Cytora Limited

Financial Statements

For the year ended 31 March 2023

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Company Registration No. 08229538 (England and Wales)

Cytora Limited

Contents

Cytora Limited

Balance Sheet

As at 31 March 2023

	Notes	2023 £	2023 £	2022 £	2022 £
Fixed assets					
Tangible assets	**4**		24,963		38,990
Current assets					
Debtors	**5**	3,029,665		898,622	
Cash at bank and in hand		4,640,781		5,683,434	
		7,670,446		6,582,056	
Creditors: amounts falling due within one year	**6**	(6,556,239)		(3,566,274)	
Net current assets			1,114,207		3,015,782
Total assets less current liabilities			1,139,170		3,054,772
Provisions for liabilities	**7**		(117,216)		(117,216)
Net assets			1,021,954		2,937,556
Capital and reserves					
Called up share capital	**8**		1,431		1,425
Share premium account			22,436,445		22,419,413
Profit and loss reserves	**9**		(21,415,922)		(19,483,282)
Total equity			1,021,954		2,937,556

The directors of the company have elected not to include a copy of the profit and loss account within the 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 financial statements were approved by the board of directors and authorised for issue on 15 November 2023 and are signed on its behalf by:

R G Hartley
Director

Company Registration No. 08229538

Cytora Limited

Statement of Changes in Equity

For the year ended 31 March 2023

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 April 2021		1,425	22,418,808	(16,493,084)	5,927,149
Year ended 31 March 2022:					
Loss and total comprehensive income for the year		-	-	(2,990,198)	(2,990,198)
Issue of share capital	**8**	-	605	-	605
Balance at 31 March 2022		1,425	22,419,413	(19,483,282)	2,937,556
Year ended 31 March 2023:					
Loss and total comprehensive income for the year		-	-	(1,932,640)	(1,932,640)
Issue of share capital	**8**	6	17,032	-	17,038
Balance at 31 March 2023		1,431	22,436,445	(21,415,922)	1,021,954

1 Accounting policies

Company information

Cytora Limited is a private company limited by shares incorporated in England and Wales. The registered office is 6th Floor, One London Wall, London, United Kingdom, EC2Y 5EB.

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 financial statements are prepared in sterling, which is the functional currency of the company. Monetary a mounts 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.

1.2 Going concern

The accounts have been prepared on a going concern basis as the directors' have a reasonable expectation that the company has adequate resources to continue trading for the foreseeable future. The company recognised a loss of £1,932,640 (2022: £2,990,198) during the year and had accumulated losses at year end of £21,415,922 (2022: £19,483,282). At the year end the company had cash reserves of £4,640,781 (2022: £5,683,434).

The directors regularly review the costs incurred by the company which enables them to manage cash burn and runway. In addition to this the directors are also working to secure additional revenue which will enhance the company's cash generation. Since the year end, the company has entered into a financing agreement based upon its cash flow. See note 10 for further details. The directors have prepared forecasts for a period of at least 12 months from the date of approval of these statements which indicates the company is able to operate with the funds available.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account any discounts. Revenue is recognised on a straight line basis over the period of the contract.

1.4 Research and development expenditure

All expenditure on research and development is recognised as an expense when it is incurred.

1.5 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:

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.

1 Accounting policies **(Continued)**

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 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.

1.8 Financial instruments

Basic financial instruments are measured at cost. The company has no other financial instruments or basic financial instruments measured at fair value.

1.9 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.

1.10 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.

1 Accounting policies **(Continued)**

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.

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.12 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.

1.13 Retirement benefits

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

1.14 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.

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.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

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.

2 Judgements and key sources of estimation uncertainty **(Continued)**

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Share based payments

As at the balance sheet date, the directors are unable to calculate a value of the options due to the following reasons:

- The inputs required for any valuation model cannot be reliably measured at the balance sheet date.
- Since the options' share class was last purchased, the business has changed its operational focus and thus does not give a reliable value.
- The options are only exercisable after a liquidity event, the directors do not have a reliable estimate to set an expectation for this date.

At the year end, there were 13,163,388 options in issue.

Research and development tax credit

In assessing the value of the research and development tax credit the directors have recognised £752,925 (2021: £2,154,650) as a receivable in the financial statements. This has been calculated based on the directors' best estimate of what will be received based on the research and development tax claim report and supporting calculations.

Warrants

In assessing what is the true reflection of the value of the company, the directors have had to take into consideration key factors to calculate an appropriate fair value of the warrants issued.

3 Employees

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

	2023 Number	2022 Number
Total	27	34

4 Tangible fixed assets

	Computers
	£
Cost	
At 1 April 2022	91,692
Additions	9,046
Disposals	(32,571)
At 31 March 2023	68,167
Depreciation and impairment	
At 1 April 2022	52,702
Depreciation charged in the year	18,585
Eliminated in respect of disposals	(28,083)
At 31 March 2023	43,204
Carrying amount	
At 31 March 2023	24,963
At 31 March 2022	38,990

5 Debtors

	2023	2022
Amounts falling due within one year:	£	£
Trade debtors	1,895,456	1,920
Other debtors	1,008,377	614,737
Prepayments and accrued income	125,832	281,965
	3,029,665	898,622

6 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	1,090,788	267,651
Taxation and social security	141,598	117,519
Other creditors	5,023,922	2,747,771
Accruals	299,931	433,333
	6,556,239	3,566,274

7 Provisions for liabilities

	2023	2022
	£	£
	117,216	117,216

During a prior year, one of the founders was granted additional equity options. If in the future, there is an exit event for the current equity holders then the founder will purchase the options he has been granted. The company has agreed to provide for the future tax liability that the founder would have personally had to incur.

8 Called up share capital

	2023	2022	2023	2022
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary shares of 0.001p each	89,439,719	89,439,719	894	894
A ordinary shares of 0.0009p each	12,394,600	12,394,600	112	112
Growth shares of 0.001p each	2,007,511	2,007,511	20	20
B ordinary shares of 0.001p each	905,788	472,894	9	3
	104,747,618	104,314,724	1,035	1,029

	2023	2022	2023	2022
Preference share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
B preference shares of 0.001p each	39,592,181	39,592,181	-	-

	2023	2022
Preference shares classified as equity	396	396
Preference shares classified as liabilities	(396)	(396)
	-	-
Total equity share capital	1,431	1,425

8 Called up share capital (Continued)

A ordinary shares have full voting, dividend and capital distribution rights (including on a winding up).
B ordinary shares have no voting, information or dividend rights and rank below B preference shares on a winding up.
Ordinary shares have full voting, dividend and capital distribution rights (including on a winding up).
B preference shares have full voting, dividend and capital distribution rights (including on a winding up).
Growth shares do not entitle the holders to receive notice of, attend, speak at or vote at any general meeting or written resolutions of the company.
Any profits which are distributed in respect of any financial year will be distributed as to 0.0001% to the holders of the growth shares pro rata to their respective holdings of growth shares and the balance among the holders of the ordinary and A ordinary shares pro rata to their respective holdings of such shares.

Upon liquidation 99.999% of company assets will be distributed to holders of B Preference Shares.

The remaining 0.001% of company assets will be distributed to the holders of Ordinary Shares, A Ordinary Shares, B Ordinary Shares and Growth shares pro rata according to the number of such Shares held.

In the prior year a warrant was issued that grants the holder an opportunity to take part in any potential future external investment round for an estimated 26.9m shares at a price related to the previous fundraise and any future next fundraise.

9 Profit and loss reserves

Accumulated losses represents cumulative losses, net of dividends paid and other adjustments.

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Senior Statutory Auditor:	Jonathan Sutcliffe
Statutory Auditor:	Moore Kingston Smith LLP

11 Events after the reporting date

In September 2023, the company entered into a financing agreement based on its cash flow for a gross amount of £2.1m

12 Controlling party

No individual shareholder has a controlling interest in the company.