<hr/> <hr/>	<hr/> <hr/>

All results derive from continuing operations.

The loss for the Company for the year was £1,082,880 (2020: £3,280,290).

The notes on pages 15 to 26 form part of these consolidated financial statements.

**Consolidated Balance Sheet**  
*at 31 December 2021*

	<i>Notes</i>	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	<i>9</i>		35,397		25,828
			<u>35,397</u>		<u>25,828</u>
<b>Current assets</b>					
Debtors (including £239,927 (2020: £199,464) due after more than one year)	<i>11</i>	2,219,453		1,335,192	
Cash at bank and in hand		7,225,767		2,783,702	
		<u>9,445,220</u>		<u>4,118,894</u>	
<b>Creditors: amounts falling due within one year</b>	<i>12</i>	<u>(1,762,677)</u>		<u>(1,161,933)</u>	
<b>Net current assets</b>		7,682,543		2,956,961	
<b>Total assets less current liabilities</b>			<u>7,717,940</u>		<u>2,982,789</u>
<b>Creditors: amounts falling due after more than one year</b>	<i>13</i>	-		(9,570,414)	
		<u>-</u>		<u>(9,570,414)</u>	
<b>Net assets / (liabilities)</b>			<u>7,717,940</u>		<u>(6,587,625)</u>
<b>Capital and reserves</b>					
Called up share capital	<i>15</i>		12,674		79,815
Share premium account	<i>15</i>		35,830,028		19,981,498
Other reserves			243,680		157,124
Profit and loss account			<u>(28,368,442)</u>		<u>(26,806,062)</u>
<b>Shareholders' funds / (deficit)</b>			<u>7,717,940</u>		<u>(6,587,625)</u>

The notes on pages 15 to 26 form part of these consolidated financial statements.

These consolidated financial statements were approved by the board of directors on 21st September 2022 and were signed on its behalf by:



**Keith Lovell**  
 Director

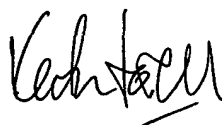
Company registered number: 07611221

**Company Balance Sheet**  
at 31 December 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	9		18,972		12,876
Investments	10		1		1
			<u>18,973</u>		<u>12,877</u>
<b>Current assets</b>					
Debtors (including £224,228 (2020: £194,015) due after more than one year)	11	2,180,677		1,141,694	
Cash at bank and in hand		7,134,083		2,722,456	
		<u>9,314,760</u>		<u>3,864,150</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(812,867)</u>		<u>(570,812)</u>	
<b>Net current assets</b>		<u>8,501,893</u>		<u>3,293,338</u>	
<b>Total assets less current liabilities</b>			<u>8,520,866</u>		<u>3,306,215</u>
<b>Creditors: amounts falling due after more than one year</b>	13	-		(9,570,414)	
		<u>-</u>		<u>(9,570,414)</u>	
<b>Net assets / (liabilities)</b>			<u>8,520,866</u>		<u>(6,264,199)</u>
<b>Capital and reserves</b>					
Called up share capital	15		12,674		79,815
Share premium account	15		35,830,028		19,981,498
Other reserves			243,680		157,124
Profit and loss account			(27,565,516)		(26,482,636)
<b>Shareholders' funds / (deficit)</b>			<u>8,520,866</u>		<u>(6,264,199)</u>

The notes on pages 15 to 26 form part of these consolidated financial statements.

These consolidated financial statements were approved by the board of directors on 21st September 2022 and were signed on its behalf by:



**Keith Lovell**  
Director

Company registered number: 07611221

## Consolidated Statement of Changes in Equity

	Called up Share Capital £	Share Premium account £	Other reserves £	Profit and loss account £	Shareholde rs' funds £
Balance at 1 January 2020	79,815	19,981,498	129,645	(23,031,178)	(2,840,220)
<b>Total comprehensive loss for the period</b>					
Loss for the financial year	-	-	-	(3,933,325)	(3,933,325)
Currency translation differences	-	-	-	158,541	158,541
Share based payment charge	-	-	27,479	-	27,479
Balance at 31 December 2020 and 1 January 2021	<b>79,815</b>	<b>19,981,498</b>	<b>157,124</b>	<b>(26,806,062)</b>	<b>(6,587,625)</b>
<b>Total comprehensive loss for the period</b>					
Loss for the financial year	-	-	-	(1,517,665)	(1,517,665)
Currency translation differences	-	-	-	(44,715)	(44,715)
Share exchange and issuance	(67,141)	15,848,530	-	-	15,781,389
Share based payment charge	-	-	86,556	-	86,556
<b>Balance at 31 December 2021</b>	<b>12,674</b>	<b>35,830,028</b>	<b>243,680</b>	<b>(28,368,442)</b>	<b>7,717,940</b>

## Company Statement of Changes in Equity

	Called up Share Capital	Share Premium account	Other reserves	Profit and loss account	Shareholde rs' funds
	£	£	£	£	£
Balance at 1 January 2020	79,815	19,981,498	129,645	(22,202,346)	(3,011,388)
<b>Total comprehensive loss for the period</b>					
Loss for the financial year	-	-	-	(3,280,290)	(3,280,290)
Share based payment charge	-	-	27,479	-	27,479
Balance at 31 December 2020 and 1 January 2021	<b>79,815</b>	<b>19,981,498</b>	<b>157,124</b>	<b>(26,482,636)</b>	<b>(6,264,199)</b>
<b>Total comprehensive loss for the period</b>					
Loss for the financial year	-	-	-	(1,082,880)	(1,082,880)
Share exchange and issuance	(67,141)	15,848,530	-	-	15,781,389
Share based payment charge	-	-	86,556	-	86,556
<b>Balance at 31 December 2021</b>	<b>12,674</b>	<b>35,830,028</b>	<b>243,680</b>	<b>(27,565,516)</b>	<b>8,520,866</b>

## **Notes**

*(forming part of the consolidated financial statements)*

### **1 General Information**

Antidote Technologies Ltd (the “Company”) together with its subsidiary (the “Group”) provides a search and referral engine for clinical trials, dedicated to making clinical trials easy to find, understand and access. Antidote Technologies Ltd is a private company, limited by shares and incorporated, domiciled and registered in England in the UK. The registered number is 07611221 and the registered address is 39 Earlham Street, London, WC2H 9LT.

### **2 Accounting policies**

These Group and parent company consolidated financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) Section 1A Small Entities as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these consolidated financial statements is sterling. All amounts in the consolidated financial statements have been rounded to the nearest pound.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these consolidated financial statements.

#### **2.1 Measurement convention**

The consolidated financial statements are prepared on the historical cost basis and in accordance with the Companies Act 2006 and applicable accounting standards.

#### **2.2 Going concern**

The Group experienced a significant increase in revenue in 2021 with some cash from that activity due in 2022. Covid has not directly impacted the business in any material adverse manner and indeed it has benefitted from projects relating to recruitment for Covid trials. In addition to the funding round completed in the year, in May 2022 the Group entered into a venture debt agreement for up to \$7.5m with Silicon Valley Bank. The directors have reviewed the financial forecasts of the Group and in the light of the above consider it appropriate to prepare the accounts on a going concern basis.

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

The Group consolidated financial statements contain the financial statements of the company and all its subsidiary undertakings as at 31 December 2021. A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

#### **2.4 Revenue Recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of discounts, rebates and value added taxes. The Group recognises revenue when a) the amount can be reliably measured; (b) it is probable that the economic benefits associated with the transaction will flow to the entity; (c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

## **Notes (continued)**

### **2.5 Foreign currency**

Transactions in foreign currencies are translated to the Group and Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

### **2.6 Financial instruments**

#### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

### **2.7 Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The Group assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- plant and equipment - 3 years
- fixtures and fittings - 4 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the Group expects to consume an asset's future economic benefits.

### **2.8 Intangible assets**

#### *Research and development*

Expenditure on research and development activities is recognised in the profit and loss account as an expense as incurred. There was no research and development of new products and services in the current year.

## **Notes** *(continued)*

### **2.9 Exemption from preparing a cash flow statement**

Exemption has been taken from preparing a cash flow statement under the terms of FRS 102 Section 1A Small Entities.

### **2.10 Employee benefits**

#### *Defined contribution plans*

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

#### **Group Plans**

##### *Share-based payment transactions*

Share-based payment arrangements in which the entity receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the entity.

### **2.11 Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax receivable on the taxable loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Notes (continued)**

**3 Turnover**

	2021 £	2020 £
Rendering of services	7,762,129	2,981,146
Total turnover	<u>7,762,129</u>	<u>2,981,146</u>

**4 Expenses and auditor's remuneration**

*Included in the operating loss are the following:*

	2021 £	2020 £
Auditors remuneration:		
Audit of these consolidated financial statements	<u>29,400</u>	<u>29,018</u>
Amounts receivable by the company's auditor and its associates in respect of:		
Taxation compliance services	<u>6,300</u>	<u>7,862</u>

**Notes** *(continued)*

**5 Staff numbers and costs**

*Average monthly number of persons employed by the Group during the year:*

	2021	2020
Employees including executive directors	42	37

The aggregate payroll costs of these persons were as follows:

	2021 £	2020 £
Wages and salaries	3,231,040	3,128,747
Social security costs	403,753	312,923
Contributions to defined contribution plans	72,485	72,848
	3,707,278	3,514,518
	3,707,278	3,514,518

**6 Directors remuneration**

	2021 £	2020 £
Directors' remuneration	618,260	508,346
Contributions to defined contribution plans	9,504	9,428
Amounts paid to third parties in respect of directors' services	11,667	40,000
	639,431	557,774
	639,431	557,774

The remuneration of the highest paid director was £336,653 (2020: £284,539).

**7 Interest payable and similar charges**

	2021 £	2020 £
Bank interest paid	-	-
Interest payable on financial liabilities (see note 13)	112,434	585,364
	112,434	585,364
	112,434	585,364

**Notes (continued)**

**8 Taxation**

	2021 £	2020 £
Current tax on income for the period	2,271	2,228
	2,271	2,228

**Reconciliation of effective tax rate**

	2021 £	2020 £
Loss on ordinary activities before tax	(1,515,393)	(3,931,197)
Tax on loss on ordinary activities at standard CT rate of 19.00% (PY: 19.00%)	(287,925)	(746,927)
Expenses not deductible for tax purposes	18,552	213,325
Other permanent differences	76	-
Foreign tax - other	2,271	2,228
Deferred tax not recognised	269,297	533,602
Tax charge for the period	2,271	2,228

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013 with a further reduction to 19% (effective from 1 April 2017). The deferred tax asset/(liability) at 31 December 2021 has been calculated on these rates.

The Group has accumulated tax losses available for offset against future profits of £20m (2020: £18.4m). A deferred tax asset has not been recognised in respect of these losses as there is uncertainty regarding the timing of when these losses will be recovered.

**Notes (continued)**

**9 Tangible fixed assets - Group**

	<b>Plant and Equipment £</b>	<b>Fixtures &amp; fittings £</b>	<b>Total £</b>
<b>Cost</b>			
Balance at 1 January 2021	113,795	62,917	176,712
Additions	24,951	-	24,951
Effect of movements in foreign exchange	503	16	519
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	139,249	62,933	202,182
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Depreciation and impairment</b>			
Balance at 1 January 2021	88,404	62,480	150,884
Depreciation charge for the year	15,076	437	15,513
Effect of movements in foreign exchange	372	16	388
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	103,852	62,933	166,785
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Net book value</b>			
At 1 January 2021	25,391	437	25,828
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2021	35,397	-	35,397
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Tangible fixed assets - Company**

	<b>Plant and Equipment £</b>	<b>Fixtures &amp; fittings £</b>	<b>Total £</b>
<b>Cost</b>			
Balance at 1 January 2021	64,131	61,328	125,459
Additions	14,508	-	14,508
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	78,639	61,328	139,967
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Depreciation and impairment</b>			
Balance at 1 January 2021	51,693	60,891	112,584
Depreciation charge for the year	7,974	437	8,411
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2021	59,667	61,328	120,995
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Net book value</b>			
At 1 January 2021	12,438	437	12,876
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2021	18,972	-	18,972
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Notes (continued)**

**10 Fixed asset investments - Company**

	<b>Shares in group undertakings £</b>
At beginning of year	1
At end of year	1

The undertakings in which the Company's interest at the year-end is more than 20% are as follows.

<i>Subsidiary name</i>	<b>Country of Incorporation</b>	<b>Principal Activity</b>	<b>Class of shares held</b>	<b>Percentage of shares held</b>
Antidote Technologies Inc	USA	Support Services	Ordinary	100%

Registered address of Antidote Technologies Inc; C/O NRAI Inc, 160 Greentree DR STE 101, Dover, DE 19904, USA. Loss for the year was £434,784 (2020: £1,126,440). Net liabilities at the year-end were £4,185,084 (2020: £3,910,079).

**11 Debtors**

	<b>Group 2021 £</b>	<b>2020 £</b>	<b>Company 2021 £</b>	<b>2020 £</b>
Trade debtors	1,845,551	1,055,300	1,845,551	872,334
Other debtors	206,689	162,787	190,990	162,661
Corporation tax recoverable	33,238	33,238	33,238	33,238
Prepayments and accrued income	133,975	83,867	110,898	73,461
	<b>2,219,453</b>	<b>1,335,192</b>	<b>2,180,677</b>	<b>1,141,694</b>
Due within one year	1,979,526	1,141,177	1,956,449	947,679
Due after more than one year	239,927	194,015	224,228	194,015
	<b>2,219,453</b>	<b>1,335,192</b>	<b>2,180,677</b>	<b>1,141,694</b>

**12 Creditors: amounts falling due within one year**

	<b>Group</b> <b>2021</b> £	2020 £	<b>Company</b> <b>2021</b> £	2020 £
Trade creditors	760,549	109,715	224,771	97,456
Taxation and social security	47,822	50,840	39,643	41,352
Other creditors	57,500	421,362	57,501	169,012
Accruals and deferred income	896,806	580,016	490,953	262,992
	<u>1,762,677</u>	<u>1,161,933</u>	<u>812,868</u>	<u>570,812</u>

During 2020 Antidote Technologies Inc received US \$344,806 under the Paycheck Protection Program (PPP) loan programme. The PPP was established as part of the Coronavirus Aid, Relief and Economic Security Act in the USA. This amount was included in other creditors in 2020 above. The loan attracted interest at 1%. The loan was forgiven in full in January 2021.

**13 Creditors: amounts falling after more than one year**

	<b>Group</b> <b>2021</b> £	2020 £	<b>Company</b> <b>2021</b> £	2020 £
Other creditors	-	8,782,300	-	8,782,300
Accruals and deferred income	-	788,084	-	788,084
	<u>-</u>	<u>9,570,414</u>	<u>-</u>	<u>9,570,414</u>

In June 2021 the Company completed a funding round for \$23.2m with new and existing investors taking part. All CLN's including accrued interest were converted into equity and a further US \$10M was raised.

**Notes (continued)**

**14 Employee benefits**

**Defined contribution pension plans**

The Group operates a number of defined contribution pension plans for its employees.

The total expense relating to the plans in the current year was £72,485 (2020: £72,848)

**Other long-term benefits**

*Share options scheme*

The Company has established an Enterprise Management Incentive Scheme (“EMI”) and an Unapproved Share Option Scheme (“Unapproved”). Generally, options vest over a four-year period, with a one year cliff, and expire on the tenth anniversary from date of grant. Options granted become exercisable on vesting subject to the employee remaining in employment of the group.

The number and weighted average exercise prices of share options are as follows:	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
	2021	2021	2020	2020
Outstanding at the beginning of the year	£0.20373	3,258,980	£0.20529	3,219,709
Forfeited during the year	£0.20023	2,368,674	-	-
Exercised during the year	£0.10016	28,719	-	-
Granted during the year	£0.03152	11,109,950	£0.10000	282,000
Expired during the year	£0.14234	98,948	£0.10402	242,729
	<u>£0.03220</u>	<u>11,872,589</u>	<u>£0.20373</u>	<u>3,258,980</u>
Outstanding at the end of the year				
	<u>£0.069401</u>	<u>3,421,195</u>	<u>£0.20793</u>	<u>2,492,656</u>
Exercisable at the end of the year				

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The fair value of employee share options granted was arrived at by taking into account the price of shares in recent investment rounds together with historic and future expected volatility using a Black-Scholes pricing model.

The total expenses for the year arising from share-based payments are as follows:

	2021	2020
	£	£
Total share based payment expense	86,556	27,479

## Notes (continued)

### 15 Capital and reserves

#### Share capital

	2021	2020
	£	£
<i>Allotted, called up and fully paid;</i>		
42,472,115 Ordinary shares of £0.0001 each	4,247	-
84,265,504 Preference shares of £0.0001 each	8,427	-
7,429,516 Ordinary shares of £0.01 each	-	74,295
2,242,847 "A" shares of £0.001 each	-	2,242
5,006,007 "B" shares of £0.0001 each	-	501
9,450,010 "C" shares of £0.0001 each	-	945
17,737,998 "D1" shares of £0.0001 each	-	1,774
577,018 "D2" shares of £0.0001 each	-	58
	<u>12,674</u>	<u>79,815</u>

As part of the financing round undertaken in the year, the Company reorganised its capital structure, converting all previous Preference Share classes to Ordinary Shares. In order to do this, the nominal values needed to be aligned. The Preference Shares with a higher nominal value were therefore subdivided and the surplus shares then cancelled, leading to the reduction in share capital nominal value detailed above, but the total number of shares in issue consequently remained the same before and after the reorganisation.

All issued shares rank pari passu for dividends and voting. For capital distribution, Preference Shares have one participating preference then rank pari passu for any remaining distribution.

#### Share premium

	2021	2020
	£	£
Balance brought forward	19,981,498	19,981,498
Premium on shares issued in the year	15,848,530	-
	<u>35,830,028</u>	<u>19,981,498</u>

### 16 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Less than one year	167,680	126,182	167,680	126,182
Between one and five years	339,954	507,634	339,954	507,634
More than five years	-	-	-	-
	<u>507,634</u>	<u>633,816</u>	<u>507,634</u>	<u>633,816</u>

During the year £181,932 was recognised as an expense in the profit and loss account in respect of operating leases (2020: £295,632).

The Group had no other off-balance sheet commitments.

**Notes** *(continued)*

**17 Related parties**

*Identity of related parties with which the Group has transacted*

The following transactions took place between the group and related parties during the financial year:

Director fees paid to related parties in the year amounted to £11,667 (2020: £40,000)

*Transactions with key management personnel*

Total compensation of key management personnel in the year amounted to £639,431 (2020: £557,774).

**18 Ultimate parent company and parent company of larger group**

No other group financial statements include the results of the Company.

The Directors believe there is no overall controlling party.

**19 Subsequent events**

In May 2022 SVB approved a \$7.5M venture debt facility available to the business to draw down as and when required.