

**Group Strategic Report, Report of the Directors and  
Consolidated Financial Statements for the Year Ended 31 December 2020**

**for**

**Huma Therapeutics Limited**

**Previously known as  
Humaforhealth Limited**

Davis Grant Limited  
Chartered Certified Accountants and  
Statutory Auditors  
Treviot House  
186-192 High Road  
Ilford  
Essex  
IG1 1LR

**Contents of the Consolidated Financial Statements  
for the Year Ended 31 December 2020**

	<b>Page</b>
<b>Company Information</b>	1
<b>Group Strategic Report</b>	2
<b>Report of the Directors</b>	3
<b>Report of the Independent Auditors</b>	5
<b>Consolidated Income Statement</b>	8
<b>Consolidated Other Comprehensive Income</b>	9
<b>Consolidated Balance Sheet</b>	10
<b>Company Balance Sheet</b>	11
<b>Consolidated Statement of Changes in Equity</b>	12
<b>Company Statement of Changes in Equity</b>	14
<b>Consolidated Cash Flow Statement</b>	16
<b>Notes to the Consolidated Cash Flow Statement</b>	17
<b>Notes to the Consolidated Financial Statements</b>	18

**Huma Therapeutics Limited**  
**Company Information**  
**for the Year Ended 31 December 2020**

**DIRECTORS:** Dr R A Khatib  
D Vahdat  
S R Fletcher  
E Maleki  
A Milburn  
Dr C R R Succsmuth-Dyckerhoff

**REGISTERED OFFICE:** 13th Floor Millbank Tower  
21-24 Millbank  
London  
SW1P 4QP

**REGISTERED NUMBER:** 07725451 (England and Wales)

**AUDITORS:** Davis Grant Limited  
Chartered Certified Accountants and  
Statutory Auditors  
Treviot House  
186-192 High Road  
Ilford  
Essex  
IG1 1LR

**Group Strategic Report  
for the Year Ended 31 December 2020**

The directors present their strategic report of the company and the group for the year ended 31 December 2020.

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors report. It has done so in respect of future development and financial instruments.

**REVIEW OF BUSINESS**

The directors consider the following traditional measures to be the key financial performance indicators;

	2020	2019	Change %
	000's	000's	
Turnover	15,123	5,421	179%
Gross Profit	5,505	5,341	3%
Loss after Tax	(12,005)	(9,677)	24%
Equity Shareholders' funds	19,185	23,350	(18%)

Group Revenue increased more than 179% over 2019 as the Company completed its second year of true commercialisation.

Wages costs increased by 24% as the Company increased headcount to build the foundations for future growth.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The increasing uncertainty brought to all economies from Covid-19 may slow potential clients' decision-making processes, and so could impact the ability of the Company to maximise revenue growth. However, the Directors' are comforted that the digital health industry generally is potentially a beneficiary from the pandemic, as healthcare systems and others look to alternative solutions from traditional delivery of healthcare.

Political climate: whilst Brexit is not anticipated to have a direct impact on the business, the Company may be disadvantaged if it led to hiring skilled individuals from the EU to become more difficult (although that has not been experienced so far).

**FUTURE DEVELOPMENTS**

The Directors remain confident for sustained growth in the business; however, the sector is relatively slow moving and the timing of that growth remains subject to concluding commercial contracts.

**RESEARCH AND DEVELOPMENT**

The Company continues to invest in developing assets to add to its platform, and so enhance commercial opportunities.

**FINANCIAL INSTRUMENTS**

The Company has normal exposure to price, credit, liquidity, foreign exchange and cash-flow risks. The Company earns revenue in US\$, GBP or Euros. The Company does not enter into any hedging transactions but retains bank balances in a combination of these currencies.

**ON BEHALF OF THE BOARD:**

D Vahdat - Director

30 September 2021

**Report of the Directors  
for the Year Ended 31 December 2020**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2020.

**CHANGE OF NAME**

The group passed a special resolution on 14 April 2020 changing its name from Medopad Limited to Humaforhealth Limited. It passed a further special resolution on 16 April 2020 changing its name to Huma Therapeutics Limited.

**PRINCIPAL ACTIVITY**

The principal activity of the group in the year under review was that of global healthtech company transforming healthcare through digital biomarkers and therapeutics.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2020.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

Dr R A Khatib  
D Vahdat  
S R Fletcher  
E Maleki

Other changes in directors holding office are as follows:

S J Mackinnon - resigned 23 September 2020  
A Milburn - appointed 8 April 2020

Dr C R R Suessmuth-Dyckerhoff was appointed as a director after 31 December 2020 but prior to the date of this report.

**BRANCHES OUTSIDE THE UK**

The group operates a branch in Italy under the name Biobeats Italy.

**DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**Huma Therapeutics Limited (Registered number: 07725451)**

**Report of the Directors  
for the Year Ended 31 December 2020**

**AUDITORS**

The auditors, Davis Grant Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

D Vahdat - Director

30 September 2021

## **Report of the Independent Auditors to the Members of Huma Therapeutics Limited**

### **Opinion**

We have audited the financial statements of Huma Therapeutics Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **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 the 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 in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

In connection with our audit of the financial statements, 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 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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Report of the Independent Auditors to the Members of  
Huma Therapeutics Limited**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report.

**Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page three, 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 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.

## Report of the Independent Auditors to the Members of Huma Therapeutics Limited

### Auditors' 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 a Report of the Auditors 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.

The objectives of our audit are to identify and assess the risks of material misstatement of the financial statements due to fraud or error, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatements due to fraud and error; and to respond appropriately to these risks. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned in accordance with the ISA's (UK).

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations our procedures included the following:

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and the sector in which they operate. We determined that the following laws and regulations were most significant: the Companies Act 2006, the UK Corporate Governance code and the UK corporate taxation laws,
- We obtained an understanding of how the company are complying with the with those legal and regulatory frameworks by making enquiries with the companies directors. We corroborated our inquiries through our review of the board minutes and other information provided to the audit team.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process
- Challenging assumptions and judgements made by management in its significant accounting estimates
- Identifying and testing journal entries, in particular any journal entries posted with unusual account collaborations
- Assessing the extent of compliance with the relevant laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located 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 Report of the Auditors.

### Use of our report

This report is made solely to the 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 company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Neil Marcel Driver (FCA) (FCCA) (Senior Statutory Auditor)  
for and on behalf of Davis Grant Limited  
Chartered Certified Accountants and  
Statutory Auditors  
Treviot House  
186-192 High Road  
Ilford  
Essex  
IG1 1LR

30 September 2021

**Consolidated  
Income Statement  
for the Year Ended 31 December 2020**

		2020		2019 as restated	
	Notes	£'000	£'000	£'000	£'000
<b>TURNOVER</b>			15,123		5,421
Cost of sales			<u>9,618</u>		<u>80</u>
<b>GROSS PROFIT</b>			<u>5,505</u>		<u>5,341</u>
Administrative expenses			<u>18,910</u>		<u>16,413</u>
			(13,405)		(11,072)
Other operating income			<u>7</u>		<u>88</u>
<b>OPERATING LOSS</b>	4		<u>(13,398)</u>		<u>(10,984)</u>
Income from fixed asset investments		35		150	
Interest receivable and similar income		<u>-</u>		<u>4</u>	
			<u>35</u>		<u>154</u>
			(13,363)		(10,830)
Interest payable and similar expenses	5		<u>-</u>		<u>3</u>
<b>LOSS BEFORE TAXATION</b>			<u>(13,363)</u>		<u>(10,833)</u>
Tax on loss	6		<u>(1,358)</u>		<u>(1,156)</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>			<u>(12,005)</u>		<u>(9,677)</u>
Loss attributable to:					
Owners of the parent			<u>(12,005)</u>		<u>(9,677)</u>

Huma Therapeutics Limited (Registered number: 07725451)

**Consolidated  
Other Comprehensive Income  
for the Year Ended 31 December 2020**

	Notes	2020 £'000	2019 as restated £'000
<b>LOSS FOR THE YEAR</b>		<b>(12,005)</b>	<b>(9,677)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Exchange differences on retranslating of subsidiary undertaking		<b>6</b>	9
Income tax relating to other comprehensive income		-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<u><b>6</b></u>	<u>9</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			<u><b>(9,668)</b></u>
	Note 8		
Prior year adjustment		<u><b>1,938</b></u>	
<b>TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT</b>		<u><b>(10,061)</b></u>	
Total comprehensive income attributable to: Owners of the parent		<u><b>(10,061)</b></u>	<u><b>(9,668)</b></u>

The notes form part of these financial statements

**Huma Therapeutics Limited (Registered number: 07725451)**

**Consolidated Balance Sheet  
31 December 2020**

		2020		2019 as restated	
	Notes	£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Intangible assets	10		1,877		395
Tangible assets	11		196		250
Investments	12		<u>23</u>		<u>-</u>
			<b>2,096</b>		<b>645</b>
<b>CURRENT ASSETS</b>					
Debtors	13	7,528		3,983	
Investments	14	9,919		10,033	
Cash at bank		<u>6,111</u>		<u>10,952</u>	
		<b>23,558</b>		<b>24,968</b>	
<b>CREDITORS</b>					
Amounts falling due within one year	15	<u>6,469</u>		<u>2,263</u>	
<b>NET CURRENT ASSETS</b>			<b><u>17,089</u></b>		<b><u>22,705</u></b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b><u>19,185</u></b>		<b><u>23,350</u></b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		23		18
Share premium	18		41,449		39,369
Cash advances for shares	18		2,508		-
Share options reserves	18		13,867		10,626
Retained earnings	18		<u>(38,662)</u>		<u>(26,663)</u>
<b>SHAREHOLDERS' FUNDS</b>			<b><u>19,185</u></b>		<b><u>23,350</u></b>

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2021 and were signed on its behalf by:

D Vahdat - Director

**Huma Therapeutics Limited (Registered number: 07725451)**

**Company Balance Sheet  
31 December 2020**

		2020		2019 as restated	
	Notes	£'000	£'000	£'000	£'000
<b>FIXED ASSETS</b>					
Intangible assets	10		275		101
Tangible assets	11		148		238
Investments	12		2,182		416
			<b>2,605</b>		<b>755</b>
<b>CURRENT ASSETS</b>					
Debtors	13	9,716		4,872	
Investments	14	9,919		10,033	
Cash at bank		5,248		10,828	
		<b>24,883</b>		<b>25,733</b>	
<b>CREDITORS</b>					
Amounts falling due within one year	15	6,204		2,180	
<b>NET CURRENT ASSETS</b>			<b>18,679</b>		<b>23,553</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>21,284</b>		<b>24,308</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		23		18
Share premium	18		41,449		39,369
Cash advances for shares	18		2,508		-
Share options reserves	18		13,867		10,626
Retained earnings	18		(36,563)		(25,705)
<b>SHAREHOLDERS' FUNDS</b>			<b>21,284</b>		<b>24,308</b>
Company's loss for the financial year			<b>(10,858)</b>		<b>(8,947)</b>

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2021 and were signed on its behalf by:

D Vahdat - Director

**Consolidated Statement of Changes in Equity  
for the Year Ended 31 December 2020**

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Share premium £'000</b>
<b>Balance at 1 January 2019</b>	16	(9,029)	25,148
Prior year adjustment	-	(7,966)	-
As restated	<u>16</u>	<u>(16,995)</u>	<u>25,148</u>
<b>Changes in equity</b>			
Issue of share capital	2	-	14,221
Total comprehensive income	-	(11,606)	-
<b>Balance at 31 December 2019</b>	<u>18</u>	<u>(28,601)</u>	<u>39,369</u>
Prior year adjustment	-	1,938	-
As restated	<u>18</u>	<u>(26,663)</u>	<u>39,369</u>
<b>Changes in equity</b>			
Issue of share capital	5	-	2,080
Total comprehensive income	-	(11,999)	-
<b>Balance at 31 December 2020</b>	<u><u>23</u></u>	<u><u>(38,662)</u></u>	<u><u>41,449</u></u>

Consolidated Statement of Changes in Equity - continued  
for the Year Ended 31 December 2020

	Cash advances for shares £'000	Share options reserves £'000	Total equity £'000
<b>Balance at 1 January 2019</b>	8,623	7,503	32,261
Prior year adjustment	-	-	(7,966)
As restated	<u>8,623</u>	<u>7,503</u>	<u>24,295</u>
<b>Changes in equity</b>			
Issue of share capital	-	-	14,223
Total comprehensive income	-	-	(11,606)
Cash advance for shares	(8,623)	-	(8,623)
Share option charge	-	3,123	3,123
<b>Balance at 31 December 2019</b>	<u>-</u>	<u>10,626</u>	<u>21,412</u>
Prior year adjustment	-	-	1,938
As restated	<u>-</u>	<u>10,626</u>	<u>23,350</u>
<b>Changes in equity</b>			
Issue of share capital	-	-	2,085
Total comprehensive income	-	-	(11,999)
Cash advance for shares	2,508	-	2,508
Share option charge	-	3,241	3,241
<b>Balance at 31 December 2020</b>	<u>2,508</u>	<u>13,867</u>	<u>19,185</u>

**Company Statement of Changes in Equity  
for the Year Ended 31 December 2020**

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Share premium £'000</b>
<b>Balance at 1 January 2019</b>	16	(8,801)	25,148
Prior year adjustment	-	(7,957)	-
As restated	<u>16</u>	<u>(16,758)</u>	<u>25,148</u>
<b>Changes in equity</b>			
Issue of share capital	2	-	14,221
Total comprehensive income	-	(10,885)	-
<b>Balance at 31 December 2019</b>	<u>18</u>	<u>(27,643)</u>	<u>39,369</u>
Prior year adjustment	-	1,938	-
As restated	<u>18</u>	<u>(25,705)</u>	<u>39,369</u>
<b>Changes in equity</b>			
Issue of share capital	5	-	2,080
Total comprehensive income	-	(10,858)	-
<b>Balance at 31 December 2020</b>	<u><u>23</u></u>	<u><u>(36,563)</u></u>	<u><u>41,449</u></u>

Company Statement of Changes in Equity - continued  
for the Year Ended 31 December 2020

	Cash advances for shares £'000	Share options reserves £'000	Total equity £'000
<b>Balance at 1 January 2019</b>	8,623	7,503	32,489
Prior year adjustment	-	-	(7,957)
As restated	<u>8,623</u>	<u>7,503</u>	<u>24,532</u>
<b>Changes in equity</b>			
Issue of share capital	-	-	14,223
Total comprehensive income	-	-	(10,885)
Cash advance for shares	(8,623)	-	(8,623)
Share option charge	-	3,123	3,123
<b>Balance at 31 December 2019</b>	<u>-</u>	<u>10,626</u>	<u>22,370</u>
Prior year adjustment	-	-	1,938
As restated	<u>-</u>	<u>10,626</u>	<u>24,308</u>
<b>Changes in equity</b>			
Issue of share capital	-	-	2,085
Total comprehensive income	-	-	(10,858)
Cash advance for shares	2,508	-	2,508
Share option charge	-	3,241	3,241
<b>Balance at 31 December 2020</b>	<u>2,508</u>	<u>13,867</u>	<u>21,284</u>

**Consolidated Cash Flow Statement  
for the Year Ended 31 December 2020**

	Notes	2020 £'000	2019 as restated £'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(8,455)	(8,989)
Interest paid		-	(3)
Tax received / (paid)		<u>1,165</u>	<u>379</u>
Net cash from operating activities		<u>(7,290)</u>	<u>(8,613)</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(306)	(102)
Purchase of tangible fixed assets		(71)	(153)
Purchase of fixed asset investments		(23)	-
Sale of tangible fixed assets		17	3
Acquisitions of assets		350	(304)
Loans from participating interests		(62)	62
Loans to related parties		(4)	-
Interest received		-	4
Dividends received		<u>35</u>	<u>150</u>
Net cash from investing activities		<u>(64)</u>	<u>(340)</u>
<b>Cash flows from financing activities</b>			
Share issue		4	2
Share premium		1	14,221
Cash advances for shares		<u>2,508</u>	<u>(8,623)</u>
Net cash from financing activities		<u>2,513</u>	<u>5,600</u>
<b>Decrease in cash and cash equivalents</b>		<u>(4,841)</u>	<u>(3,353)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>10,952</u>	14,305
<b>Cash and cash equivalents at end of year</b>	2	<u><u>6,111</u></u>	<u><u>10,952</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement  
for the Year Ended 31 December 2020

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2020	2019
	£'000	as restated £'000
Loss before taxation	(13,363)	(10,833)
Depreciation charges	468	135
(Profit)/loss on disposal of fixed assets	(3)	21
Share option charge	3,241	3,123
Impairment of goodwill	29	65
Impairment of patents and licences	294	-
Foreign exchange difference in reserves	6	-
Finance costs	-	3
Finance income	(35)	(154)
	<u>(9,363)</u>	<u>(7,640)</u>
Increase in trade and other debtors	(3,360)	(2,426)
Increase in trade and other creditors	4,268	1,077
<b>Cash generated from operations</b>	<u><u>(8,455)</u></u>	<u><u>(8,989)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2020

	31.12.20	1.1.20
	£'000	£'000
Cash and cash equivalents	<u>6,111</u>	<u>10,952</u>

Year ended 31 December 2019

	31.12.19	1.1.19
	as restated £'000	£'000
Cash and cash equivalents	<u>10,952</u>	<u>14,305</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20	Cash flow	At 31.12.20
	£'000	£'000	£'000
<b>Net cash</b>			
Cash at bank	<u>10,952</u>	<u>(4,841)</u>	<u>6,111</u>
	<u>10,952</u>	<u>(4,841)</u>	<u>6,111</u>
<b>Liquid resources</b>			
Current asset investments	<u>10,033</u>	<u>(114)</u>	<u>9,919</u>
	<u>10,033</u>	<u>(114)</u>	<u>9,919</u>
<b>Total</b>	<u><u>20,985</u></u>	<u><u>(4,955)</u></u>	<u><u>16,030</u></u>

**Notes to the Consolidated Financial Statements  
for the Year Ended 31 December 2020**

**1. STATUTORY INFORMATION**

Huma Therapeutics Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address are as below:

**Registered number:** 07725451  
**Registered office:** 13th Floor Millbank Tower  
21-24 Millbank  
London  
SW1P 4QP

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

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

The group financial statements consolidate the financial statements of Huma Therapeutics Limited and all its subsidiary undertakings drawn up to 31 December each year apart from those which are excluded as they are dormant and immaterial.

The individual accounts of Huma Therapeutics Limited have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures
- related party disclosures

**Turnover**

Turnover represents net invoiced sales, excluding value added tax. In respect of contracts for on-going services, turnover represents the value of work done in the year, including milestone basis, deferred income, estimates of amounts not invoiced.

**Goodwill**

After initial recognition, goodwill is measured at cost less any accumulated amortisation and any accumulated impairment losses.

Goodwill, being the amount paid in connection with the acquisition of a business in 2020, is being amortised evenly over its estimated useful life of 5 years.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of ten years.

Development costs are being amortised evenly over their estimated useful life of five years.

Computer software is being amortised evenly over its estimated useful life of five years.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

- |                          |   |
|--------------------------|---|
| Short leasehold          | - Straight line over the life of the lease  |
| Improvements to property | - Straight line over the life of the lease  |
| Plant and machinery      | - 25% on reducing balance, 25% on cost and Straight line over the life of the lease |
| Fixtures and fittings    | - 25% on cost and Straight line over 3 years  |
| Computer equipment       | - Straight line over 3 years  |

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020

2. ACCOUNTING POLICIES - continued

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**Taxation**

Taxation for the year comprises current tax. Tax is recognised in the Consolidated 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 receivable on R&D tax credits using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

**Fixed asset investments**

Fixed asset investments are stated at cost less provision for diminution in value.

**Current asset investments**

Current asset investments are stated at market value.

**Debtors & Creditors**

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

Short term creditors are measured at transaction price.

**Grants**

Grant income during the period has been accounted for using the performance model. Where a grant imposes specified future performance-related conditions on the recipient, income is recognised only when the performance-related conditions are met.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020

2. ACCOUNTING POLICIES - continued

**Share based payment**

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment transactions in which the company receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the company's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as a personnel expense in profit or loss.

3. EMPLOYEES AND DIRECTORS

	2020	2019 as restated
	£'000	£'000
Wages and salaries	8,282	6,776
Social security costs	1,066	795
Other pension costs	136	89
	<u>9,484</u>	<u>7,660</u>

The average number of employees during the year was as follows:

	2020	2019 as restated
Commercial, Delivery & Operations	28	46
Design, Product & AI	22	11
Engineering	15	20
Leadership	10	7
Business Excellence	25	12
Directors	5	5
	<u>105</u>	<u>101</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 28 (2019 - 5 )

The remuneration for the key management personnel amounted to £548,321 (2019: £885,272).

Share option charges relating to key management personnel amounted to £774,347 (2019: £3,541,037).

	2020	2019 as restated
	£	£
Directors' remuneration	163,000	433,000
Directors' pension contributions to money purchase schemes	<u>1,483</u>	<u>1,494</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020

3. **EMPLOYEES AND DIRECTORS - continued**

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

Share option charges relating to directors amounted to £637,055 (2019: £1,095,535)

For the highest paid director the share option charges amounted to £501,616 (2019: £1,095,535)

4. **OPERATING LOSS**

The operating loss is stated after charging/(crediting):

	2020	2019 as restated
	£'000	£'000
Other operating leases	482	460
Depreciation - owned assets	156	134
(Profit)/loss on disposal of fixed assets	(3)	21
Goodwill amortisation	271	-
Patents and licences amortisation	24	-
Development costs amortisation	7	-
Computer software amortisation	10	1
Auditors' remuneration	27	33
Foreign exchange differences	<u>(302)</u>	<u>352</u>

5. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2020	2019 as restated
	£'000	£'000
Interest on overdue PAYE	<u>-</u>	<u>3</u>

6. **TAXATION**

**Analysis of the tax credit**

The tax credit on the loss for the year was as follows:

	2020	2019 as restated
	£'000	£'000
Current tax:		
UK corporation tax	(1,119)	(940)
Adjustments in respect of previous periods	<u>(239)</u>	<u>(216)</u>
Tax on loss	<u>(1,358)</u>	<u>(1,156)</u>

UK corporation tax has been charged at 19 % (2019 - 19 %).

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020

6. TAXATION - continued

**Reconciliation of total tax credit included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2020	2019 as restated
	£'000	£'000
Loss before tax	<u>(13,363)</u>	<u>(10,833)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19 % (2019 - 19 %)	(2,539)	(2,058)
Effects of:		
Expenses not deductible for tax purposes	907	643
Depreciation in excess of capital allowances	84	-
Franked Investment Income	(7)	(29)
R & D Enhanced deduction	(831)	(697)
Tax credit adjustment	1,470	1,233
Tax adjustments for subsidiaries	187	139
Losses Carried forward	730	768
R&D Tax credit	(1,122)	(940)
Adjustments in respect of previous periods	(239)	(216)
Overseas Subsidiary Tax	2	1
Total tax credit	<u>(1,358)</u>	<u>(1,156)</u>

**Tax effects relating to effects of other comprehensive income**

	Gross £'000	2020 Tax £'000	Net £'000
Exchange differences on retranslating of subsidiary undertaking	<u>6</u>	<u>-</u>	<u>6</u>
	<u>6</u>	<u>-</u>	<u>6</u>
		2019	
	Gross £'000	Tax £'000	Net £'000
Exchange differences on retranslating of subsidiary undertaking	<u>9</u>	<u>-</u>	<u>9</u>
	<u>9</u>	<u>-</u>	<u>9</u>

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020

8. **PRIOR YEAR ADJUSTMENT**

During the preparation of the financial statements to 31 December 2020, the company reviewed its share option charge policy and considered it necessary for a prior year adjustment to be made.

As a result of the prior year adjustment, trading losses for the year decreased by £1,938,552. Other reserves increased and retained earnings decreased both by £3,329,066.

9. **REVENUE**

The various sources of revenue received during the years in 2020 and 2019 are as follows:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Service income	15,123	5,421
Dividend income	35	150
Grant income	7	88
Interest income	0	4
<b>Total</b>	<b>15,165</b>	<b>5,663</b>

10. **INTANGIBLE FIXED ASSETS**

**Group**

	<b>Goodwill</b>	<b>Patents and licences</b>	<b>Development costs</b>	<b>Computer software</b>	<b>Totals</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>COST</b>					
At 1 January 2020	-	349	-	47	396
Additions	1,837	196	-	-	2,033
Acquisitions through business combinations	-	44	40	-	84
Impairments	(29)	(294)	-	-	(323)
At 31 December 2020	<u>1,808</u>	<u>295</u>	<u>40</u>	<u>47</u>	<u>2,190</u>
<b>AMORTISATION</b>					
At 1 January 2020	-	-	-	1	1
Amortisation for year	271	24	7	10	312
At 31 December 2020	<u>271</u>	<u>24</u>	<u>7</u>	<u>11</u>	<u>313</u>
<b>NET BOOK VALUE</b>					
At 31 December 2020	<u>1,537</u>	<u>271</u>	<u>33</u>	<u>36</u>	<u>1,877</u>
At 31 December 2019	<u>-</u>	<u>349</u>	<u>-</u>	<u>46</u>	<u>395</u>

Biobeats Group limited was acquired on 9 April 2020. Total consideration of £2,078,940 was paid for 100% voting rights through a share for share exchange. The fair value of Biobeats net assets at the date of acquisition was £350,739. Management estimate the useful life for the goodwill to be 5 years.

The amounts recognised at the acquisition date for this business acquisition were Fixed Assets of £134,437 (of which £84,081 were intangible fixed assets), Current Assets of £418,208, Current Liabilities of £201,906. Since the acquisition there has been revenue generated of £31,932 and loss made of £1,429,069 for Biobeats Group Limited which has been consolidated within these accounts.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020

10. INTANGIBLE FIXED ASSETS - continued

Company

	Patents and licences £'000	Computer software £'000	Totals £'000
<b>COST</b>			
At 1 January 2020	55	47	102
Additions	194	-	194
At 31 December 2020	<u>249</u>	<u>47</u>	<u>296</u>
<b>AMORTISATION</b>			
At 1 January 2020	-	1	1
Amortisation for year	10	10	20
At 31 December 2020	<u>10</u>	<u>11</u>	<u>21</u>
<b>NET BOOK VALUE</b>			
At 31 December 2020	<u>239</u>	<u>36</u>	<u>275</u>
At 31 December 2019	<u>55</u>	<u>46</u>	<u>101</u>

11. TANGIBLE FIXED ASSETS

Group

	Short leasehold £'000	Improvements to property £'000	Plant and machinery £'000
<b>COST</b>			
At 1 January 2020	25	49	-
Additions	-	7	-
Disposals	-	-	-
Acquisitions through business combination	-	-	1
At 31 December 2020	<u>25</u>	<u>56</u>	<u>1</u>
<b>DEPRECIATION</b>			
At 1 January 2020	11	20	-
Charge for year	6	13	-
Eliminated on disposal	-	-	-
At 31 December 2020	<u>17</u>	<u>33</u>	<u>-</u>
<b>NET BOOK VALUE</b>			
At 31 December 2020	<u>8</u>	<u>23</u>	<u>1</u>
At 31 December 2019	<u>14</u>	<u>29</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020

## 11. TANGIBLE FIXED ASSETS - continued

## Group

	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
<b>COST</b>			
At 1 January 2020	91	236	401
Additions	2	62	71
Disposals	(5)	(19)	(24)
Acquisitions through business combination	10	40	51
At 31 December 2020	<u>98</u>	<u>319</u>	<u>499</u>
<b>DEPRECIATION</b>			
At 1 January 2020	30	90	151
Charge for year	32	105	156
Eliminated on disposal	(2)	(2)	(4)
At 31 December 2020	<u>60</u>	<u>193</u>	<u>303</u>
<b>NET BOOK VALUE</b>			
At 31 December 2020	<u>38</u>	<u>126</u>	<u>196</u>
At 31 December 2019	<u>61</u>	<u>146</u>	<u>250</u>

Tangible fixed assets with the net book value of £50,355 was acquired as part of the business combination with Biobeats Group limited.

## Company

	Short leasehold £'000	Improvements to property £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
<b>COST</b>					
At 1 January 2020	25	49	78	236	388
Additions	-	7	2	48	57
Disposals	-	-	-	(19)	(19)
At 31 December 2020	<u>25</u>	<u>56</u>	<u>80</u>	<u>265</u>	<u>426</u>
<b>DEPRECIATION</b>					
At 1 January 2020	11	20	29	90	150
Charge for year	6	13	26	85	130
Eliminated on disposal	-	-	-	(2)	(2)
At 31 December 2020	<u>17</u>	<u>33</u>	<u>55</u>	<u>173</u>	<u>278</u>
<b>NET BOOK VALUE</b>					
At 31 December 2020	<u>8</u>	<u>23</u>	<u>25</u>	<u>92</u>	<u>148</u>
At 31 December 2019	<u>14</u>	<u>29</u>	<u>49</u>	<u>146</u>	<u>238</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020

12. **FIXED ASSET INVESTMENTS**

**Group**

	Shares in group undertakings £'000
<b>COST</b>	
Additions	<u>23</u>
At 31 December 2020	<u>23</u>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>23</u>
<b>Company</b>	
	Shares in group undertakings £'000
<b>COST</b>	
At 1 January 2020	416
Additions	2,291
Exchange differences	<u>18</u>
At 31 December 2020	<u>2,725</u>
<b>PROVISIONS</b>	
Impairments	<u>543</u>
At 31 December 2020	<u>543</u>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>2,182</u>
At 31 December 2019	<u>416</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries**

**Medopad Inc.**

Registered office: Workst. 378C, 101 Ave of Americas New York NY 10013

Nature of business: Global healthtech company

	%
Class of shares:	holding
Ordinary	100.00

**Medopad Information Technology (Shanghai) Co., Ltd.**

Registered office: Room 123, 13 / F, Shanghai Tower, No. 501 Yincheng Middle Road, Pudong New Area, Shanghai

Nature of business: Global healthtech company

	%
Class of shares:	holding
Ordinary	100.00

**Huma Therapeutics Limited (Registered number: 07725451)**

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020**

**12. FIXED ASSET INVESTMENTS - continued**

**Medsubone Limited**

Registered office: 13th Floor Millbank Tower, 21-24 Millbank, London, United Kingdom, SW1P 4QP  
Nature of business: Global healthtech company

Class of shares:	%
Ordinary	holding 100.00

**Biobeats Group Limited**

Registered office: 13th Floor Millbank Tower, 21-24 Millbank, London, England, SW1P 4QP  
Nature of business: Global healthtech company

Class of shares:	%
Ordinary	holding 100.00

**Medopad Limited**

Registered office: 13th Floor Millbank Tower, 21-24 Millbank, London, England, SW1P 4QP  
Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Medopad Limited (12538105) is incorporated and a dormant business in the United Kingdom. It is exempt from audit under section 479A Companies Act 2006.

**Huma Therapeutics GmbH**

Registered office: Raboisen 32, 20095 Hamburg, Germany  
Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Huma Therapeutics GmbH is incorporated and a dormant business in the Germany. It is exempt from audit under section 479A Companies Act 2006.

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	<b>2020</b>	2019	<b>2020</b>	2019
	<b>£'000</b>	as restated £'000	<b>£'000</b>	as restated £'000
Trade debtors	<b>5,683</b>	2,079	<b>5,678</b>	2,078
Amounts owed by group undertakings	<b>4</b>	-	<b>2,502</b>	893
Other debtors	<b>379</b>	249	<b>193</b>	248
Tax	<b>1,122</b>	941	<b>1,122</b>	941
VAT	<b>-</b>	183	<b>-</b>	183
Prepayments and accrued income	<b>340</b>	531	<b>221</b>	529
	<b><u>7,528</u></b>	<u>3,983</u>	<b><u>9,716</u></b>	<u>4,872</u>

Amounts owed by group undertakings are repayable on demand.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020

14. CURRENT ASSET INVESTMENTS

	Group		Company	
	2020	2019 as restated	2020	2019 as restated
	£'000	£'000	£'000	£'000
Listed investments	<u>9,919</u>	<u>10,033</u>	<u>9,919</u>	<u>10,033</u>

Market value of listed investments at 31 December 2020 held by the group and the company - £ (9,919) (2019 - £ (10,033) ).

Original investment via Goldman Sachs Asset Management was £10,050 which generated dividends of £35 (2019: £150) which has been included in the Profit & Loss Account. This investment can be converted to cash on demand.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2020	2019 as restated	2020	2019 as restated
	£'000	£'000	£'000	£'000
Trade creditors	3,647	531	3,574	518
Amounts owed to participating interests	-	62	-	-
PAYE	75	296	3	293
VAT	609	-	621	-
Other creditors	167	34	53	33
Net wages	-	144	-	144
Accruals and deferred income	<u>1,971</u>	<u>1,196</u>	<u>1,953</u>	<u>1,192</u>
	<u>6,469</u>	<u>2,263</u>	<u>6,204</u>	<u>2,180</u>

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2020	2019 as restated
	£'000	£'000
Within one year	347	347
Between one and five years	<u>87</u>	<u>434</u>
	<u>434</u>	<u>781</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020

16. LEASING AGREEMENTS - continued

Company

	Non-cancellable operating leases	
	2020	2019
	£'000	as restated £'000
Within one year	347	347
Between one and five years	87	434
	<u>434</u>	<u>781</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020	2019
			£'000	as restated £'000
17,779,328	Ordinary	£0.001	18	18
4,650,000	Growth	£0.001	5	-
			<u>23</u>	<u>18</u>

18. RESERVES

Group

	Retained earnings £'000	Share premium £'000	Cash advances for shares £'000	Share options reserves £'000	Totals £'000
At 1 January 2020	(28,601)	39,369	-	10,626	21,394
Prior year adjustment	1,938				1,938
	<u>(26,663)</u>				<u>23,332</u>
Deficit for the year	(12,005)				(12,005)
Cash share issue	-	1	-	-	1
Foreign exchange differences	6	-	-	-	6
Share exchange	-	2,079	-	-	2,079
Cash advance for shares	-	-	2,508	-	2,508
Share option charge	-	-	-	3,241	3,241
At 31 December 2020	<u>(38,662)</u>	<u>41,449</u>	<u>2,508</u>	<u>13,867</u>	<u>19,162</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020

18. RESERVES - continued

Company

	Retained earnings £'000	Share premium £'000	Cash advances for shares £'000	Share options reserves £'000	Totals £'000
At 1 January 2020	(27,643)	39,369	-	10,626	22,352
Prior year adjustment	<u>1,938</u>				<u>1,938</u>
	(25,705)				24,290
Deficit for the year	(10,858)				(10,858)
Cash share issue	-	1	-	-	1
Share exchange	-	2,079	-	-	2,079
Cash advance for shares	-	-	2,508	-	2,508
Share option charge	-	-	-	3,241	3,241
At 31 December 2020	<u>(36,563)</u>	<u>41,449</u>	<u>2,508</u>	<u>13,867</u>	<u>21,261</u>

19. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2020 and 31 December 2019

	2020 £'000	2019 £'000
Amounts Advanced	6	-
Amounts Repaid	(5)	-

The loan to the director is repayable on demand. Interest is charged on loans at the official interest set by HMRC.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2020

20. **SHARE-BASED PAYMENT TRANSACTIONS**

The company operates an equity settled Enterprise Management Incentive (EMI) Share Option Scheme and Non-EMI scheme. The options are granted with a fixed exercise price determined at the grant of the option. The options vest over a period of up to 4 years following the date of the grant. The options are exercisable until the 10th anniversary from the date of grant. Employees are not entitled to dividends until the shares are exercised. Vesting of options is subject to continued employment with the company. The company had the following options granted in the year.

Share Option Type	Date of Grant	No. of shares	Exercise Price
Enterprise Management Incentive	04/08/2015 to 28/12/2020	805,921	£0.08 to £4.37
Non-EMI	26/08/2016 to 28/12/2020	535,221	£0.08 to £4.37

	EMI Scheme	Non EMI Scheme	Weighted average exercise price
Brought forward	1,197,340	527,147	£1.18
Granted in the year	519,322	312,190	£3.78
Exercised in the year	(15,334)	Nil	£0.08
Lapsed in the year	(259,286)	(11,352)	£3.46
Carried forward	1,442,042	827,985	£1.87
Exercisable at year end	805,921	535,221	£0.90
Exercisable at last year end	613,155	308,817	£0.39

The fair value of the options granted have been calculated using the Black Scholes model. The total charge for the period was £3,241,568

The total figure included in share options reserves as at 31 December 2020 is £13,867,300

21. **SUBSIDIARY EXEMPT FROM AUDIT**

Biobeats Group Limited and Medsubone Limited are both consolidated within the group financial statements. The companies are exempt from audit under S479C of the Companies Act.

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.