

Causaly Ltd

Registered Number
11368328
(England and Wales)

Unaudited Financial Statements for the Year ended
31 December 2021

Causaly Ltd
Company Information
for the year from 1 January 2021 to 31 December 2021

Directors

J Kiahopoulos

A Saudabayev

Registered Address

2 Underwood Row

London

N1 7LQ

Registered Number

11368328 (England and Wales)

Causaly Ltd
Statement of Financial Position
31 December 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	9		25,039		17,343
Investments	10		178,450		178,450
			<u>203,489</u>		<u>195,793</u>
Current assets					
Debtors	13	1,419,071		651,119	
Cash at bank and on hand		2,842,388		2,388,618	
			<u>4,261,459</u>		<u>3,039,737</u>
Creditors amounts falling due within one year	14	(1,171,008)		(528,130)	
			<u>3,090,451</u>		<u>2,511,607</u>
Net current assets (liabilities)			<u>3,090,451</u>		<u>2,511,607</u>
Total assets less current liabilities			3,293,940		2,707,400
Creditors amounts falling due after one year	15		(6,076,425)		(4,148,396)
			<u>(2,782,485)</u>		<u>(1,440,996)</u>
Net assets			<u>(2,782,485)</u>		<u>(1,440,996)</u>
Capital and reserves					
Called up share capital			100		100
Other reserves			81,425		21,746
Profit and loss account			(2,864,010)		(1,462,842)
			<u>(2,782,485)</u>		<u>(1,440,996)</u>
Shareholders' funds			<u>(2,782,485)</u>		<u>(1,440,996)</u>

The company was entitled to exemption from audit for this reporting period under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act 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. The directors have chosen to not file a copy of the company's profit and loss account.

The financial statements were approved and authorised for issue by the Board of Directors on 16 August 2022, and are signed on its behalf by:

J Kiahopoulos

Director

Registered Company No. 11368328

Causaly Ltd

Notes to the Financial Statements for the year ended 31 December 2021

1. Statutory information

Causaly Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. Compliance with applicable reporting framework

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

3. Principal activities

The principal activity of the company in the period under review was that of developing an evidence - based research platform to make the research and development process in biopharma more productive.

4. Smallest group in which results are consolidated

The financial statements contain information about Causaly Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

The immediate and ultimate parent is Causaly Inc. whose registered office is situated at 1209 Orange Street, Wilmington, 19801, Delaware, United States. There is no ultimate controlling party.

5. Basis of measurement used in financial statements

The financial statements have been prepared under the historical cost convention.

6. Accounting policies

Functional and presentation currency policy

The presentation currency of the financial statements is the Pound Sterling (£).

Turnover policy

Turnover is measured at the fair value of the consideration receivable, excluding discounts, rebates, value added tax and other sales taxes.

Property, plant and equipment policy

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

	Straight line (years)
Fixtures and fittings	3
Office Equipment	3

Revenue recognition policy

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Taxation policy

Taxation for the period comprises current tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

Tax credits disclosed in the Income statement represent tax credits receivable from HMRC under HMRC's research and development tax relief schemes.

Research and development policy

Revenue expenditure on research and development is written off in the period in which it is incurred.

The company qualifies to make claims under the SME R&D tax relief scheme. Tax credits arising from successful claims under the SME R&D tax relief scheme are reflected 'below the line' as a reduction in the Corporation Tax charge or, if loss making, as a Corporation Tax credit. Tax credits receivable from R&D claims are recognised in the reporting period in which the qualifying expenditure is incurred.

Foreign currency translation and operations policy

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

At each reporting 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 the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement.

Leases policy

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Investments policy

Investments in subsidiary undertakings are recognised at cost.

Employee benefits policy

Share Based Payments

The company operates an equity-settled compensation plan. The fair value of the services received in exchange for the grant of the options is recognised as an expense in the Income statement. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each statement of position date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the Income statement. The credit entry is taken to reserves because the share options are equity-settled.

Valuation of financial instruments policy

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out right short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

Going concern

The financial statements have been prepared on a going concern basis. The company incurred losses during the period and the directors are aware that the Statement of Financial Position reflects net liabilities. However, the Holding Company Causaly Inc. will continue to support the company to meet its obligations, if and when, they become due. The directors are therefore of the opinion that they should adopt the going concern basis of accounting in preparing the financial statements.

7. Critical estimates and judgements

Share based payments as set out in the notes to the accounts have been made to employees of the company. As disclosed in the Share Based Payments accounting policy note above, the fair value of any vested share options is recognised in the Income statement and for the accounting period ending 31 December 2021, the fair value has been estimated as £0.36 per share. This is based on the value of shares issued.

There have been no other significant judgements or estimates applied to the numbers contained within these financial statements.

8. Employee information

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the Income statement in the period to which they relate.

Share Based Payment Transactions

The company operates an Employee Share Option Scheme. At the date of the statement of financial position;

- 685,011 EMI qualifying share options had been granted to 10 employees of the company with an exercise price of \$0.0461 per share (2020: 685,011 share options granted).
- 198,123 of those options had lapsed (2020: 185,726),
- 30,664 had been exercised (2020: 26,532),
- 226,180 of those options had vested (2020: 23,712),
- 230,044 had yet to be vested (2020: 449,041).

The share options are exercisable on the share capital of the holding company.

	2021	2020
Average number of employees during the year	19	13

9. Property, plant and equipment

	Fixtures & fittings	Office Equipment	Total
	£	£	£
Cost or valuation			
At 01 January 21	1,490	24,579	26,069
Additions	5,177	13,004	18,181
At 31 December 21	<u>6,667</u>	<u>37,583</u>	<u>44,250</u>
Depreciation and impairment			
At 01 January 21	399	8,327	8,726
Charge for year	1,005	9,480	10,485
At 31 December 21	<u>1,404</u>	<u>17,807</u>	<u>19,211</u>
Net book value			
At 31 December 21	<u>5,263</u>	<u>19,776</u>	<u>25,039</u>
At 31 December 20	<u>1,091</u>	<u>16,252</u>	<u>17,343</u>

10. Fixed asset investments

	Investments in group undertakings and participating interests	Total
	£	£
Cost or valuation		
At 01 January 21	178,450	178,450
At 31 December 21	178,450	178,450
Net book value		
At 31 December 21	178,450	178,450
At 31 December 20	178,450	178,450

11. Description of financial commitments other than capital commitments

Minimum lease payments under non-cancellable operating leases fall due as follows:

Within one year - £Nil (Dec 20 - £Nil).

12. Description of nature of transactions and balances with related parties

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with group undertakings.

13. Debtors

	2021	2020
	£	£
Trade debtors / trade receivables	922,203	409,545
Amounts owed by group undertakings	127,172	-
Other debtors	336,105	225,929
Prepayments and accrued income	33,591	15,645
Total	1,419,071	651,119

14. Creditors within one year

	2021	2020
	£	£
Trade creditors / trade payables	101,142	27,055
Amounts owed to related parties	-	201,764
Taxation and social security	80,590	43,635
Other creditors	5,333	3,203
Accrued liabilities and deferred income	983,943	252,473
Total	<u>1,171,008</u>	<u>528,130</u>

15. Creditors after one year

	2021	2020
	£	£
Amounts owed to related parties	<u>6,076,425</u>	<u>4,148,396</u>
Total	<u>6,076,425</u>	<u>4,148,396</u>

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