

## **iQur Limited**

Directors' Report and Unaudited Financial Statements

Year Ended

31 March 2020

Company Number 04665665



# iQur Limited

## Contents

---

	Page
<b>Company Information</b>	
<b>Directors' Report</b>	1
<b>Accountants' Report</b>	2
<b>Statement of Comprehensive Income</b>	3
<b>Balance Sheet</b>	4
<b>Notes to the Financial Statements</b>	5 - 12

## Company Information

---

<b>Directors</b>	Prof W. M. C. Rosenberg Dr C. B. Campbell
<b>Company secretary</b>	Prof. W. M. C. Rosenberg
<b>Registered number</b>	04665665
<b>Registered office</b>	The London Bioscience Innovation Centre 2 Royal College Street London NW1 0NH
<b>Accountants</b>	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

# iQur Limited

## Directors' Report For the Year Ended 31 March 2020

---

The directors present their report and the financial statements for the year ended 31 March 2020.

### Directors

The directors who served during the year were:

Prof W. M. C. Rosenberg  
Dr C. B. Campbell  
B. Reynolds (resigned 6 October 2019)  
Dr J. Tite (resigned 6 October 2019)  
Mr M. R. Underwood (resigned 6 October 2019)

### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Prof W. M. C. Rosenberg  
Director

Date: 29 MAR 2021

# iQur Limited

## Chartered Accountants' Report to the Board of Directors on the Unaudited Financial Statements of iQur Limited

---

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of iQur Limited for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, the Balance Sheet, and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>

It is your duty to ensure that iQur Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of iQur Limited. You consider that iQur Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of iQur Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

### Use of our report

This report is made solely to the board of directors of iQur Limited, as a body, in accordance with the terms of our engagement letter dated 26 November 2018. Our work has been undertaken solely to prepare for your approval the accounts of iQur Limited and state those matters that we have agreed to state to the board of directors of iQur Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than iQur Limited and its board of directors as a body for our work or for this report.



**BDO LLP**  
Chartered Accountants  
Southampton  
United Kingdom

Date: 30 March 2021

# iQur Limited

## Statement of Comprehensive Income For the Year Ended 31 March 2020

	Note	2020 £	2019 £
Turnover		152,189	135,329
Cost of sales		(23,352)	(38,567)
<b>Gross profit</b>		<b>128,837</b>	<b>96,762</b>
Administrative expenses		(155,828)	(290,376)
Other operating income	2	-	12,652
<b>Operating loss</b>	3	<b>(26,991)</b>	<b>(180,962)</b>
Tax on loss		-	32,868
<b>Loss for the financial year</b>		<b>(26,991)</b>	<b>(148,094)</b>

There was no other comprehensive income for 2020 (2019 - £Nil).

The notes on pages 5 to 12 form part of these financial statements.

**iQur Limited**  
Registered number:04665665

**Balance Sheet**  
As at 31 March 2020


	Note	2020 £	2020 £	2019 £	2019 £
<b>Fixed assets</b>					
Intangible assets	5		103,656		146,401
Tangible assets	6		4,574		13,252
			108,230		159,653
<b>Current assets</b>					
Debtors	7	83,251		130,258	
Cash at bank and in hand		94,578		38,310	
		177,829		168,568	
Creditors: amounts falling due within one year	8	(66,980)		(82,151)	
<b>Net current assets</b>			110,849		86,417
<b>Net assets</b>			219,079		246,070
<b>Capital and reserves</b>					
Called up share capital	9		21,694		21,694
Share premium account	11		10,544,685		10,544,685
Profit and loss account	11		(10,347,300)		(10,320,309)
			219,079		246,070

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 the 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 were approved and authorised for issue by the board and were signed on its behalf by:

  
Prof W. M. C. Rosenberg  
Director

Date: 29 MAR 2021

The notes on pages 5 to 12 form part of these financial statements.

# iQur Limited

## Notes to the Financial Statements For the Year Ended 31 March 2020

---

### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

iQur Limited is a private company limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page.

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 Going concern

The accounts have been prepared on a going concern basis. The company's cash position as at 31 March 2020 was £94,578 (2019 - £38,310). The directors have prepared cash flow forecasts which indicate that the company will require additional funding in 2021 in order to meet its commitments as they fall due if it is to advance the development of its vaccines.

The directors intend to raise additional funding in 2021 from existing investors as well as new investors. The directors believe that sufficient funding will be available and as a consequence that the company will have adequate resources to continue its operations for the foreseeable future. If further funding is not available the company intends to revise its forward plan to focus exclusively on diagnostic operations, thereby reducing our expenditure on therapeutics and removing the need to raise funds in order to sustain the company as a going concern.

While recognising that COVID-19 has and will have a significant impact on the company's diagnostics revenues the company will be able to continue to operate provided that there is no restriction on healthcare laboratories which is not anticipated.

Although there is some inherent uncertainty over the availability of further funding, the directors believe that the company's previous success in raising similar funding, and clear plans to restructure operations should funding not be forthcoming enables the company to continue to operate as normal and accordingly they believe that the going concern basis of preparation continues to be appropriate. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the going concern basis were no longer appropriate, in particular any necessary write down of the value of the intangible assets held on the balance sheet.

#### 1.3 Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

Turnover in respect of diagnostic testing is recognised on completion of the relevant tests.

# iQur Limited

## Notes to the Financial Statements For the Year Ended 31 March 2020

---

### 1. Accounting policies (continued)

#### 1.4 Intangible assets

Intangible assets comprise of trademarks, acquired patents and know-how directly relating to current research projects. These are recorded at cost on the date of purchase. The purchase of intangible assets can be for consideration other than cash, in which event cost is calculated by reference to the market value of the non-cash consideration.

Intangibles assets are amortised in equal installments over their anticipated economic working life of seven years, subject to reviews for impairment.

#### 1.5 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:

Plant and machinery	- Between three and five years
---------------------	--------------------------------

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.

#### 1.6 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.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

#### 1.7 Grant income

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

#### 1.8 Leased assets

Annual rental costs of operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the term of the lease.



# iQur Limited

## Notes to the Financial Statements For the Year Ended 31 March 2020

---

### 1. Accounting policies (continued)

#### 1.9 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 profit or loss 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.

#### 1.10 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.

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.

#### 1.11 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

# iQur Limited

## Notes to the Financial Statements For the Year Ended 31 March 2020

### 1. Accounting policies (continued)

#### 1.12 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.

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.

### 2. Other operating income

	2020 £	2019 £
Grant income	-	12,652

### 3. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Research & development charged as an expense	10,838	95,942
Depreciation of tangible fixed assets	8,678	16,184
Amortisation of intangible assets, including goodwill	46,073	47,899
Operating lease expense	4,924	4,424
Defined contribution pension cost	1,364	3,533

### 4. Employees

The average monthly number of employees, including directors, during the year was 3 (2019 - 3).

# iQur Limited

## Notes to the Financial Statements For the Year Ended 31 March 2020

### 5. Intangible assets

	Patents and intellectual property £
<b>Cost</b>	
At 1 April 2019	603,168
Additions	3,328
At 31 March 2020	<u>606,496</u>
<b>Amortisation</b>	
At 1 April 2019	456,767
Provided for the year	46,073
At 31 March 2020	<u>502,840</u>
<b>Net book value</b>	
At 31 March 2020	<u><u>103,656</u></u>
At 31 March 2019	<u><u>146,401</u></u>

# iQur Limited

## Notes to the Financial Statements For the Year Ended 31 March 2020

### 6. Tangible fixed assets

	Plant and machinery £
<b>Cost or valuation</b>	
At 1 April 2019 and 31 March 2020	190,022
<b>Depreciation</b>	
At 1 April 2019	176,770
Provided for the year	8,678
At 31 March 2020	185,448
<b>Net book value</b>	
At 31 March 2020	4,574
At 31 March 2019	13,252

### 7. Debtors

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	24,930	40,266
Other debtors	17,607	17,708
Prepayments and accrued income	8,749	8,662
R&D expenditure credit receivable	31,965	63,622
	83,251	130,258
	83,251	130,258

### 8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	16,680	29,561
Other taxation and social security	1,243	4,445
Accruals and deferred income	49,057	48,145
	66,980	82,151
	66,980	82,151

# iQur Limited

## Notes to the Financial Statements For the Year Ended 31 March 2020

### 9. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
2,169,447 (2019 - 2,169,447) Ordinary shares of £0.01 each	<u>21,694</u>	<u>21,694</u>

### 10. Share based payments

The options granted by the company are within the scope of FRS 102. All of these options are capable of being exercised once vested. All options must be exercised at the latest within 10 years of the date of the grant.

	Weighted average exercise price (pence) 2020	Number 2020	Weighted average exercise price (pence) 2019	Number 2019
Outstanding at the beginning of the year	180	257,644	180	257,644
Lapsed during the year	870	(2,394)	-	-
<b>Outstanding at the end of the year</b>	<u>100</u>	<u>255,250</u>	<u>180</u>	<u>257,644</u>

The exercise price of the options outstanding at the end of the year was £1 (2018 - ranged between £1 and £92) and their weighted average contractual life was 2.6 years (2019 - 3.5 years).

There was no share-based payment charge in the year (2019 - £Nil).

### 11. Reserves

#### Share premium account

Share premium represents the amount above the nominal value received for shares issued, less transaction costs.

#### Profit and loss account

The profit and loss account represents accumulated comprehensive income for the year and prior periods less any dividends paid.

# iQur Limited

## Notes to the Financial Statements For the Year Ended 31 March 2020

---

### 12. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge amounted to £1,364 (2019 - £3,533). There were outstanding contributions totalling £408 (2019 - £473) at the end of the financial year.

### 13. Commitments under operating leases

At 31 March 2020 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020	2019
	£	£
Not later than 1 year	365	365

This commitment represents the amount payable under the one month notice that must be given to cancel the lease.

### 14. Related party transactions

During the year the company made sales of £6,795 (2019 - £8,586) to related parties. At the year end the company was owed £432 (2019 - £540) by these related parties.

These companies are related through common interest by the directors.

Key management personnel are considered to be the directors. The total compensation paid to key management personnel for services provided to the company was £9,052 (2019 - £Nil).

During the year the directors continued to waive their salaries. Subject to a future successful investment round the amount waived will be settled by the issue of shares in the company. Given the contingent nature of the arrangement no amounts have been recognised in the financial statements.

### 15. Controlling party

The directors consider that no one party controls the company.