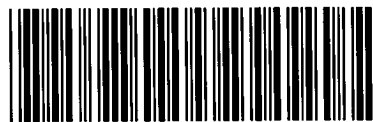


Company Registration No. SC467513 (Scotland)

ELASMOGEN LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2018
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ELASMOGEN LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	3		102,290		104,943
Tangible assets	4		953		840
			<u>103,243</u>		<u>105,783</u>
Current assets					
Debtors	5	260,583		29,743	
Cash at bank and in hand		290,116		170,095	
		<u>550,699</u>		<u>199,838</u>	
Creditors: amounts falling due within one year	6	<u>(212,495)</u>		<u>(180,588)</u>	
Net current assets			<u>338,204</u>		<u>19,250</u>
Total assets less current liabilities			<u>441,447</u>		<u>125,033</u>
Creditors: amounts falling due after more than one year	7		<u>(747,494)</u>		<u>(483,891)</u>
Net liabilities			<u><u>(306,047)</u></u>		<u><u>(358,858)</u></u>
Capital and reserves					
Called up share capital	9		12		10
Share premium account	10		445,446		-
Profit and loss reserves			<u>(751,505)</u>		<u>(358,868)</u>
Total equity			<u><u>(306,047)</u></u>		<u><u>(358,858)</u></u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 January 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

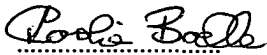
These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

ELASMOGEN LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 JANUARY 2018

The financial statements were approved by the board of directors and authorised for issue on 8th OCT 2018
and are signed on its behalf by:



Dr Caroline Barelle
Director

ELASMOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

1 Accounting policies

Company information

Elasmogen Limited is a private company limited by shares and is registered and incorporated in Scotland. The registered office is Liberty Building, Foresterhill, Aberdeen, AB25 2ZP.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The financial statements have been prepared on a going concern basis that assumes the business will continue in operational existence for a period of at least twelve months from the date that the financial statements were approved. The directors are confident in obtaining the funding required to ensure adequate resources are available, and take into account all matters of which they are aware, and have concluded that the going concern basis is appropriate for the preparation of these accounts.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Sundry income

Sundry income relates to subsidy income which is recognised at the fair value of the asset received or receivable when there is reasonable assurance that the income conditions will be met and the income will be received.

Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

ELASMOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2018

1 Accounting policies (Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents	20 years straight line
---------	------------------------

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	25% reducing balance
Computers	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

ELASMOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2018

1 Accounting policies (Continued)

Basic financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

ELASMOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2018

1 Accounting policies (Continued)

Convertible loan notes

The component parts of compound instruments issued by the company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This amount is recorded as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity net of income tax effects and is not subsequently remeasured.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

ELASMOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2018

1 Accounting policies (Continued)

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 5 (2017 - 4).

3 Intangible fixed assets

	Other £
Cost	
At 1 February 2017	113,263
Additions	5,965
At 31 January 2018	119,228
Amortisation and impairment	
At 1 February 2017	8,320
Amortisation charged for the year	8,618
At 31 January 2018	16,938
Carrying amount	
At 31 January 2018	102,290
At 31 January 2017	104,943

ELASMOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2018

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 February 2017	1,223
Additions	504
At 31 January 2018	1,727
Depreciation and impairment	
At 1 February 2017	383
Depreciation charged in the year	391
At 31 January 2018	774
Carrying amount	
At 31 January 2018	953
At 31 January 2017	840

5 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	3,018	2,006
Corporation tax recoverable	24,342	3,001
Other debtors	233,223	24,736
	260,583	29,743

6 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Convertible loans	8	149,995	-
Trade creditors		29,133	19,654
Other taxation and social security		6,255	3,918
Other creditors		27,112	157,016
		212,495	180,588

ELASMOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2018

7 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Convertible loans	8	625,000	450,000
Other creditors		122,494	33,891
		<u>747,494</u>	<u>483,891</u>

Amounts included above which fall due after five years are as follows:

Payable other than by instalments	625,000	450,000
	<u>625,000</u>	<u>450,000</u>

8 Convertible loan notes

	2018 £	2017 £
Liability component of convertible loan notes	774,995	450,000
	<u>774,995</u>	<u>450,000</u>

During 2016 and 2017 resolutions were passed by the company to allot and issue £1 unsecured convertible loan notes for £625,000 and £149,995 respectively. The notes can be converted at any time, based on specific events noted in the agreements, however any notes remaining are immediately due and repayable in 2025 for the 2016 loan notes and 2019 for the 2017 loan notes together with any interest accrued.

The loan notes attract a redemption premium, formula specified in the loan note agreement for the first 36 months, which is payable upon redemption of the loan notes. At the balance sheet date £110,887 of premium has been accrued in aggregate for both agreements and is included within other creditors.

Interest will also be chargeable at an annual rate of 7.92% on any loan notes outstanding 2 years after the date of issue for the 2017 loan notes and 3 years for the 2016 loan notes. The effective rate of interest based on the expected repayment date of the loan is 2.64%. At the balance sheet date £11,597 of interest has been accrued in aggregate for both agreements and is included within other creditors.

9 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
11,617 Ordinary shares of 0.1p each	12	10
	<u>12</u>	<u>10</u>

ELASMOGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2018

10 Share premium account

	2018 £	2017 £
At beginning of year	-	-
Issue of new shares	445,446	-
At end of year	445,446	-

11 Related party transactions

During the year, the company incurred charges from Antoxis Limited of £7,000 (2017 - £nil), a company of which a director of Elasmogen Limited is also a director. As at 31 January 2018 the balance due to Antoxis Limited was £1,200 (2017 - £nil).

During the year, the company incurred charges from Grampian BioPartners Limited of £2,000 (2017 - £nil), a company of which a director of Elasmogen Limited is also a director. As at 31 January the balance due to Grampian BioPartners Limited was £1,200 (2017 - £nil).

During the year there were sales of £2,515 (2017 - £nil) made to NovaBiotics Limited, a company of which a director of Elasmogen Limited is also a director. There was a balance of £3,018 (2017 - £nil) owed to the company at the year end.

During the year, the company incurred charges from Rockridge Medical Limited of £65,413 (2017 - £nil), a company of which a director of Elasmogen Limited is also a director. As at 31 January 2018 the balance due to Rockridge Medical Limited was £nil (2017 - £nil).