

Registered number: NI628481

**CUMULUS NEUROSCIENCE LIMITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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**CUMULUS NEUROSCIENCE LIMITED**  
**REGISTERED NUMBER: NI628481**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

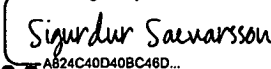
	Note	2021 £	2020 (unaudited) £
<b>Fixed assets</b>			
Tangible assets		36,485	19,702
		36,485	19,702
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	753,835	528,942
Cash at bank and in hand		4,311,929	6,764,060
		5,065,764	7,293,002
Creditors: amounts falling due within one year	6	(485,379)	(590,895)
<b>Net current assets</b>		4,580,385	6,702,107
<b>Total assets less current liabilities</b>		4,616,870	6,721,809
Creditors: amounts falling due after more than one year	7	(6,615,047)	(6,127,895)
<b>Net (liabilities)/assets</b>		(1,998,177)	593,914
<b>Capital and reserves</b>			
Called up share capital	8	88	85
Share premium account		376,402	376,402
Capital redemption reserve		7	7
Profit and loss account		(2,374,674)	217,420
		(1,998,177)	593,914

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 June 2022.

DocuSigned by:  
  
A824C40D40BC48D...  
**S Saevarsson**  
 Director

The notes on pages 2 to 6 form part of these financial statements.

## CUMULUS NEUROSCIENCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1. General information

Cumulus Neuroscience Limited is a private company, limited by shares and is registered and domiciled in Northern Ireland. The Company's registered office address is The Innovation Centre, Unit 4, Queens Road, Belfast, Northern Ireland, BT3 9DT.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

*The following principal accounting policies have been applied:*

##### 2.2 Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In reaching this determination, they have considered the cash flows and capital resources of the Company. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

###### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

## CUMULUS NEUROSCIENCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 2. Accounting policies (continued)

##### 2.4 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Profit and Loss Account in the same period as the related expenditure.

##### 2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

##### 2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

##### 2.8 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

##### 2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	33%
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

CUMULUS NEUROSCIENCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.10 Debtors

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

2.11 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Financial instruments

The Company only enters into basic financial instrument 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 ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 41 (2020 - 21).

4. Tangible fixed assets

	Office equipment £
<b>Cost or valuation</b>	
At 1 January 2021	105,357
Additions	31,494
At 31 December 2021	<u>136,851</u>
<b>Depreciation</b>	
At 1 January 2021	85,655
Charge for the year on owned assets	14,711
At 31 December 2021	<u>100,366</u>
<b>Net book value</b>	
At 31 December 2021	<u>36,485</u>
At 31 December 2020	<u>19,702</u>

**CUMULUS NEUROSCIENCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**5. Debtors**

	<b>2021</b>	<b>2020</b>
	£	(unaudited) £
Trade debtors	<b>105,249</b>	357,700
Other debtors	<b>74,362</b>	37,521
Prepayments	<b>48,799</b>	24,254
Grants receivable	<b>525,425</b>	109,467
	<b>753,835</b>	528,942
	<b>753,835</b>	528,942

**6. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	£	(unaudited) £
Trade creditors	<b>236,069</b>	75,754
Other creditors	<b>174,740</b>	79,481
Accruals and deferred income	<b>74,570</b>	342,265
Deferred grant income	<b>-</b>	93,395
	<b>485,379</b>	590,895
	<b>485,379</b>	590,895

**7. Creditors: Amounts falling due after more than one year**

	<b>2021</b>	<b>2020</b>
	£	(unaudited) £
Convertible loans and accrued interest	<b>6,491,836</b>	6,011,836
Other loans and accrued interest	<b>123,211</b>	116,059
	<b>6,615,047</b>	6,127,895
	<b>6,615,047</b>	6,127,895

The Company holds a £6,000,000 convertible loan note instrument which attracts interest at a rate of 8% per annum and is convertible to share capital at a discount of 20% at the next equity investment round. The convertible loan notes have a maturity date of 14 December 2023.

**CUMULUS NEUROSCIENCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**8. Share capital**

	<b>2021</b>	<i>2020</i>
	<b>£</b>	<i>(unaudited)</i>
		<b>£</b>
<b>Authorised, allotted, called up and fully paid</b>		
2,190,913 (2020 - 2,125,000) Ordinary shares of £0.00004 each	<b>88</b>	<b>85</b>

On 10 February 2021, 277 Ordinary shares with an aggregate nominal value of £0.01, were allotted for cash at a consideration of £0.00004 per share.

On 18 February 2021, 6900 Ordinary shares with an aggregate nominal value of £0.28, were allotted for cash at a consideration of £0.00004 per share.

On 4 August 2021, 2405 Ordinary shares with an aggregate nominal value of £0.10, were allotted for cash at a consideration of £0.00004 per share.

On 31 October 2021, 53338 Ordinary shares with an aggregate nominal value of £2.13, were allotted for cash at a consideration of £0.00004 per share.

On 15 November 2021, 1192 Ordinary shares with an aggregate nominal value of £0.05, were allotted for cash at a consideration of £0.00004 per share.

**9. Auditors' information**

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified. The audit report was signed on 20 June 2022 by Peter Hine (Senior Statutory Auditor) on behalf of Frazier & Deeter (UK Audit) LLP.