

Highersteaks Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2022

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Highersteaks Limited

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Highersteaks Limited

Company Information

Directors	Benamina Bollag Clea Kolster Daniel David Waterhouse
Registered office	The Bio-Innovation Centre Unit 25 Cambridge Science Park Cambridge CB4 0FW
Accountants	Max Accountants Ltd Ketton Suite, The King Centre Main Road Barleythorpe Oakham Rutland LE15 7WD

Highersteaks Limited
(Registration number: 11243383)
Balance Sheet as at 31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	<u>5</u>	29,389	-
Tangible assets	<u>6</u>	697,748	76,129
		<u>727,137</u>	<u>76,129</u>
Current assets			
Debtors	<u>7</u>	886,361	161,878
Cash at bank and in hand		15,110,602	3,060,264
		15,996,963	3,222,142
Creditors: Amounts falling due within one year	<u>8</u>	<u>(329,000)</u>	<u>(2,201,320)</u>
Net current assets		<u>15,667,963</u>	<u>1,020,822</u>
Total assets less current liabilities		16,395,100	1,096,951
Creditors: Amounts falling due after more than one year	<u>8</u>	<u>(15,000,000)</u>	-
Net assets		<u>1,395,100</u>	<u>1,096,951</u>
Capital and reserves			
Called up share capital	<u>9</u>	28,727	22,379
Share premium reserve		4,258,403	1,763,021
Other reserves		638,934	-
Retained earnings		<u>(3,530,964)</u>	<u>(688,449)</u>
Shareholders' funds		<u>1,395,100</u>	<u>1,096,951</u>

For the financial year ending 31 March 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 3 October 2022 and signed on its behalf by:

Highersteaks Limited
(Registration number: 11243383)
Balance Sheet as at 31 March 2022

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Benamina Bollag
Director

Highersteaks Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

The Bio-Innovation Centre
Unit 25
Cambridge Science Park
Cambridge
CB4 0FW

These financial statements were authorised for issue by the Board on 3 October 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Highersteaks Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

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

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Computer equipment	33.33% straight line
Lab equipment	25% straight line
Fixtures and fittings	20% straight line
Leasehold improvements	20% straight line
Leasehold building	10% straight line

Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Patents	7 years straight line

Cash and cash equivalents

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

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

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Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Share based payments

The company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. The fair value of the employee services received is measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is calculated using the Black Scholes option pricing model. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Highersteaks Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 19 (2021 - 4).

4 Taxation

Tax charged/(credited) in the income statement

	2022 £	2021 £
Current taxation		
UK corporation tax	(486,824)	(113,808)
UK corporation tax adjustment to prior periods	-	(28,214)
	<u>(486,824)</u>	<u>(142,022)</u>

Taxation for the year includes a repayable R&D tax credit of £490,525 (2021 £113,808).

As at 31 March 2022, the Company had losses of £2,119,447 (2021 £436,210) available to carry forward against future trading profits for corporation tax purposes

Highersteaks Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

5 Intangible assets

	Trademarks, patents and licenses £	Total £
Cost or valuation		
Additions acquired separately	30,789	30,789
At 31 March 2022	30,789	30,789
Amortisation		
Amortisation charge	1,400	1,400
At 31 March 2022	1,400	1,400
Carrying amount		
At 31 March 2022	29,389	29,389

Highersteaks Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

6 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Leasehold improvements £	Lab equipment £	Total £
Cost or valuation					
At 1 April 2021	-	5,744	-	73,456	79,200
Additions	48,093	107,367	421,842	116,801	694,103
At 31 March 2022	48,093	113,111	421,842	190,257	773,303
Depreciation					
At 1 April 2021	-	315	-	2,756	3,071
Charge for the year	3,206	7,810	29,243	32,225	72,484
At 31 March 2022	3,206	8,125	29,243	34,981	75,555
Carrying amount					
At 31 March 2022	44,887	104,986	392,599	155,276	697,748
At 31 March 2021	-	5,429	-	70,700	76,129

Included within the net book value of land and buildings above is £44,887 (2021 - £Nil) in respect of long leasehold land and buildings.

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Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

7 Debtors

	2022	2021
	£	£
Current		
Prepayments	86,361	6,340
Other debtors	800,000	155,538
	800,000	155,538

8 Creditors

Creditors: amounts falling due within one year

	2022	2021
	£	£
Due within one year		
trade creditors	232,575	34,783
Taxation and social security	48,318	-
Accruals and deferred income	33,560	8,279
Other creditors	14,547	2,158,258
	329,000	2,201,320

Creditors: amounts falling due after more than one year

	Note	2022	2021
		£	£
Due after one year			
Loans and borrowings	10	15,000,000	-

9 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £0.01 each	2,430	24.30	1,386,672	13,866.72
Seed shares of £0.01 each	1,485,691	14,856.91	850,894	8,508.94
Deferred shares of £0.01 each	328	3.28	328	3.28
A Ordinary shares of £0.01 each	1,384,242	13,842.42	-	-
	2,872,691	28,727	2,237,894	22,379

On 4th May 2021, 1,384,242 Ordinary shares were re-designated as A Ordinary Shares at £0.01 each.

On 4th May 2021, 664,841 Seed Shares of £0.01 were allotted at a fully paid price of £3.7629 per share.

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Notes to the Unaudited Financial Statements for the Year Ended 31 March 2022

10 Loans and borrowings

	2022	2021
	£	£
Non-current loans and borrowings		
Convertible debt	15,000,000	-

11 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2022	2021
	£	£
Not later than one year	202,147	-
Later than one year and not later than five years	682,247	-
	<u>884,394</u>	<u>-</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £143,927 (2021 - £Nil).

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.