

Company registration number 12614308 (England and Wales)

BACTOBIO LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2024
PAGES FOR FILING WITH REGISTRAR

BACTOBIO LTD

CONTENTS

	Page
Balance sheet	1 - 2
Notes to the financial statements	3 - 9

BACTOBIO LTD

BALANCE SHEET

AS AT 31 MAY 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	4		807,798		601,360
Investments	5		-		22,488
			<u>807,798</u>		<u>623,848</u>
Current assets					
Debtors	6	641,447		647,160	
Cash at bank and in hand		1,791,408		5,176,893	
		<u>2,432,855</u>		<u>5,824,053</u>	
Creditors: amounts falling due within one year	7	<u>(447,999)</u>		<u>(302,909)</u>	
Net current assets			<u>1,984,856</u>		<u>5,521,144</u>
Total assets less current liabilities			<u>2,792,654</u>		<u>6,144,992</u>
Creditors: amounts falling due after more than one year	8		<u>(44,941)</u>		<u>-</u>
Net assets			<u><u>2,747,713</u></u>		<u><u>6,144,992</u></u>
Capital and reserves					
Called up share capital	10		15		15
Share premium account			9,777,242		9,774,640
Other reserves			109,878		65,184
Profit and loss reserves			<u>(7,139,422)</u>		<u>(3,694,847)</u>
Total equity			<u><u>2,747,713</u></u>		<u><u>6,144,992</u></u>

BACTOBIO LTD

BALANCE SHEET (CONTINUED)

AS AT 31 MAY 2024

For the financial year ended 31 May 2024 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 financial statements 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 financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

The financial statements were approved by the board of directors and authorised for issue on 28 February 2025 and are signed on its behalf by:

D Hansen
Director

Company registration number 12614308 (England and Wales)

BACTOBIO LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2024

1 Accounting policies

Company information

Bactobio Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Unit 408 Vox Studios, 1-45 Durham St, London, SE11 5JH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

A funding round has been completed since May 2024, raising over £4.5 million in additional capital for the company.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	33% Straight Line
Fixtures and fittings	33% Straight Line
Computers	33% Straight Line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

BACTOBIO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2024

1 Accounting policies (Continued)

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

BACTOBIO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2024

1 Accounting policies **(Continued)**

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

BACTOBIO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2024

1 Accounting policies

(Continued)

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2024	2023
	Number	Number
Total	42	30
	<u> </u>	<u> </u>

BACTOBIO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2024

4 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 June 2023	802,642	37,959	61,954	902,555
Additions	582,464	20,885	52,457	655,806
At 31 May 2024	1,385,106	58,844	114,411	1,558,361
Depreciation and impairment				
At 1 June 2023	263,124	11,590	26,481	301,195
Depreciation charged in the year	404,880	16,998	27,490	449,368
At 31 May 2024	668,004	28,588	53,971	750,563
Carrying amount				
At 31 May 2024	717,102	30,256	60,440	807,798
At 31 May 2023	539,518	26,369	35,473	601,360

5 Fixed asset investments

	2024 £	2023 £
Shares in group undertakings and participating interests	-	22,488

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 June 2023	22,488
Disposals	(22,488)
At 31 May 2024	-
Carrying amount	
At 31 May 2024	-
At 31 May 2023	22,488

BACTOBIO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2024

6 Debtors		2024	2023	
		£	£	
Amounts falling due within one year:				
Amounts owed by group undertakings		-	229,377	
Other debtors		627,918	404,254	
		<u>627,918</u>	<u>633,631</u>	
		2024	2023	
		£	£	
Amounts falling due after more than one year:				
Corporation tax recoverable		13,529	13,529	
		<u>13,529</u>	<u>13,529</u>	
Total debtors		<u>641,447</u>	<u>647,160</u>	
7 Creditors: amounts falling due within one year		2024	2023	
		£	£	
Trade creditors		191,868	224,514	
Taxation and social security		75,242	51,156	
Other creditors		180,889	27,239	
		<u>447,999</u>	<u>302,909</u>	
8 Creditors: amounts falling due after more than one year		2024	2023	
		£	£	
Other creditors		44,941	-	
		<u>44,941</u>	<u>-</u>	
9 Deferred Tax				
<p>As at 31 May 2024 there existed a potential net deferred tax asset of £1,600,384 (2023: £816,663), comprising an asset of £1,802,334 (2023: £967,003) in respect of unrelieved trading losses and a liability of £201,950 (2023: £150,340) in respect of accelerated capital allowances. This has not been reflected as an asset given the uncertainty of future revenue streams and the company is committed to significant continued investment in research and development.</p>				
10 Called up share capital				
	2024	2023	2024	2023
	Number	Number	£	£
Ordinary share capital issued and fully paid				
Ordinary shares of 0.01p each	155,772	155,772	15	15
B Ordinary shares of 0.01p each	569	-	-	-
	<u>155,772</u>	<u>155,772</u>	<u>15</u>	<u>15</u>

BACTOBIO LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2024

10 Called up share capital (Continued)

During the year, 569 B Ordinary shares were issued at a nominal value of £0.0001 per share, which were share options that were exercised.

11 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2024 Number	2023 Number	2024 £	2023 £
Outstanding at 1 June 2023	8,189	1,404	99.95	4.57
Granted	-	7,623	-	108.04
Exercised	(510)	(59)	13.94	4.57
Expired	(1,257)	(779)	4.57	14.44
Outstanding at 31 May 2024	<u>6,422</u>	<u>8,189</u>	<u>124.36</u>	<u>99.95</u>
Exercisable at 31 May 2024	<u>3,061</u>	<u>1,217</u>	<u>61.43</u>	<u>68.63</u>

The options outstanding at 31 May 2024 had an exercise price ranging from £4.57 to £316.13.

The share option scheme adopted by the company is equity settled and a charge of £44,694 (2023: £65,184) has been charged to profit or loss relating to these options.

The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model, which is considered to be the most appropriate valuation method.

The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

Non-vesting conditions and market conditions are taken into account when estimating the fair value of the option at grant date. Service conditions and non-market performance conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.