15 July 2021

Nuformix plc
("Nuformix" or the "Company" or the "Group")

Final results for the year ended 31 March 2021

Nuformix plc (LSE:NFX), a pharmaceutical development company targeting unmet medical needs in fibrosis and oncology via drug repurposing to provide enhanced benefit, announces its audited results for the year ended 31 March 2021.

Highlights

- Net assets at year-end of £5,686,261 (2020: £4,742,520) which includes £1,669,780 cash at bank as at 31 March 2021 (31 March 2020: £543,772)

- The Group delivered a loss on ordinary activities (after tax credit) of £1,253,497 (2020: loss of £756,376) and a loss per share of 0.22p (2020: 0.16p). The reported loss is driven mainly by costs related to the further development of pipeline assets

- Total revenue of £195,550 (2020: £535,000)

- Successful equity fundraises of £1.565m and £0.65m, both before expenses, completed in March 2021 and October 2020 respectively - funds being used to advance and exploit the current assets within the portfolio, focussing on R&D activities for NXP002 and NXP004

- Exercise of option by Oxilio in March 2021 to acquire a licence for NXP001 to allow them to develop NXP001 for oncology - both parties continuing to work together to finalise a global licensing agreement

- Strengthening of the board through the appointments of Dr Anne Brindley as Chief Executive Officer and Dr Julian Gilbert and Maddy Kennedy as Non-Executive Directors adding significant industry and financial experience to the Board and, post period end, appointment of Dr Alastair Riddell as Non-Executive Chairman

Dr Anne Brindley, Chief Executive Officer, said: *"Our ambition is to repurpose existing, marketed drugs, with improved physical properties in order to develop novel products in new indications to create attractive commercial opportunities. The successful fundraises during the year are enabling us to perform further R&D on our proprietary assets, focussing on NXP002 and NXP004, which will allow us to move to the next stage of growth and value creation for the Company. As we continue to execute on our strategy, we are building momentum with the ultimate aim of delivering value to shareholders."*

Dr Alastair Riddell, Non-Executive Chairman, said: *"It is an exciting period for Nuformix and I am very pleased to have been recently appointed as Non-Executive Chairman to serve the Group. This has been a year of change and progression for the Company and its leadership. The team remains energised by the potential of our pipeline and business strategy to address the devastating and typically progressive disease burden associated with fibrosis and oncology.*

"We remain highly encouraged by the outlook for the business and look forward to providing further updates as we execute on our strategy."

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About Nuformix

Nuformix is a pharmaceutical development company targeting unmet medical needs in fibrosis and oncology via drug repurposing. The Company aims to use its expertise in discovering, developing and patenting novel drug forms, with improved physical properties, to develop new products in new indications that are, importantly, differentiated from the original (by way of dosage, delivery route or presentation), thus creating new and attractive commercial opportunities. Nuformix has an early-stage pipeline of preclinical and Phase 1-ready assets with potential for significant value and early licensing opportunities.

Nuformix plc shares are traded on the London Stock Exchange's Official List under the ticker: NFX.

For more information, please visit www.nuformix.com.

References to page numbers and notes to the accounts made in this section refer to page numbers and notes to the accounts in the Company's 2021 Annual Report.

Chairman's Statement

Introduction

I am delighted to write my first statement as Chairman having recently joined Nuformix in May 2021. This has been a year of change and progression for the Company and its leadership. At the end of 2020, the team was enhanced with the appointment of Dr Anne Brindley as CEO and Executive Director of the Company and this followed the earlier appointments of two Non-Executive Directors in November and December, respectively, of Dr Julian Gilbert and Ms. Madeleine Kennedy. A key priority for the Group was to establish strength in the areas of drug development, business development and financial control and with these key appointments we can now look forward to driving the value we all see in Nuformix. In February 2021 Dr Chris Blackwell resigned as Non-Executive Chairman for personal reasons and post period in May 2021 further Board changes were announced confirming Dr Karl Keegan's resignation to focus on his other executive role and Dr Joanne Holland resigned as a Director and employee of the Company from the end of May 2021 in order to pursue other opportunities. Jo remains as a consultant to Nuformix to advise, in particular, on solid form science and patenting.

In December 2020, the Company was pleased to announce the appointment of Allenby Capital Limited as the Company's sole broker, providing access for Nuformix to a broad spectrum of investors including institutional investors, family offices, private client brokers and high net worth individuals. The appointment of Allenby also brought, for the first time, initiation of research for the Company.

In the period, the Company completed two equity fundraises of £0.65m, before expenses in October 2020 and £1.56m, before expenses in March 2021 and these funds are being used to continue to advance and exploit the current assets within the portfolio. These raises enable the foundation of the Company's strategic aims under the new leadership that has been established over the last 9 months.

The Group currently has three assets in its pipeline with a focus in fibrosis and oncology and more detail is given in the CEO statement. This is an early-stage pipeline of preclinical and Phase 1-ready assets with potential for significant value and early licensing opportunities and our focus is now to take each of our assets to key value inflection points before partnering or licensing. The Group conducts its R&D via a fully virtual operating model, outsourcing to a network of external contractors (CROs, consultants) with whom the company has long-standing relationships. This lean model helps minimise the cost base and prioritise use of funds for project activities.

I am delighted to be able to join Nuformix at this exciting time in its history as it develops its portfolio of new versions of established products for new and important therapeutic indications and I look forward to helping the Group progress these opportunities to value creation for shareholders in the next few years. I recognise there has been a series of changes over the years and what is needed now is stability and growth. I feel there is real optimism and commitment in the new team to progress our products to significant value creation, helped by the recent fund raise, which puts the company on a solid foundation. From my perspective the company has the strategic skills and expertise to reduce development risk with its portfolio of products and a plan to achieve considerable commercial interest in the next few years and thus generate real return for shareholders.

On behalf of the Board, I would like to thank all stakeholders and shareholders for their support and I look forward to the next year with optimism.

Dr Alastair Riddell
Non-Executive Chairman
14 July 2021

Chief Executive Officer's Statement

Overview

At Nuformix, we are targeting high unmet medical needs in fibrosis and oncology via drug repurposing. We do this through using our expertise to discover, develop and file patent applications on novel drug forms of existing, marketed drugs, that have improved physical properties, with the aim of developing novel products in new indications to bring attractive commercial opportunities. Importantly, the commercial opportunity is optimised when the repurposed product is differentiated from the original marketed drug by way of either dose, route of administration or presentation. Although we specialise in fibrosis and oncology, our repurposing technology and know-how can be universally applied to any therapy area.

Drug repurposing is a well-known and successful strategy for enhancing the therapeutic and commercial value of marketed drugs, and their development typically brings a greater probability of success compared to developing brand new drugs, due to the existing data that has been generated on the marketed drug. This existence of data may also result in lower overall development costs and shorter development timelines.

Nuformix has an early-stage pipeline of preclinical and Phase 1-ready assets with potential for significant value and early licensing opportunities. Our lead programme is NXP002 and is in the pre-clinical stage of development. It is a new form of the drug tranilast, that we are developing as an inhaled product to address unmet needs in Idiopathic Pulmonary Fibrosis (IPF). The other portfolio assets are targeted towards oncology and are NXP001, in the Phase 1-ready stage and NXP004 in the research phase. The Group's business model is to take these assets to key value inflection points before partnering or licensing. We conduct all our R&D activities through out-sourcing, to enable us to access the different types of expertise that are needed for drug R&D and to minimise our operational costs. We have a strong-network of external contractors, with whom we have had relationships over many years.

Pipeline

NXP002 (new form of tranilast) – Idiopathic Pulmonary Fibrosis (IPF)

NXP002 is the Group's pre-clinical lead asset and a potential novel inhaled treatment for IPF. It is a proprietary, new form of the drug tranilast, to be delivered in an inhaled formulation. IPF is a devastating lung disease associated with a higher mortality rate than many cancers and where there is a need for additional treatment options. Thus IPF represents a high unmet medical need and a significant commercial opportunity. Tranilast has a long history of safe use as an oral drug for allergies but there is evidence that supports its potential in fibrosis, including IPF. NXP002 is differentiated as it is a new form of tranilast that is being formulated for delivery direct to the lungs by inhalation, a new route of administration for this drug. The inhalation route is a well-known strategy for treatment of lung diseases to yield greater efficacy and reduce systemic side-effects compared to oral treatment. Nuformix has filed two patent applications on new forms of tranilast, one of which is granted globally and a second, which is at an earlier stage in its examination, for which, post period, we received a Notice of Allowance in the US. NXP002, as a potential treatment for IPF, is a likely candidate for Orphan Drug Designation which could provide additional product protection against potential competitors. The positioning of such an inhaled treatment for IPF could be either added to standard of care or administered as a monotherapy.

The Group has undertaken preclinical studies, through its continued collaboration with the Newcastle Fibrosis Research Group (a multi-disciplinary research group at Newcastle University, UK), to determine the ability of

NXP002 to inhibit key markers of fibrosis and inflammation in a preclinical model utilising human lung slices taken from IPF patients post-lung transplant. These studies have yielded positive data underpinning the potential of NXP002 as an IPF treatment, including potential for use in combination with Standard of Care therapy and data generated support continuing to develop this asset. The raising of £1.56 million, before expenses, in March 2021 will fund the continued preclinical development of NXP002 to generate a more robust data package with the goal of increasing the value of this asset and rendering it more attractive to licensing partners. The funds raised will enable the Company to determine the feasibility of NXP002 as an inhaled formulation. Post-fund raise (and post-period), work has commenced on manufacturing further supplies of NXP002 to be used in formulation development activities, nebulisation feasibility studies and in vivo studies. In addition, contracts are in place for and work is ongoing on a programme of preclinical pharmacokinetic and pharmacodynamic studies in relevant in vivo models designed to demonstrate that NXP002 has appropriate properties for use as an inhaled therapy for IPF. These studies, once complete, will collectively form an inhalation feasibility package, referred to as the first inflection point in the future development plan for NXP002. If positive data are generated, this package may be used as a platform for further business development and licensing discussions with suitable globally focused partners (pharma companies, biotech).

Although business development discussions in Asia have taken place during the period, the Group's strategy, to maximise the value of this asset, is to generate a more robust preclinical data package for NXP002, to provide a more attractive licensing package to facilitate a structured out-licensing approach to include all territories.

NXP001 (new form of aprepitant) – Oncology

NXP001 is a proprietary new form of the drug aprepitant that is currently marketed as a product in the oncology supportive care setting (chemotherapy induced nausea and vomiting). A disadvantage of aprepitant is that its sub-optimal properties necessitate a complex formulation. The Group has discovered new forms of aprepitant (NXP001) with improved properties and it has granted patents on its new forms. Literature data suggests that aprepitant could have benefits in oncology, i.e., beyond the currently marketed indications.

To date, the Group has conducted preclinical studies and a Phase 1 study, which demonstrated bioavailability of NXP001, similar to the marketed product but without requiring a complex formulation. Further refinement of the formulation will be required ahead of initiating any future Phase 1 studies.

On 23 September 2020, Oxilio, a privately held pharmaceutical development company, was granted a 6-month option to license NXP001 globally for repurposing in oncology. On 23 March 2021 Oxilio exercised the option and a global license deal is under negotiation. Once agreed, Nuformix will license its patent estate and know-how on NXP001 in return for an upfront payment, development milestones and a royalty on net sales, capped at £2 million per annum.

NXP004 (new forms of undisclosed drug) – Oncology

The Group has discovered novel forms of an undisclosed marketed oncology drug that has significant sales (more than £1 billion per annum in 2020) and is showing further growth. The Group has filed one patent application on these novel forms and post-fund raise, further research on other new forms and their properties is ongoing. Should the data from this further research warrant it, the Group may file an additional patent application and, if the patent applications on these new forms are granted, there is potential for patent expiry to extend to 2040/2041. Further research is ongoing and if it is positive, the Group will seek to license NXP004 to the originator of the marketed drug to potentially extend their patent protection, thus potentially adding significant value for the originator.

While there is literature data and preliminary preclinical data generated by the Group providing evidence for this drug's potential activity in fibrosis, it is the Group's strategy that in order to derive most value from the NXP004 asset, the opportunities in oncology (the original marketed indication) should be exploited as a priority.

Capital

The success of the two fundraises in the year will enable us to continue to advance and exploit the current assets within the portfolio through additional R&D and business development activities as set out above. R&D studies are actively continuing on both NXP002 and NXP004, while business development activities are focused on securing the license agreement for NXP001.

The Group is also continuing to seek non-dilutive grant funding for its early-stage assets that, if successful, will enable further investment in the Group's pipeline to accelerate development. The Group applied for an Innovate UK Smart Award grant in January 2021 and, due to the highly competitive nature of these grants, it was, unfortunately, unsuccessful. However, post-period we have re-submitted the application, taking into account feedback and the outcome is expected in Q3, 2021.

Current prospects and outlook

The current strategy of the Group is to optimise value from its existing assets while maintaining tight control of costs. The Group plans to achieve this by progressing activities on its three priorities:

- progressing further preclinical work on its lead asset, NXP002, to deliver a more robust data package to potentially increase this asset's value and attractiveness to partners/licensees. Should the data be positive, this would facilitate further licensing or partnering activities;
- pursuing licensing of NXP001; and
- conducting further research/patent application filing on NXP004 to provide a potential IP licensing opportunity.

At the appropriate time for each asset, the Group plans to conduct business development / licensing activities for all three assets using a structured and data-driven approach, with the goal of seeking global licensing deals.

The past year has been one of significant re-focus for the Group. Including post-period events, the Board and Executive Management has completely changed and I believe we have a strong leadership in place to take the company forward. However, we have ensured that, despite these changes, we have retained continuity and expertise and I am pleased that Dr Joanne Holland, who resigned post-period and was a co-founder of Nuformix and CSO for many years, is remaining as a consultant to the Group to provide expertise on solid form science and patenting as needed.

Finally, on behalf of the Board, I am grateful to all our shareholders for their patience as the new leadership reshapes the company to deliver on its new strategy and I would like to sincerely thank all of you for your ongoing support.

Dr Anne Brindley
Chief Executive Officer

14 July 2021

Strategic Report

Risks and uncertainties

The Group's risk management policy is regularly reviewed and updated in line with the changing needs of the business. Risk is inherent in all business. Set out below are certain risk factors which could have an impact on the Group's long-term performance and mitigating factors adopted to alleviate these risks. This does not purport to be an exhaustive list of the risks affecting the Group.

The primary risks identified by the Board are:

Strategic risks

- Funding the business
    - Potential impact and mitigation:

The biotechnology and pharmaceutical industries are very competitive, with many major players having substantial R&D departments with greater resources and financial support. The Group aims to execute licensing deals early in the development process in order to generate revenue to support the business. The Group's lead asset is targeted towards IPF, a disease area where there is good precedent for licensing deals at early stages of development. Without licensing revenue, reliance falls on raising funds from investors or potential M&A opportunities. Failure to generate additional funding from these sources, if required, would compromise the Group's ability to achieve its strategic objectives as set out in the outlook on page 9. There is a material uncertainty around achieving early licensing deals and, if needed, raising additional funds, however it is the Directors' reasonable expectation that the Group has adequate resources to continue to operate as a going concern for at least twelve months from the date of the approval of the accounts. In forming this assessment, the Directors have prepared cashflow forecasts covering the period ending 31 March 2023 that take into account the likely run rate on overheads and research and development expenditure and the prudent expectations of income from out-licensing rights to its programmes.

- Feasibility of drug candidates
    - Potential impact and mitigation:

Pharmaceutical R&D is an inherently risky activity and drug candidates can fail due to a lack of efficacy, lack of potency, unsuitable pharmacokinetic properties, unacceptable toxicology profile, poor stability of the drug or formulation, poor performance of the drug product, or other technical issues unforeseen at the time of candidate selection. This is the main reason that conventional pharmaceutical R&D takes many years and billions of dollars to progress a drug from discovery through to an approved medicine. It is possible that the drug candidates selected by the Group are found to be non- viable for further development although the Group's model of repurposing and working on known drugs allows us to mitigate this risk to a certain extent.

- Failure to generate and protect our IP
    - Potential impact and mitigation:

If our IP rights are not adequately secured or defended against infringement, or conversely become subject to infringement claims by others, commercial exploitation could be completely inhibited. The Group constantly monitors its patents and is prepared to defend them rigorously.

By virtue of conducting research on known drugs, competitors may file patent applications on the same drugs as the Group, and thus there is a risk of securing new granted patents. There is a delay of up to 18 months in publishing patent applications and thus it is not always known whether the Group's inventions will be novel. This is mitigated through knowledge and expertise in identifying new IP and promptly filing patent applications.

- Unrealistic goals and timeframes
    - The Group's executive management has a duty to the Board and the Group's shareholders to maintain a realistic view of the chances of success of products, deals and partnerships. Should this not be managed accurately and appropriately, the Group and its Board and staff risk financial, business and reputational damage, whilst its shareholders become exposed to investment risk and uncertainty over the Group's viability and status. The Board continually reviews executive management's expectations and communications in the public domain to reduce the risk of misalignment.

- Reliance on partners
    - Potential impact and mitigation:

To progress the development of a drug candidate requires resources, financial and otherwise, that are not necessarily available to the Group. The drug candidates that the Group wishes to develop may be of interest to third parties capable of providing these resources, so a partnership (e.g., a co-development partnership) may provide mutual benefits and mitigate risks for the Group. However, the specific strategic focus of a partner may not align totally with the Group's objectives. Maintaining a balance in a partnership is therefore a risk, such as timing, cost sharing, development decisions. Currently the Group is progressing its 3 pipeline assets without external co-development partners and thus this risk is currently minimised.

Operational risks

- Management and employees
    - Potential impact and mitigation:

With a fully virtual Group operating model with few employees, the Group's ability to manage day to day tasks and its relationships with its customers and suppliers could be undermined by failure to retain or recruit key Executives or employees. The Group endeavours to offer attractive remuneration and a positive working environment for staff. Board Directors are incentivised as detailed in the Directors' Remuneration Report.

- Business development risks in terms of timing and success of deal flow
    - Potential impact and mitigation:

Opportunities to generate value from the portfolio have increased but there is a need to generate further data to make the assets as attractive as possible to potential licensees. The Group seeks to extract value from its existing pipeline through early licensing deals once sufficient data are generated, to provide revenue. Generation of more robust data packages will lead to a greater probability of successful licensing discussions.

- Adapting to the external environment – COVID-19
    - Potential impact and mitigation:

The ability of the Group to quickly adapt to external events such as the outbreak of COVID-19 may impact the delivery of our strategy. The pandemic could cause further impact to external research. Our primary focus remains the safety of our employees. The Group follows Government advice whilst allowing employees to work flexibly. The risks are also minimised by the Group's virtual business model, allowing the Executive management and Board to work remotely and effectively. Close liaison with contractors ensures that Group projects are progressed according to agreed timelines and costs.

- UK's departure from European Union ("Brexit")

The impact of the UK's departure from the European Union is not yet clear but it may significantly affect the fiscal, monetary and regulatory landscape in the UK, and could have a material impact on the UK's economy and the future growth of its industries, including the pharmaceutical and biotechnology industries. Depending on the free trade agreement terms negotiated between EU Member States and the UK following Brexit, the UK could lose access to the single European Union market and to the global trade deals negotiated by the European Union on behalf of its members. Although it is not possible at this point in time to predict fully the effects of the free trade agreement with the European Union, it could have a material adverse effect on the Group's business, financial condition and results of operations. In addition, it may impact the Group's ability to comply with the extensive government regulation to which it is subject and impact the regulatory approval processes for its product candidates. This is an area the Executive Management monitors closely.

Financial risk management

- Failure to achieve strategic plans or meet targets or expectations
    - Potential impact and mitigation:

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Further detail on the Group's risk management policies and procedures are set out in Note 22 of the financial statements.

Financial Highlights

- Net assets at year-end of £5,686,261 (2020: £4,742,520) which includes £1,669,780 cash at bank (2020: £543,772)

- The Group delivered a loss on ordinary activities (after tax credit) of £1,253,497 (2020: loss of £756,376) and a loss per share of 0.22p (2020: 0.16p). The reported loss is driven mainly by costs related to the further development of pipeline assets

- Total revenue of £195,550 (2020: £535,000)

Future outlook

The Chief Executive Officer's Statement on pages 7 to 10 gives information on the outlook of the Group.

Performance

The following are the key performance indicators ("KPIs") considered by the Board in assessing the Group's performance against its objectives. These KPIs are:

Financial KPIs

The Group is currently at a stage where the Board considers availability of cash to fund the planned R&D activities to be the primary KPI. At 31 March 2021 cash balances totalled £1,669,780 (2020: £543,772). The Board will consider introducing additional KPIs to monitor the Group's development as they become relevant in the future.

- *Meeting financial targets:*

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Further detail on the Group's risk management policies and procedures are set out in Note 22 of the financial statements.

- *Revenue from collaborative technology licensing agreements:*

During the year, collaborative agreements with third parties entailed providing fee-for-service work and applying Nuformix know how to their proprietary products. This has provided Nuformix with limited short-term revenue streams.

During the year, collaborations / fee for service work was completed with Ebers Tech Inc. and Vistagen Inc. However, the future Group strategy is to prioritise its resources on progressing its own portfolio to generate licensing revenue.

Non-Financial KPIs

- *Progress of Lead Programmes:*

The Group strategy is to generate revenue streams through applying and further developing its IP to produce proprietary product opportunities for short-term development and early out-licensing opportunities. Thus, progression of its assets towards licensing is crucial to the business.

NXP002: During the year the Group prioritised the development of NXP002, its IPF candidate, and generated further preclinical data. Post-period, studies are ongoing to provide a more robust data package for potential early licensing. Progression of the planned R&D and potential licensing discussions (if the data are positive) are important performance indicators.

NXP001: Following successful completion of initial Phase 1 studies of this new form of aprepitant, the Group secured an Option agreement with Oxilio to license the IP for oncology indications. Securing the full licensing agreement is an important performance indicator.

NXP004: During the year, the Group discovered new forms of an undisclosed oncology drug and has filed one patent application. Further research is ongoing and completing this and potentially filing a further patent application is an important performance indicator. The Group also performed pre-clinical pilot studies to investigate the potential of this drug as a treatment for fibrosis with Newcastle Fibrosis Research Group (NFRG). However, it is the opinion of the Group that the priority is to evaluate the opportunity in oncology as an improved version of the existing drug.

- *Co-development with third parties:*

Co-development of generic products with third parties, where Nuformix's know how or IP could provide extended patent protection is a potential business model although the Group is prioritising its resources on progressing its own portfolio to generate licensing revenue.

Section 172

The Board considers the interests of the Group's employees and other stakeholders, including the impact of its activities on the community, environment and the Group's reputation, when making decisions. The Board ensures that its decisions offer the best chance to promote the success of the Group as a whole and consider the likely and long-term consequences for all stakeholders, particularly (though not exclusively) considering the following:

- How the views and interests of all stakeholders were represented in the boardroom during the year. Open and honest discussion at Board level between management and the Directors considers the impact on the Group's stakeholders when reviewing items flowing to the Board as part of its activities, whether this is reviewing strategy, budget or a business development opportunity

- Given the size and stage of development of the Group, the Board has not formally adopted a mechanism to obtain stakeholder feedback. However, the Group's Senior Independent Director can be contacted at info@nuformix.com should any stakeholders wish to contact the Group

- The Group’s strategy and business model detailed in the Chief Executive Officer’s Statement, on pages 7 to 10

- How the Group manages risks, on pages 11 to 13

- Corporate governance, on pages 19 to 24, including how governance supported the delivery of our strategic objectives in this period

Employment without discrimination

The Group is committed to recruitment of employees based on aptitude and ability. We hire and promote our people regardless of gender, orientation, origin, creed, disability or any other inappropriate discrimination.

Environmental and social

In our day-to-day business, we commit to comply with applicable environmental laws. The direct impact of our operations is low. We also aim to undertake good housekeeping practices such as reducing energy consumption, using sustainable resources and recycling waste.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. The Directors are required by law to prepare the Group financial statements in accordance with International Financial Reporting Standards ("IFRSs") adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union and international accounting standards in conformity with the requirements of the Companies Act 2006 and Article 4 of the International Accounting Standards ("IAS") regulation and have also elected to prepare the Parent Company financial statements under IFRSs in conformity with the requirements of the Companies Act 2006 and as applied in accordance with the provisions of the Companies Act 2006. Under Company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and Group and of the profit or loss for that period. In preparing the Company and Group's financial statements, IAS Regulation requires that Directors:

- Select suitable accounting policies and apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable International Financial Reporting Standards (IFRSs), as adopted by the European Union, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the case of each person who was a director at the time of this report was approved:

- So far as that Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and,
- That Director has taken all steps that the director ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Independent Auditor’s Report

Opinion

We have audited the financial statements of Nuformix plc (the ‘Parent Company’) and its subsidiary (the ‘Group’) for the year ended 31 March 2021 which comprise the consolidated income statement and statement of comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group’s and of the Parent Company’s affairs as at 31 March 2021 and of the Group’s loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors’ assessment of the Group’s ability to continue to adopt the going concern basis of accounting included reviewing and challenging cash flow forecasts prepared by management covering the period to March 2023, assessing management’s past forecasting accuracy and reviewing sensitivity analyses of these same cashflow forecasts.

We draw attention to note 2 in the financial statements, which indicates that the Group is not in a position where is it self-financing and will require further funding which has not yet been secured. Whilst management are confident that such funding will be achieved there is an inherent material uncertainty surrounding this. These events or conditions, along with other matters set out in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Group and its environment, including internal controls, and assessing the risks of material misstatement.

The Group includes the listed Parent Company, Nuformix PLC, and its trading subsidiary, Nuformix Technologies Limited. The Group's accounting function is outsourced to a third party accountancy firm. We included the outsourcer in our planning discussions with management and established a dedicated portal where the outsourcer could share the accounting records and supporting documentation with us. We discussed with management events that had taken place during the year in order to obtain an understanding of any changes in the Group's environment that might impact on our audit. Our tests included, but were not limited to, discussions with the outsourcer as well as the Group management.

Both companies were audited by the same audit engagement team and, accordingly, all revenue, total assets and loss before tax of the Group were subject to audit by Haysmacintyre LLP. The main trading entity is the focus of our audit, but, at the Parent Company level, we also tested the consolidation process and challenged the directors' view on the carrying value of the investment in subsidiary and the Group intangible assets. We also carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement.

We did not identify any key audit matters relating to irregularities, including fraud. We also introduced variability into our audit tests and assessed the risk of management override on internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Based on our understanding of the Group our audit was focused on the key risks as described above.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the material uncertainty related to going concern section above, we have determined the matters below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter	Key observation
Carrying value of intangible assets	- We have reviewed and challenged the impairment review prepared by management. This included: • comparison of the Group's net assets against its market value as indicated by its share price; • review of management assumptions underpinning their forecasts of future earnings which provided indicative values in use; and • obtaining evidence of the commercial and technical feasibility of the capitalised patents.	- We obtained sufficient comfort from our audit work to conclude that the valuation of intangible assets was materially correct.
Valuation of share options	Valuation models assessed and reperformed where possible. The competence and independence of management's expert valuer, whose valuation is rolled forward into the current year, was appraised last year. Assumptions inherent to valuation models assessed as to whether they were reasonable. Review of option and warrant agreements to ensure that terms have been appropriately reflected within the calculations and assumptions.	We obtained sufficient comfort from our audit work to conclude that the valuation of share options was materially correct.

Our application of materiality

We define materiality as the magnitude of misstatement that could reasonably be expected to influence the readers and the economic decisions of the users of the financial statements. We use materiality both in planning our audit and in evaluating the results of our work.

We determined materiality for the Group to be £29,000, which is approximately 2% of total expenditure, before the share option charge for the year. Overall performance materiality (i.e. our tolerance for misstatement in an individual account or balance) for the Group was 75% of materiality, namely £21,750.

We have agreed to report to the Audit Committee all audit differences in excess of £1,450, as well as differences below that threshold that, in our view, warrant reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act

2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

- the Parent Company financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 33 and 34, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

<u>Identifying and assessing potential risks related to irregularities</u>

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;

- results of our enquiries of management and the audit committee about their own identification and assessment of the risks of irregularities;

- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:

    - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;

    - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;

    - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;

- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: impairment of intangibles (including goodwill), revenue recognition, and valuation of share options. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and Listing Rules, UK Bribery Act as well as pensions legislation and tax legislation.

<u>Audit response to risks identified</u>

As a result of performing the above, we identified the following key audit matters: impairment of intangibles (including goodwill) and valuation of share options as key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters. In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;

- enquiring of management and the audit committee concerning actual and potential litigation and claims;

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

- reading minutes of meetings of those charged with governance; and

- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

We were appointed by the Directors to audit the financial statements for the period ending 31 March 2016. Our total uninterrupted period of engagement is six years, covering the period ending 31 March 2016 and the years ended 31 March 2017, 2018, 2019, 2020 and 2021. The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the Group and the Parent Company in conducting our audit. Our audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Consolidated Income Statement and Statement of Comprehensive Income

For the year-ended 31 March 2021

	Note	*31 March 2021* £	*31 March 2020* £
Revenue	3	195,550	535,000
Cost of sales		(62,307)	(333,595)
Gross profit		133,243	201,405
Administrative expenses		(1,507,221)	(1,119,580)
Other operating income	4	1,300	4,130
Operating loss	5	(1,372,678)	(914,045)
Finance costs	6	(3,054)	(15,837)
Loss before tax		(1,375,732)	(929,882)
Income tax credit	10	122,235	173,506
Loss for the year and total comprehensive income for the year		(1,253,497)	(756,376)
Loss per share – basic and diluted	11	(0.22)p	(0.16)p

The above results were derived from continuing operations.

Consolidated Statement of Financial Position
as at 31 March 2021

Registration number: 09632100	Note	*31 March 2021* £	*31 March 2020* £
Assets			
Non-current assets			
Property, plant and equipment	12	957	82,912
Intangible assets	13	4,186,868	4,247,862
		4,187,825	4,330,774
Current assets			
Trade and other receivables	15	32,260	79,496
Income tax asset		121,020	172,391
Cash and cash equivalents	16	1,669,780	543,772
		1,823,060	795,659
Total assets		6,010,885	5,126,433
Equity and liabilities			
Equity			
Share capital	17	591,609	490,145
Share premium		6,384,835	4,480,400
Merger relief reserve		10,950,000	10,950,000
Reverse acquisition reserve		(8,005,195)	(8,005,195)
Share option reserve		2,005,952	1,814,613
Retained earnings		(6,240,940)	(4,987,443)
Total equity		5,686,261	4,742,520
Non-current liabilities			
Loans and borrowings	19	0	37,257
Current liabilities			
Trade and other payables	21	324,624	308,525
Loans and borrowings	19	0	38,131
		324,624	346,656
Total equity and liabilities		6,010,885	5,126,433

Consolidated Statement of Changes in Equity for the Year Ended 31 March 2021

	Share capital £	*Share premium* £	*Merger relief reserve* £	*Reverse acquisition reserve* £	*Share option reserve* £	*Retained earnings* £	*Total* £
At 1 April 2020	490,145	4,480,400	10,950,000	(8,005,195)	1,814,613	(4,987,443)	4,742,520
Loss for the year and total comprehensive loss	–	–	–	–	–	(1,253,497)	(1,253,497)
Issue of share capital	101,464	2,113,535	–	–	–	–	2,214,999
Share issue costs	–	(209,100)	–	–	–	–	(209,100)
Share and warrant based payment	–	–	–	–	191,339	–	191,339
At 31 March 2021	591,609	6,384,835	10,950,000	(8,005,195)	2,005,952	(6,240,940)	5,686,261

	Share capital £	*Share premium* £	*Merger relief reserve* £	*Reverse acquisition reserve* £	*Share option reserve* £	*Retained earnings* £	*Total* £
At 1 April 2019	490,145	4,480,400	10,950,000	(8,005,195)	1,814,613	(4,987,443)	4,742,520
Loss for the year and total comprehensive loss	–	–	–	–	–	(756,376)	(756,376)
Issue of share capital	29,395	1,612,810	–	–	–	–	1,642,205
Share issue costs	–	(65,000)	–	–	–	–	(65,000)
Share and warrant based payment	–	–	–	–	106,361	–	106,361
At 31 March 2020	490,145	4,480,400	10,950,000	(8,005,195)	1,814,613	(4,987,443)	4,742,520

Consolidated Statement of Cash Flows
for the Year Ended 31 March 2021

	Note	*31 March 2021 £*	*31 March 2020 £*
Cash flows from operating activities			
Loss for the year		(1,253,497)	(756,376)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	12,13	93,052	81,685
Loss on disposal of plant, property and equipment	12	6,179	31
Finance costs	6	3,054	15,837
Income tax credit	10	(122,235)	(173,506)
Share and warrant based payment	18	191,339	106,361
		(1,082,108)	(725,968)
Working capital adjustments			
Decrease in trade and other receivables	15	47,237	83,369
Increase/(decrease) in trade and other payables	21	16,099	(256,178)
Cash consumed by operations		(1,018,772)	(898,777)
Income taxes received	10	173,606	180,965
Net cash outflow from operating activities		(845,166)	(717,812)
Cash flows from investing activities			
Acquisitions of property plant and equipment	12	(605)	(10,733)
Disposals of property plant and equipment	12	44,322	-
Acquisition of intangible assets	13	-	(32,470)
Net cash flows from investing activities		43,717	(43,203)
Cash flows from financing activities			
Issue of shares (net of costs)		2,005,899	1,337,500
Interest paid	6	(3,054)	(9,785)
Increase in other directors' loans	19		505
Reduction in other loans	19	(75,388)	(3,162)
Cash payment for reduction of lease liability		-	(23,994)
Foreign exchange losses	6	-	(538)
Net cash in/(out)flows from financing activities		1,927,457	1,300,526
Net increase/(decrease) in cash and cash equivalents		1,126,008	539,511
Cash and cash equivalents at 1 April		543,772	4,261
Cash and cash equivalents at 31 March		1,669,780	543,772

Notes to the Consolidated Financial Statements
for the Year Ended 31 March 2021

1. General information

Nuformix plc ("the Company") and its subsidiary (together, "the Group") operate in the field of pharmaceutical development targeting unmet medical needs in fibrosis and oncology via drug repurposing.

The Company is a public limited company which is listed on the Standard List of the London Stock Exchange, domiciled in the United Kingdom ("the UK") and incorporated in England and Wales.

The address of its registered office is 6th Floor, 60 Gracechurch Street, London, EC3V 0HR.

The Company relinquished its office in Cambridge in the year and now operates in a virtual manner. Accordingly, the Company no longer has a principal place of business.

2. Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Standards) and on the historical cost basis. The financial statements are presented in Pounds Sterling which is the Group's functional and presentational currency.

Statement of compliance

The Group financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the European Union ("adopted IFRSs").

Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. These estimates and assumptions are based upon management's knowledge and experience of the amounts, events or actions. Actual results may differ from such estimates.

The critical accounting estimates are considered to relate to the following:

Intangible assets

The Group recognises intangible assets in respect of goodwill arising on consolidation. This recognition requires the use of estimates, judgements and assumptions in determining whether the goodwill is impaired at each year end.

Share options

The Group fair values equity-settled share-based payment transactions using the Black-Scholes model and Monte Carlo simulations where applicable. The use of the models involves judgements and estimates including an assessment of whether the shares will vest. Should actual future outcomes differ from these assessments the amounts recognised on a straight-line basis would vary from those currently recognised.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 March each year. Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Going concern

The financial statements have been prepared on the going concern basis of preparation which, inter alia, is based on the Directors' reasonable expectation that the Group has adequate resources to continue to operate as a going concern for at least twelve months from the date of their approval. In forming this assessment, the Directors have prepared cashflow forecasts covering the period ending 31st March

2023 that take into account the likely run rate on overheads and research and development expenditure and the prudent expectations of income from out-licensing rights to its programmes.

Whilst there can be no guarantee of the successful outcome of on-going development work, in compiling the cashflow forecasts the Directors have made estimates of the likely outcome of such development work, and the possibilities of raising funds through issues of equity and have considered alternative strategies should projected income be delayed or fail to materialise.

The Group is not in a position where is it self-financing and will require further funding which has not yet been secured. Whilst the Directors understand the risks and issues around raising further funds through an equity raise, this will be carefully considered, as and when appropriate.

These circumstances indicate the existence of an inherent material uncertainty, when in twelve - eighteen months' time a thorough review of funding will be required. However, these scenarios have already been considered and will continue to be closely monitored by the Directors. The financial statements do not include any adjustments that would result if the company or Group was unable to continue as a going concern.

The Directors have carried out a thorough review of costs and are clear on the development work to be completed. Discretionary costs have been carefully reviewed and reduced where reasonable to do so while continuing to allow the prudent running of the business.

After careful consideration, the Directors consider that they have reasonable grounds to believe that the Group can be regarded as a going concern and for this reason they continue to adopt the going concern basis in preparing the Group's financial statements.

Exceptional items

Exceptional items are defined as items which are non-recurring in nature and material.

Revenue recognition

Revenue 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 Group's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group 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 Group activities, such as the demonstration of milestone achievements in research or acceptance by both parties.

Segmental information

There is one continuing class of business, being the research and development of pharmaceutical products using technology developed by the Group.

Given that there is only one continuing class of business, operating within the UK, no further segmental information has been provided.

Taxation

The tax income represents the sum of tax credits currently receivable and deferred tax. Tax currently receivable is based on taxable profit for the year. Taxable profit differs from net profit or loss as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's current tax asset is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Temporary differences include those associated with shares in subsidiaries and joint ventures and are only not recognised if the Group controls the reversal of the difference and it is not expected for the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective year of realisation, provided they are enacted or substantively enacted at the statement of financial position date. Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statements, except where they relate to items that are charged or credited to equity in which case the related deferred tax is also charged or credited directly to equity.

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged 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**
Land and buildings	20% straight line
Computer equipment	33.33% straight line
Lab equipment	25% straight line

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting year date.

Goodwill is not amortised, but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ("CGUs") for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. The Group currently has only one CGU.

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 to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	**Amortisation method and rate**
Patents	10% 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 changes in value.

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables 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 receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Trade payables

Trade payables 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 payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

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

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. 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 income statement over the year of the relevant borrowing.

Interest expense is recognised based on the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Leases – After adoption of IFRS 16

IFRS 16 Leases was issued in January 2016 and was first applied in the financial statements for the year ended 31 March 2020 annual reporting periods beginning on or after 1 January 2019. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 introduced significant changes to lessee accounting: it removes the distinction between operating and finance leases under IAS 17 and requires a lessee to recognise a right-of-use asset and a lease liability at lease commencement for all leases, except for short-term leases and leases of low value assets.

- The right-of-use asset is initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability.

- The lease liability is initially measured at the present value of the future lease payments discounted using the discount rate implicit in the lease (or if that rate cannot be readily determined, the lessee's incremental borrowing rate). Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications, amongst others.

IFRS 16's transition provisions permit lessees to use either a full retrospective or a modified retrospective approach for leases existing at the date of initial application of the standard, with options to use certain transition reliefs.

The Group has elected to apply the standard using the modified retrospective approach from 1 April 2019, utilising certain of the practical expedients provided within the Standard. The company recognised right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments, with the right-of-use asset adjusted by the amount of any prepaid or accrued lease payments.

The Group has elected to apply the following practical expedients allowed for entities adopting IFRS 16 using the modified retrospective approach:

- Reassessment of contract – The company has made use of the possibility not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those leases entered or changed before 1 April 2019.

- Discount rate – Instead of requiring a lessee to determine the incremental borrowing rate for every single lease, IFRS 16 allows a lessee to apply a single discount rate to a portfolio of leases with reasonably similar characteristics (such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment).

- Initial direct costs – As a practical expedient, IFRS 16 allows a lessee to exclude initial direct costs from the measurement of the right of use (ROU) asset on transition.

- Use of hindsight for lease term – A lessee is required to determine the lease term at the date of initial application, which includes purchase and renewal options reasonably expected to be exercised and excludes termination options reasonably expected to be exercised. To alleviate the burden of reconstructing a lessee's initial assessment of the lease term and subsequent changes thereafter, IFRS 16 allows a lessee to use hindsight to determine which renewal and termination options to include or exclude.

- Onerous lease determination – Similar to other non-financial assets, ROU assets are subject to impairment testing under IAS 36 Impairment of Assets and a lessee is required to perform an impairment review for each of its ROU assets at date of initial application. IFRS 16 allows a lessee to use its onerous contract assessment under IAS 37 Provisions, Contingent Liabilities and Contingent Assets immediately before transition instead of performing an impairment review under IAS 36. The ROU asset is then reduced by any existing provision for related onerous leases – there were no onerous contracts within the Group as at 1 April 2019.

- Short-term leases – For leases with a remaining term of less than one year at the date of initial application, the lessee may choose to apply the short-term lease exemption in IFRS 16 and expense lease payments rather than recognize an ROU asset and a lease liability. When using the short-term lease exemption, a lessee is required to disclose the amount of lease payments expensed as a result of using this expedient.

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.

- "Share premium" represents the amount paid for equity shares over the nominal value.

- "Reverse acquisition reserve" arises due to the elimination of the Company's investment in Nuformix Technologies Limited.

- "Merger relief reserve" represents the share premium arising on issue of shares in respect of the reverse acquisition takeover.

- "Share option reserve" represents the fair value of options issued.

- "Retained earnings" represents retained earnings/losses.

Defined contribution pension obligation

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

For defined contribution plans contributions are paid into publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Financial assets and liabilities

The Group's financial assets comprise intangible and tangible fixed assets, trade and other receivables and cash and cash equivalents.

The Group's financial liabilities comprise trade payables. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instruments.

Share based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in Note 18.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At each reporting date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

Convertible loan note

The fair value of the liability portion of a convertible loan note is determined using a market interest rate for an equivalent non-convertible loan note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Investment in subsidiaries

Investments in subsidiaries are carried in the Company's balance sheet at cost less accumulated impairment losses. On disposal of investments in subsidiaries the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

3. Revenue

The analysis of the Group's revenue for the year from continuing operations is as follows:

	2021	*2020*
	£	*£*
Rendering of services	195,550	535,000

4. Other operating income

The analysis of the Group's other operating income for the year is as follows:

	2021	*2020*
	£	*£*
Miscellaneous other operating income	1,300	4,130

5. Operating loss

Arrived at after charging

	2021	*2020*
	£	*£*
Depreciation expense (including lease depreciation)	32,058	36,724
Amortisation expense	60,994	44,961
Loss on disposal of tangible fixed assets	6,179	31
Research and development expenditure	362,878	524,979
Share option charge	48,888	41,521
Warrant charge	142,451	64,840

6. Finance income and costs

	2021	*2020*
	£	*£*
Finance costs		
Interest expense on other financing liabilities	0	9,785
Interest on lease liabilities	3,054	5,514
Foreign exchange losses	0	538
Total finance costs	3,054	15,837

7. Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021	*2020*
	£	*£*
Wages and salaries	388,594	421,077
Social security costs	36,404	41,787
Pension costs, defined contribution scheme	3,870	4,306
	428,868	467,170

The average number of persons employed by the Group (including directors) during the year and analysed by category was as follows:

	2021	*2020*
	No.	*No.*
Research and development	3	3
Non-executive directors	2	2
Total	5	5

The Company has one employee (2021: one), other than the directors, who are employed by Nuformix Technologies Limited.

8. Directors' remuneration

The Directors' remuneration for the year was as follows:

	2021	*2020*
	£	*£*
Remuneration	311,096	347,077

During the year, the number of Directors who were receiving pension benefits was as follows:

	2021	*2020*
	No.	*No.*
Accruing benefits under money purchase pension scheme	2	2

In respect of the highest paid director:

	2021	*2020*
	£	*£*
Remuneration	97,000	121,000

9. Auditors' remuneration

	2021	*2020*
	£	*£*
Audit of the financial statements – Group	34,000	38,000
Audit of the financial statements – Company	19,000	10,000
Audit related assurance service	5,000	10,000

10. Income tax

Tax (credited) in the income statement

	2021	*2020*
	£	*£*
Current taxation		
UK corporation tax	(121,020)	(173,506)
Adjustment in respect of prior years	(1,215)	-
	(122,235)	(173,506)

The tax on loss before tax for the year is the same as the standard rate of corporation tax in the UK of 19% (2020: 19%).

The differences are reconciled below:

	2021	*2020*
	£	*£*
Loss before tax	(1,253,497)	(929,882)
Corporation tax at standard rate	(233,414)	(176,678)
Excess of capital allowances over depreciation	7,036	111
Expenses not deductible	36,354	24,280
Tax losses for which no deferred tax asset was recognised	144,302	53,380
Adjustment in respect of prior years	(1,215)	-
Total tax credit	(122,235)	(173,506)

No deferred tax asset has been recognised as the Directors cannot be certain that future profits will be sufficient for this asset to be realised. As at 31 March 2021 the Group has tax losses carried forward of approximately £4,120,000 (2020: £3,350,000).

11. Loss per share

Loss per share is calculated based on the weighted average number of shares outstanding during the period.Diluted loss per share is calculated based on the weighted average number of shares outstanding and the number of shares issuable as a result of the conversion of dilutive financial instruments.

	2021	*2020*
	£	*£*
Loss after tax	(1,253,497)	(756,376)
Weighted average number of shares – basic and diluted	580,629,372	477,064,822
Basic and diluted loss per share	(0.22)p	(0.16)p

12. Property, plant and equipment

	Land and buildings	*Computer equipment*	*Lab equipment*	*Total*
	£	*£*	*£*	*£*
Cost				
At 1 April 2020	113,618	17,633	17,084	148,335
Additions	–	605	–	605
Disposals	113,618	(16,677)	(17,084)	(147,379)
At 31 March 2021	–	1,561	–	1,561
Depreciation				
At 1 April 2020	42,950	12,751	9,722	65,423
Charge for the year	27,367	3,062	1,629	32,058
Eliminated on disposal	(70,317)	(15,209)	(11,351)	(96,877)
At 31 March 2021	–	604	–	604
Carrying amount				
At 31 March 2021	–	957	–	957
At 31 March 2020	70,668	4,882	7,362	82,912

13. Intangible assets

	Goodwill	*Patents*	*Total*
	£	*£*	*£*
Cost			
At 1 April 2020	4,023,484	449,611	4,473,095
Additions	–	–	–
At 31 March 2021	4,023,484	449,611	4,473,095
Amortisation			
At 1 April 2020	–	225,233	225,233
Amortisation charge	–	60,994	60,994
At 31 March 2021	–	286,227	286,227
Net book value			
At 31 March 2021	4,023,484	163,384	4,186,868
At 31 March 2020	4,023,484	224,378	4,247,862

For impairment testing purposes, management considers the operations of the Group to represent a singlecash generating unit (CGU) focused on pharmaceutical development, targeting unmet medical needs in fibrosis and oncology via drug repurposing. The directors have assessed the recoverable amount of goodwill, which in accordance with IAS36 is the higher of its value in use and its fair value less cost to sell (fair value), in determining whether there is evidence of impairment.

The fair value of the CGU as at 31 March 2021 is considered by the directors to be fairly represented by the market value of Nuformix plc which is determined via an active liquid market on the Standard Market of the London Stock Exchange. The share price of Nuformix plc as at 31 March 2021 was 2.30p per share and there were 591,609,368, shares giving a fair value of £13,607,015 substantially in excess of the Group's net assets, including goodwill, of £4,023,484, of £5,686,261. The directors have also considered the value in use of the CGU, which also supported the view that the goodwill is not impaired.

As such, the Directors do not consider there to be any indication that the goodwill is impaired

14. Leases

An operating lease existed at 153 Cambridge Science Park, Cambridge which has a mixed use for office and laboratory purposes. This commenced in July 2017 and was surrendered in February 2021.

The table below presents by nature the "right-of-use" assets included in the fixed assets of the company in 2021.

	Buildings
	£
Cost	
At 1 April 2020	81,414
Disposals	(81,414)
At 31 March 2021	–
Depreciation	
At 1 April 2020	24,702
Charge for the year	20,536
Eliminated on disposal	(45,238)
At 31 March 2021	–
Net book value	
At 31 March 2021	–
At 31 March 2020	56,712

15. Trade and other receivables

	31 March 2021	*31 March 2020*
	£	*£*
Trade receivables	–	2,690
Prepayments	14,742	44,692
Other receivables	17,518	32,114
	32,260	79,496

The fair value of trade and other receivables is considered by the Directors not to be materially different to the carrying amounts.

16. Cash and cash equivalents

	31 March 2021	*31 March 2020*
	£	*£*
Cash at bank	1,669,780	543,772

The Directors consider that the carrying value of cash and cash equivalents represents their fair value.

17. Share capital

Allotted, called up and fully paid shares

	31 March 2021		*31 March 2020*	
	No.	*£*	*No.*	*£*
Ordinary shares of £0.001 each	591,609,368	591,609	490,145,081	490,145

	No.
As at 1 April 2020	490,145,081
Placement of new shares on the stock market	101,464,285
As at 31 March 2021	591,609,366

On 21 October 2020, the company completed a capital increase through the issue of 23,214,285 shares of £0.001 each in a share placement at a price of £0.028 per share, with a share premium of £626,785.

On 30 March 2021, the company completed a capital increase through the issue of 78,250,000 shares of £0.001 each in a share placement at a price of £0.02 per share, with a share premium of £1,486,750.

18. Share options and warrants

The Group operates share-based payment arrangements to remunerate Directors and key employees in the form of a share option scheme. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value is determined at the grantdate of the equity-settled share-based payments and is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

The following share-based payments were made in the year to 31 March 2021:

On 1 February 2021, Novum Securities Limited was granted warrants to subscribe for 580,357 new Ordinary shares of £0.001 at an exercise price of 2.8p each. The warrants are exercisable up until 21 October 2025. The fair value of the warrants was determined using the Black-Scholes option pricing model at 2.7p per warrant.

On 1 February 2021, other warrants were issued for professional services provided to subscribe for 580,357 new Ordinary shares of £0.001 at an exercise price of 2.8p each. The warrants are exercisable up until 21 October 2025. The fair value of the warrants was determined using the Black-Scholes option pricing model at 1.725p per warrant.

On 18 December 2020, the group agreed to grant Dr Alex Eberlin options to subscribe for up to 586,229 new Ordinary shares of £0.001 at an exercise price of 4.691p each. The options are exercisable up until 18 December 2023. The fair value of the options was determined using the Black-Scholes option pricing model at 4.6p per option.

The fair value of the options and warrants issued in 2021 were determined using the Black-Scholes option pricing model and Monte Carlo simulations, where appropriate, and had a weighted average of 2.46p per option (2020: 2.51p).

The significant inputs into the model in respect of the options and warrants granted in the years ended 31 March 2020 and 31 March 2021 were as follows:

	2020 *Existing director warrants*	*2021* *Existing director warrants*
Grant date share price	3.55-6.75p	2.5-4.15p
Exercise price	4.00-6.75p	2.8p
No. of share options	6,000,000	1,160,713
Risk free rate	0.44-1.00%	0.44%
Expected volatility	50-95%	95%
Expected option life	3 years	5 years

The following table sets out details of the granted warrants and options movements:

Warrant / option holder	Number of warrants / options at 1 April 2019	Issued in year	Exercised in year	Lapsed in year	Number of warrants / options at 31 March 2020	Issued in year	Lapsed in year	Number of warrants/ options at 31 March 2021	Exercise price	Expiry date
Directors during year										
Dr Joanne Holland	36,860,000	-	-	-	36,860,000	-	-	36,860,000	4-10p	16/10/22
Dr Dan Gooding	36,860,000	-	-	-	36,860,000	-	-	36,860,000	4-10p	16/10/22
Dr Chris Blackwell	-	3,000,000	-	-	3,000,000	-	-	3,000,000	4p	10/05/21
Dr Karl Keegan	-	3,000,000	-	-	3,000,000	-	-	3,000,000	6.75p	10/05/21
Previous directors										
Dr David Tapolczay	18,430,000	-	-	(18,430,000)	-	-	-	-		
Mr Pascal Hughes	1,625,000	-	-	-	1,625,000	-	(1,625,000)	-	4p	16/10/20
Success warrants										
Whitman Howard	250,000	-	(250,000)	-	-	-	-	-		
Shakespeare Martineau	1,250,000	-	(1,250,000)	-	-	-	-	-		
Other warrants/options										
Novum Securities Limited	-	-	-	-	-	580,357	-	580,357	2.8p	21/10/2025
Other warrants						580,357		580,357	2.8p	21/10/2025
Dr Alex Eberlin	-	-	-	-	-	586,229	-	586,229	4.691p	18/12/2023
Convertible loan note warrants										
Issued August 2018	8,581,818	-	(8,581,818))	-	-	-	-	-		
Issued May 2019	-	134,692	(134,692)	-	-	-	-	-		
	103,856,818	6,134,692	(10,216,510)	(18,430,000)	81,345,000	1,746,942	(1,625,000)	81,466,942		

19 Loans and borrowings

	31 March 2021 £	31 March 2020 £
Current loans and borrowings		
Lease liabilities	–	25,677
Directors' loan	–	8,890
Other borrowings	–	3,564
	–	38,131
Non-current loans and borrowings		
Lease liabilities	–	37,257

The fair value of other borrowings is considered by the Directors not to be materially different to the carrying amounts. Non-current lease liabilities are all due within 5 years.

20 Pension and other schemes

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £3,870 (2020: £4,306).

Contributions totaling £292 (2020: £2,928) were payable to the scheme at the end of the year and are included in creditors.

21 Trade and other payables

	31 March 2021 £	31 March 2020 £
Trade payables	98,955	131,011
Accrued expenses	222,436	134,721
Social security and other taxes	2,941	28,527
Outstanding defined contribution pension costs	292	2,928
Other payables	-	11,338
	324,624	308,525

The fair value of trade and other payables is considered by the Directors not to be materially different to the carrying amounts. All payables are due within one year.

22 Financial instruments

Credit risk

The main credit risk relates to liquid funds held at banks. The credit risk in respect of these bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Liquidity risk

The Group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs. An analysis of trade and other payables is given in Note 21.

Capital risk management

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
- to support the Group's growth; and
- to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

23 Related party transactions

All transactions with related parties are conducted on an arm's length basis.

The remuneration of the key management personnel of the Group, who are defined as the directors, is set outin the directors' remuneration report.

Transactions with directors

During the year the Group made the following related party transactions:

Dr Chris Blackwell (Director)

Included in creditors due in less than one year is an interest free loan from Dr Chris Blackwell. At the balance sheet date, the amount owed to Dr Chris Blackwell was £nil (2020: £4,146).

Dr Karl Keegan (Director)

Included in creditors due in less than one year is an interest free loan from Dr Karl Keegan. At the balance sheet date, the amount owed to Dr Karl Keegan was £nil (2020: £4,648).

Dr Dan Gooding (Director)

Included in creditors due in less than one year is an interest free loan from Dr Dan Gooding. At the balance sheet date, the amount owed to Dr Dan Gooding was £nil (2020: £95).

Ultimate controlling party

The Directors do not consider there to be a single ultimate controlling party.

Company Statement of Financial Position
as at 31 March 2021

Registration number: 09632100

	Note	31 March 2021 £	31 March 2020 £
Assets			
Non-current assets			
Investment in subsidiary	27	11,250,000	11,250,000
		11,250,000	11,250,000
Current assets			
Trade and other receivables	28	966,461	1,770,066
Cash and cash equivalents	29	1,588,378	507,417
		2,554,839	2,277,483
Total assets		13,804,839	13,527,483
Equity and liabilities			
Equity			
Share capital	17	591,609	490,145
Share premium		6,384,835	4,480,400
Merger relief reserve		10,950,000	10,950,000
Share option reserve		2,005,952	1,814,613
Retained earnings		(6,332,753)	(4,380,472)
Total equity		13,599,643	13,354,686
Current liabilities			
Trade and other payables	30	205,196	172,797
		205,196	172,797
Total equity and liabilities		13,804,839	13,527,483

Company Statement of Changes in Equity
as at 31 March 2021

	Sharecapital £	*Share premium* £	*Merger relief reserve* £	*Share option reserve* £	*Retained earnings* £	*Total* £
At 1 April 2020	490,145	4,480,400	10,950,000	1,814,613	(4,380,472)	13,354,686
Loss for the year and total comprehensive income	–	–	–	–	(1,952,281)	(1,952,281)
Share issued and warrant exercised	101,464	2,113,535	–	–	–	2,214,999
Share and warrant based payment	–	–	–	191,339	–	191,339
Share issue costs	–	(209,100)	–	–	–	(209,100)
At 31 March 2021	591,609	6,384,835	10,950,000	2,005,952	(6,332,753)	13,599,643

	Sharecapital £	*Share premium* £	*Merger relief reserve* £	*Share option reserve* £	*Retained earnings* £	*Total* £
At 1 April 2019	460,750	2,932,590	10,950,000	1,708,252	(4,015,779)	12,035,813
Loss for the year and total comprehensive income	–	–	–	–	(364,693)	(364,693)
Share issued and warrant exercised	29,395	1,612,810	–	-	–	1,642,205
Share and warrant based payment				106,361		106,361
Share issue costs	–	(65,000)	–	-	–	(65,000)
At 31 March 2020	490,145	4,480,400	10,950,000	1,814,613	(4,380,472)	13,354,686

Company Statement of Cash Flows

for the year-ended 31 March 2021

	Note	*2021* £	*2020* £
Cash flows from operating activities			
Loss for the year		(1,952,281)	(364,693)
Adjustments to cash flows from non-cash items			
Finance costs		–	4,340
Provision against intergroup balance		1,288,000	-
Share and warrant based payment		191,339	106,361
Equity element of convertible loan note		–	-
		(472,942)	(253,992)
Working capital adjustments			
Decrease/(increase) in trade and other receivables	28	11,434	106,024
Increase in trade and other payables	30	32,399	68,616
Net cash outflow from operating activities		(429,109)	(79,352)
Cash flows from investing activities			
Loan to subsidiary		(495,829)	(748,636)
Loan repayments from subsidiary		–	-
Net cash (used)/generated by investing activities		(495,829)	(748,636)
Cash flows from financing activities			
Issue of shares (net of costs)		2,005,899	1,337,500
Interest on convertible loan and exchange gains		–	(4,340)
Net cash flows from financing activities		2,005,899	1,333,160
Net increase in cash and cash equivalents		1,080,961	505,172
Cash and cash equivalents at 1 April		507,417	2,245
Cash and cash equivalents at 31 March		1,588,378	507,417

24 Significant accounting policies

Basis of preparation

The separate financial statements of the Company are presented as required by the Companies Act 2006. As permitted by that Act, the separate financial statements have been prepared in accordance with IFRSs as adopted by the EU.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in Note 2 to the Consolidated Financial Statements. In addition, Investments in subsidiaries are stated at cost less, where appropriate, provision for impairment.

25 Loss attributable to shareholders

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own income statement. The loss attributable to the Company in the year was £1,952,281 (2020: loss £364,693).

26 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021	*2020*
	£	*£*
Wages and salaries	112,135	117,077
Social security costs	11,853	7,679
	123,988	124,756

The executive directors are employed by Nuformix Technologies Limited, a wholly owned subsidiary of the Company.

27 Investment in Subsidiary

	£
As at 1 April 2020 and 31 March 2021	11,250,000

The Company has the following interests in subsidiaries:

		Equity Interest	
Name	*Country of Incorporation*	*2021*	*2020*
Nuformix Technologies Limited	United Kingdom	100%	100%

28 Trade and other receivables

	31 March 2021 £	31 March 2020 £
Amount owed by Group undertakings	942,070	1,734,241
Prepayments	9,786	26,433
Other receivables	14,605	9,392
	966,461	1,770,066

The fair value of trade and other receivables is considered by the Directors not to be materially different to the carrying amounts.

29 Cash and cash equivalents

	31 March 2021 £	31 March 2020 £
Cash at bank	1,588,378	507,417

The Directors consider that the carrying value of cash and cash equivalents represents their fair value.

30 Trade and other payables

	31 March 2021 £	31 March 2020 £
Trade payables	58,054	68,767
Accrued expenses	147,142	102,691
Other payables	–	1,339
	205,196	172,797

The fair value of trade and other payables is considered by the Directors not to be materially different to the carrying amounts.

31 Financial instruments

Credit risk

The main credit risk relates to liquid funds held at banks. The credit risk in respect of these bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Liquidity risk

The Company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs. An analysis of trade and other payables is given in Note 30.

Capital risk management

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;

- to support the Company's growth; and

- to provide capital for the purpose of strengthening the Company's risk management capability.

The Company actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

32 Related parties

The Company's related parties are the directors and other Group companies.

The remuneration of the key management personnel of the Group, who are defined as the directors, is set out in the directors' remuneration report. Details of the fair value of transactions with key management and their close family members is included in Note 23.

All amounts outstanding with related parties are unsecured and will be settled in cash. No guarantees have been given or received in respect of amounts outstanding. A provision of £1,288,000 (2020: nil) was made in the year against the balance due from Nuformix Technologies Limited. No other provisions have been made for doubtful debts in respect of amounts owed by other related parties.

At the balance sheet date, the gross amounts due from other Group companies were as follows:

	31 March 2021 £	*31 March 2020 £*
Nuformix Technologies Limited	942,070	1,734,241