

Company Registration No. 04151475 (England and Wales)

**CRESSET BIOMOLECULAR DISCOVERY
LIMITED**

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2023**

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CRESSET BIOMOLECULAR DISCOVERY LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2023**

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	6	1,052,876		1,026,656	
Tangible assets	7	191,613		162,885	
Investments	8	199,987		200,001	
			<u>1,444,476</u>		<u>1,389,542</u>
Current assets					
Debtors	9	3,757,095		2,609,300	
Cash at bank and in hand		8,078,635		2,019,479	
			<u>11,835,730</u>		<u>4,628,779</u>
Creditors: amounts falling due within one year	10	(4,920,193)		(3,892,723)	
Net current assets			<u>6,915,537</u>		<u>736,056</u>
Total assets less current liabilities			<u>8,360,013</u>		<u>2,125,598</u>
Creditors: amounts falling due after more than one year	11		-		(18,697)
Provisions for liabilities	12		(306,257)		-
Net assets			<u>8,053,756</u>		<u>2,106,901</u>
Capital and reserves					
Called up share capital			440		151
Share premium account			7,272,894		15,761
Capital redemption reserve			100		100
Profit and loss reserves			780,322		2,090,889
Total equity			<u>8,053,756</u>		<u>2,106,901</u>

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

For the financial year ended 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

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

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

CRESSET BIOMOLECULAR DISCOVERY LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2023

The financial statements were approved by the board of directors and authorised for issue on 21/12/23 and are signed on its behalf by:

R Scoffin

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R A Scoffin
Director

CRESSET BIOMOLECULAR DISCOVERY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2021		152	15,761	99	1,377,015	1,393,027
Year ended 31 March 2022:						
Profit and total comprehensive income for the year		-	-	-	732,354	732,354
Purchase of own shares		-	-	1	(18,480)	(18,479)
Reduction of shares		(1)	-	-	-	(1)
Balance at 31 March 2022		151	15,761	100	2,090,889	2,106,901
Year ended 31 March 2023:						
Loss and total comprehensive income for the year		-	-	-	(1,786,862)	(1,786,862)
Issue of share capital		289	7,257,133	-	-	7,257,422
Credit to equity for equity settled share-based payments	5	-	-	-	476,295	476,295
Balance at 31 March 2023		440	7,272,894	100	780,322	8,053,756

CRESSET BIOMOLECULAR DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Cresset Biomolecular Discovery Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is New Cambridge House, Bassingbourn Road, Littleton, Cambridgeshire, SG8 0SS.

Accounting convention

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

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

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

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

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

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

Research and development expenditure

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

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

Patents and licences	17-20 years
Development costs	5 years

CRESSET BIOMOLECULAR DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Development costs are amortised from the date of release.

Tangible fixed assets

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

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

Fixtures and fittings	3 years straight line
Computers	2 years straight line

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

Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

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

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

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

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

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

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

CRESSET BIOMOLECULAR DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Basic financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Equity instruments

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

Taxation

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

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

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

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

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

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

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

CRESSET BIOMOLECULAR DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Employee benefits

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

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

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

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Share-based payments

The Company grants share options ("equity-settled share-based payments") to certain employees.

Equity-settled

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

Modifications and cancellations

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions (the "original fair value") and under the modified terms and conditions (the "modified fair value") are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

Provision is made for National Insurance Contributions (NICs) on outstanding share options that are expected to be exercised, using the latest enacted NIC rates at the reporting date.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

CRESSET BIOMOLECULAR DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

Government grants

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

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

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Valuation of share based payments

Share-based payments are valued at the date of grant using a Black Scholes pricing model. The key judgements relate to the inputs to the pricing model which include share price volatility, historical and expected dividends and expected future performance of the entity to which the award relates.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Total	67	46

CRESSET BIOMOLECULAR DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

4 Directors' remuneration

	2023 £	2022 £
Remuneration paid to directors	808,347	592,524

5 Share-based payment transactions

The company grants share options ("equity-settled share-based payments") to certain employees. At the year end there were 3,437 options outstanding (2022: 23,491).

6 Intangible fixed assets

	Patents and licences £	Development costs £	Total £
Cost			
At 1 April 2022	62,410	2,444,239	2,506,649
Additions	-	462,682	462,682
At 31 March 2023	62,410	2,906,921	2,969,331
Amortisation and impairment			
At 1 April 2022	43,804	1,436,189	1,479,993
Amortisation charged for the year	1,487	434,975	436,462
At 31 March 2023	45,291	1,871,164	1,916,455
Carrying amount			
At 31 March 2023	17,119	1,035,757	1,052,876
At 31 March 2022	18,606	1,008,050	1,026,656

The amortisation charge is included in administrative expenses in the statement of comprehensive income.

CRESSET BIOMOLECULAR DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

7 Tangible fixed assets

	Fixtures and fittings £	Computers £	Total £
Cost			
At 1 April 2022	75,940	456,449	532,389
Additions	34,209	185,766	219,975
Disposals	-	(3,257)	(3,257)
At 31 March 2023	110,149	638,958	749,107
Depreciation and impairment			
At 1 April 2022	64,590	304,914	369,504
Depreciation charged in the year	16,591	174,656	191,247
Eliminated in respect of disposals	-	(3,257)	(3,257)
At 31 March 2023	81,181	476,313	557,494
Carrying amount			
At 31 March 2023	28,968	162,645	191,613
At 31 March 2022	11,350	151,535	162,885

8 Fixed asset investments

	2023 £	2022 £
Shares in group undertakings and participating interests	1	1
Other investments	199,986	200,000
	199,987	200,001

Movements in fixed asset investments

	Shares in group undertakings £	Other investments £	Total £
Cost or valuation			
At 1 April 2022	1	200,000	200,001
Disposals	-	(14)	(14)
At 31 March 2023	1	199,986	199,987
Carrying amount			
At 31 March 2023	1	199,986	199,987
At 31 March 2022	1	200,000	200,001

The disposal represents cancellation of 14 ordinary shares held at £1 each.

CRESSET BIOMOLECULAR DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	1,284,737	1,103,094
Corporation tax recoverable	197,572	43,267
Amounts owed by group undertakings	1,706,687	1,249,691
Other debtors	568,099	213,248
	<u>3,757,095</u>	<u>2,609,300</u>

10 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	172,968	148,103
Amounts owed to group undertakings	296	-
Taxation and social security	144,396	106,207
Other creditors	4,602,533	3,638,413
	<u>4,920,193</u>	<u>3,892,723</u>

11 Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Other creditors	-	18,697
	<u>-</u>	<u>18,697</u>

12 Provisions for liabilities

	2023	2022
	£	£
Deferred tax liabilities	306,257	-
	<u>306,257</u>	<u>-</u>

CRESSET BIOMOLECULAR DISCOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

13 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	2023 £	2022 £
Recharge of salaries and overheads in other operating income		
Entities over which the entity has control, joint control or significant influence	911,290	731,829

	2023 £	2022 £
Amounts due to related parties		
Entities over which the entity has control, joint control or significant influence	296	1

The following amounts were outstanding at the reporting end date:

	2023 £	2022 £
Amounts due from related parties		
Entities over which the entity has control, joint control or significant influence	1,706,687	1,249,691