

Evox Therapeutics Limited

Unaudited Financial Statements

Year Ended

31 December 2017

Company Number 10076821

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Evox Therapeutics Limited

Registered number: 10076821

Balance Sheet As at 31 December 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	4		-		65,478
Tangible assets	5		460,739		75,335
			<u>460,739</u>		<u>140,813</u>
Current assets					
Debtors: amounts falling due within one year	6	1,179,451		156,510	
Cash at bank and in hand		5,279,816		8,937,911	
		<u>6,459,267</u>		<u>9,094,421</u>	
Creditors: amounts falling due within one year	7	(481,112)		(135,763)	
Net current assets			<u>5,978,155</u>		<u>8,958,658</u>
Total assets less current liabilities			<u>6,438,894</u>		<u>9,099,471</u>
Net assets			<u><u>6,438,894</u></u>		<u><u>9,099,471</u></u>

Evox Therapeutics Limited

Registered number: 10076821

Balance Sheet (continued) As at 31 December 2017

	Note	2017 £	2016 £
Capital and reserves			
Called up share capital		3,245	3,245
Share premium account		10,100,075	10,100,075
Profit and loss account		(3,664,426)	(1,003,849)
		<u>6,438,894</u>	<u>9,099,471</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

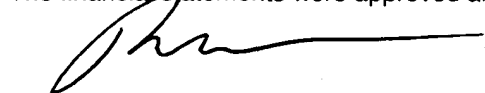
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 statement of comprehensive income 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 by:



Dr P Lundin
Director

Date: 19 September 2018

The notes on pages 4 to 10 form part of these financial statements.

Evov Therapeutics Limited

Statement of Changes in Equity For the Year Ended 31 December 2017

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
Comprehensive income for the period				
Loss for the period	-	-	(1,003,849)	(1,003,849)
Total comprehensive income for the period	-	-	(1,003,849)	(1,003,849)
Shares issued during the period	3,245	10,100,075	-	10,103,320
Total transactions with owners	3,245	10,100,075	-	10,103,320
At 1 January 2017	3,245	10,100,075	(1,003,849)	9,099,471
Comprehensive income for the year				
Loss for the year	-	-	(2,660,577)	(2,660,577)
Total comprehensive income for the year	-	-	(2,660,577)	(2,660,577)
At 31 December 2017	3,245	10,100,075	(3,664,426)	6,438,894

The notes on pages 4 to 10 form part of these financial statements.

Evox Therapeutics Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

1. Accounting policies

1.1 Basis of preparation of financial statements

Evox Therapeutics Limited is a company limited by shares incorporated in England & Wales under the Companies Act.

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:

1.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Evox Therapeutics Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

1. Accounting policies (continued)

1.3 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:

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.

The Company currently earns revenue inter alia through undertaking collaborative research agreements with clients and partners. Typical research agreements involve a timeline or programme of work with milestones or review points. Generally revenue from such agreements is recognised evenly over the anticipated lifespan of the agreement from the date the project commences, as this is considered to be the most appropriate method to measure the stage of completion of each project unless the agreement has specific milestones where in such cases revenue is recognised in accordance with these milestones or stages of completion. At each reporting date, the directors compare the anticipated lifespan of the contract and compare this to the lifespan anticipated at the contract commencement date and any required revision to the revenue recognised is made.

The difference between the amount recognised as revenue and the amount invoiced for a particular agreement is included on the balance sheet as deferred income. It is normal under the terms of each agreement for amounts to become billable in advance of the time being taken to deliver each agreement in accordance with agreed invoicing schedules included in the agreement. Any cash payments received as a result of this advance billing are not representative of revenue earned under the agreement as revenues are recognised over the period during which the specified contractual agreements are being fulfilled.

1.4 Research and development

Expenditure on pure and applied research is charged to the profit and loss account in the year in which it is incurred.

Development costs are also charged to the profit and loss account in the year of expenditure.

1.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Evox Therapeutics Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

1. Accounting policies (continued)

1.6 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

1.7 Taxation

Tax is recognised in the Statement of Comprehensive Income, 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.

Credit is taken in the period for research and development tax credits, which will be claimed from HM Revenue and Customs, in respect of qualifying research and development costs incurred.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Evox Therapeutics Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

1. Accounting policies (continued)

1.9 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.

The estimated useful lives range as follows:

Laboratory equipment	- 5 years straight-line
Office equipment	- 3 years straight-line
Laboratory Fit-Out	- 10 years straight-line

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 the Statement of Comprehensive Income.

1.10 Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The company's cash at bank and in hand and trade and other debtors and its trade and other creditors are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are management's best knowledge and amount, events or actions, actual results ultimately may differ from those estimates.

The directors have made the following critical estimates and judgements deemed to be applicable to the financial statements.

Revenue from the performance of services is recognised based on the anticipated timeframe for the completion of each project. The recognition of revenue (and hence the related deferred and accrued income balances) requires the directors to make estimates in relation to the anticipated timeframe for the completion of each project.

3. Employees

The average monthly number of employees, including directors, during the year was 6 (2016 - 1).

Evox Therapeutics Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

4. Intangible assets

	Patents £
Cost	
At 1 January 2017	65,478
At 31 December 2017	<u>65,478</u>
Amortisation	
Charge for the year	65,478
At 31 December 2017	<u>65,478</u>
Net book value	
At 31 December 2017	<u>-</u>
At 31 December 2016	<u><u>65,478</u></u>

Evox Therapeutics Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

5. Tangible fixed assets

	Laboratory Equipment £	Office equipment £	Laboratory Fit-Out £	Total £
Cost				
At 1 January 2017	-	1,349	74,211	75,560
Additions	189,909	50,511	179,064	419,484
At 31 December 2017	189,909	51,860	253,275	495,044
Depreciation				
At 1 January 2017	-	225	-	225
Charge for the year on owned assets	10,413	6,284	17,383	34,080
At 31 December 2017	10,413	6,509	17,383	34,305
Net book value				
At 31 December 2017	179,496	45,351	235,892	460,739
At 31 December 2016	-	1,124	74,211	75,335

Evox Therapeutics Limited

Notes to the Financial Statements For the Year Ended 31 December 2017

6. Debtors

	2017 £	2016 £
Trade debtors	350,000	-
Other debtors	812,188	151,000
Prepayments	17,263	5,510
	<u>1,179,451</u>	<u>156,510</u>

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	143,242	121,766
Amounts owed to related parties	12,000	11,664
Other taxation and social security	25,372	-
Other creditors	11,331	-
Accruals and deferred income	289,167	2,333
	<u>481,112</u>	<u>135,763</u>

There are no amounts included under 'Creditors' which are payable or repayable other than by instalments and fall due for payment or repayment after the end of the period of five years, nor any amounts in respect of which security has been given by the entity.

8. Related party transactions

During the year, Oxford Sciences Innovation PLC, the majority shareholder, invoiced Evox Therapeutics Limited £45,798 (2016: £28,357) in relation to rental of desk space, admin services and recharged expenses. At the year end the company owed Oxford Sciences Innovation PLC £12,000 (2016: £11,664).