

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

For the six months ended 30 June 2022

		Unaudited 6 months ended 30 June 2022	Unaudited 6 months ended 30 June 2021	Audited year ended 31 December 2021
	Notes	£	£	£
Revenue		-	-	-
Research and development costs		(1,909,854)	(1,192,591)	(3,774,269)
Administrative costs		(939,921)	(709,301)	(2,092,042)
Operating loss		(2,849,775)	(1,901,892)	(5,866,311)
Finance income		-	-	-
Loss before tax		(2,849,775)	(1,901,892)	(5,866,311)
Taxation	10	350,000	315,000	908,600
Total comprehensive loss for the period attributable to owners of the parent company		(2,499,775)	(1,586,892)	(4,957,711)
Loss per share (pence)	5	(0.87p)	(0.62p)	(1.83p)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2022

	Notes	Unaudited 30 June 2022 £	Unaudited 30 June 2021 £	Audited 31 December 2021 £
Assets				
Non-current assets				
Plant and equipment		731,911	32,795	442,657
Total non-current assets		731,911	32,795	442,657
Current assets				
Trade and other receivables	6	99,611	83,750	79,256
Current tax asset		1,258,312	833,805	908,312
Cash and cash equivalents	7	6,676,249	12,762,201	10,372,571
Total current assets		8,034,172	13,679,756	11,360,139
Liabilities				
Current liabilities				
Trade and other payables	8	(1,388,830)	(735,303)	(2,078,184)
Total liabilities		(1,388,830)	(735,303)	(2,078,184)
Total net assets		7,377,253	12,977,248	9,724,612
Capital and reserves attributable to owners of the parent company				
Share capital	11	574,593	574,142	574,302
Share premium		66,399,546	66,353,363	66,378,003
Merger reserve		1,152,165	1,152,165	1,152,165
Warrant Reserve		165,868	165,868	165,868
Retained losses		(60,914,919)	(55,268,290)	(58,545,726)
Total equity		7,377,253	12,977,248	9,724,612

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2022

Notes	Share Capital £	Share Premium £	Merger Reserve £	Other Reserve £	Retained Losses £	Total Equity £
At 1 January 2021 - audited	491,254	52,814,090	1,152,165	165,868	(53,769,837)	853,540
Total comprehensive loss for the period	-	-	-	-	(1,586,892)	(1,586,892)
Share-based payment	-	-	-	-	88,439	88,439
Shares issued during the period	67,888	12,054,273	-	-	-	12,122,161
<i>Convertible loan notes and warrants Issues</i>	-	-	-	118,864	196,909	315,773
Convertible loan notes and warrants conversion and exercise	15,000	1,485,000	-	(118,864)	(196,909)	1,184,227
<i>Transactions with Owners</i>	82,888	13,539,273	-	-	88,439	13,710,600
At 30 June 21 - unaudited	574,142	66,353,363	1,152,165	165,868	(55,268,290)	12,977,248
Total comprehensive loss for the period	-	-	-	-	(3,370,819)	(3,370,819)
Share-based payment	-	-	-	-	93,383	93,383
Shares issued during the period	160	24,640	-	-	-	24,800
Convertible loan notes and warrants issue	-	-	-	-	-	-
Convertible loan notes and warrants conversion and exercise	-	-	-	-	-	-
<i>Transactions with Owners</i>	160	24,640	-	-	93,383	118,183
At 31 December 2021 - audited	574,302	66,378,003	1,152,165	165,868	(58,545,726)	9,724,612
Total comprehensive loss for the period	-	-	-	-	(2,499,775)	(2,499,775)
Share-based payment	-	-	-	-	130,582	130,582
Shares issued during the period	291	21,543	-	-	-	21,834
Convertible loan notes and warrants issue	-	-	-	-	-	-
Convertible loan notes and warrants conversion and exercise	-	-	-	-	-	-
<i>Transactions with Owners</i>	291	21,543	-	-	130,582	152,416
At 30 June 2022 - unaudited	574,593	66,399,546	1,152,165	165,868	(60,914,919)	7,377,253

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2021

	Unaudited 6 months ended 30 June 2022 £	Unaudited 6 months ended 30 June 2021 £	Audited year ended 31 December 2021 £
Cash flows from operating activities			
Loss before tax	(2,849,775)	(1,901,892)	(5,866,311)
Adjustments for:			
Depreciation	12,369	11,455	19,808
Loss on disposal of fixed assets	-	-	125
Share-based payment charge	130,582	88,439	181,822
Cash flows used in operating activities before changes in working capital	(2,706,824)	(1,801,998)	(5,664,556)
(Increase) / decrease in trade and other receivables	(20,355)	(43,960)	(39,466)
Decrease in trade and other payables	(689,354)	(31,222)	1,311,659
Cash used in operations	(3,416,533)	(1,877,180)	(4,392,363)
Income tax received	-	-	519,093
Net cash used in operating activities	(3,416,533)	(1,877,180)	(3,873,270)
Cash flows from investing activities			
Purchase of plant and equipment	(301,623)	(1,381)	(419,722)
Interest received	-	-	-
Cash used in investing activities	(301,623)	(1,381)	(419,722)
Cash flows from financing activities			
Issue of ordinary shares	21,834	14,294,481	14,319,281
Expenses paid in connection with share issues	-	(672,320)	(672,319)
Cash generated by financing activities	21,834	13,622,161	13,646,962
Increase/(decrease) in cash and cash equivalents	(3,696,322)	11,743,600	9,353,970
Cash and cash equivalents at beginning of period	10,372,571	1,018,601	1,018,601
Cash and cash equivalents at end of period	6,676,249	12,762,201	10,372,571

1. Corporate Information

The interim condensed consolidated financial statements of Futura Medical plc and its subsidiaries (the “Group”) for the six months ended 30 June, 2022 were authorised for issue in accordance with a resolution of the Directors on 12th September, 2022. Futura Medical plc (the “Company”) is a public limited company incorporated and domiciled in the United Kingdom and whose shares are publicly traded on the AIM Market of the London Stock Exchange. The registered office is located at Surrey Technology Centre, 40 Occam Road, Guildford, Surrey, GU2 7YG.

The Group is principally engaged in the development of pharmaceutical and healthcare products.

2. Accounting policies

The accounting policies applied in these interim statements are consistent with those of the annual financial statements for the year end 31 December 2021, as described in those financial statements except for the new accounting policies described below.

These condensed interim consolidated financial statements for the six months ended 30 June 2022 and for the six months ended 30 June 2021 do not constitute statutory accounts within the meaning of section 434(3) of the Companies Act 2006 and are unaudited.

The Group’s financial information for the year ended 31 December 2021 has been extracted from the financial statements of the statutory accounts (“Annual Report”) of Futura Medical plc, which were prepared in accordance with International Financial Reporting Standards (“IFRSs”) as adopted by the European Union and International Financial Reporting Interpretations Committee (“IFRIC”) interpretations that were applicable for the year ended 31 December 2021 and does not constitute the full statutory accounts for that period. The Annual Report for 2021 has been filed with the Registrar of Companies. The Independent Auditor’s Report on those financial statements was unqualified and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006; though it did include a reference to a matter to which the auditor drew attention by way of emphasis without qualifying their report in relation to going concern. It does not comply with IAS 34 Interim financial reporting, as is permissible under the rules of AIM.

3. Critical accounting judgements, assumptions and estimates

The preparation of the interim condensed consolidated financial statements in conformity with IFRS requires management to make certain estimates, assumptions and judgements that affect the application of accounting policies and the reported amounts of assets and liabilities and the reported amounts of income and expenses in the period.

Critical accounting estimates, assumptions and judgements are continually evaluated by the Directors based on available information and experience. As the use of estimates is inherent in financial reporting actual results could differ from these estimates.

Going concern

The Group has reported a loss after tax for the six months ended 30 June 2022 of £2.50 million (six months ended 30 June 2021: £1.59 million, year ended 31 December 2021: £4.96 million). The Group holds cash balances of £6.68 million at 30 June 2021 (30 June 2021: £12.76 million, 31 December 2021: £10.37 million).

Directors have considered the applicability of the going concern basis in the preparation of the financial statements. This includes the review of internal budget, financial results and cashflow forecasts for the 12 months' period following the date of signing the financial statements. These forecasts show that the Group has sufficient funds to allow the business to continue in operations for at least 12 months from the date of approval of these financial statements.

Based on the above factors the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

3.2 Estimates and assumptions

Share-based payments

The Group operates an equity-settled share-based compensation plan for employee (and consultant) services to be received and the corresponding increases in equity are measured by reference to the fair value of the equity instruments as at the date of grant. The fair value determination is based on the principles of the Black-Scholes Model, the inputs of which uses an input of volatility based on historical data. Historical volatility may not be indicative of future volatility, yet the Directors judge this to be the most appropriate method of calculation. Given the share option expense of £130,582 for the six months ending June 2022 (six months ended 30 June 2021: £88,439, year ended 31 December 2021: £181,822), the volatility method used is not expected to have a material impact on these financial statements.

3.2 Judgements

Deferred tax recognition

The determination of probable future profits, against which the Group's deferred tax profits can be offset, requires judgement. To date no tax assets have been recognised.

R&D Tax Credits

The current tax receivable represents an estimate of the anticipated R&D tax credit in respect of claims not yet submitted for the 2021 financial year. The final receivable is subject to the correct application of complex R&D rules and HMRC approval. Historically, claims have been successful, and the Group expects the current year to be successful too.

4. Segment reporting

The Group is organised and operates as one segment.

5. Loss per share (pence)

The calculation of the loss per share is based on a loss of £2,499,775 (six months ended 30 June 2021: loss of £1,586,892; year ended 31 December 2021: loss of £4,957,711) and on a weighted average number of shares in issue of 287,286,073 (six months ended 30 June 2021: 254,590,594; year ended 31 December 2021: 271,046,179). The loss attributable to equity holders of the Company for the purpose of calculating the fully diluted loss per share is identical to that used for calculating the basic loss per share. The exercise of share options, or the issue of shares under the long-term incentive scheme, would have the effect of reducing the loss per share and is therefore anti-dilutive under the terms of IAS 33 'Earnings per Share'.

6. Trade and other receivables

	Unaudited 30 June 2022 £	Unaudited 30 June 2021 £	Audited 31 December 2021 £
Amounts receivable within one year:			
Trade receivables	7,547	21,333	7,547
Other receivables	12,137	10,440	-
Financial assets	19,684	31,773	7,547
Prepayments and accrued income	79,927	51,977	71,709
	99,611	83,750	79,256

Trade and other receivables do not contain any impaired assets. The Group does not hold any collateral as security and the maximum exposure to credit risk at the Consolidated Statement of Financial Position date is the fair value of each class of receivable.

7. Cash and cash equivalents

	Unaudited 30 June 2022 £	Unaudited 30 June 2021 £	Audited 31 December 2021 £
Cash at bank and in hand	6,676,249	12,762,201	10,372,571
Sterling fixed rate short-term deposits	-	-	-
	6,676,249	12,762,201	10,372,571

8. Trade and Other Payables

	Unaudited 30 June 2022 £	Unaudited 30 June 2021 £	Audited 31 December 2021 £
Trade payables	(414,860)	(483,502)	(981,392)
Social security and other taxes	(54,835)	(43,926)	(281,766)
Deposit liability	(369,584)	-	(109,435)
Accrued expenses	(549,551)	(207,875)	(705,591)
	(1,388,830)	(735,303)	(2,078,184)

9. Related party transactions

Related parties, as defined by IAS 24 'Related Party Disclosures', are the wholly owned subsidiary companies: Futura Medical Developments Limited and Futura Consumer Healthcare Limited and the Board. Transactions between the Company and the wholly owned subsidiary companies have been eliminated on consolidation and are not disclosed.

10. Taxation

The Group's tax credit in the six months ended 30 June 2022 was £0.35 million (six months ended 30 June 2021: £0.32m, year ended 31 December 2021: £0.91 million). The tax credit balance of £1.26 million relates to anticipated R&D tax credits in respect of claims not yet received/submitted for the 2021 and 2022 financial year.

11. Share Capital

	30 June 2022 Number	30 June 2021 Number	31 December 2021 Number	30 June 2022 £	30 June 2021 £	31 December 2021 £
Authorised						
Ordinary shares of 0.2 pence each	500,000,000	500,000,000	500,000,000	1,000,000	1,000,000	1,000,000
Allotted, called up and fully paid						
Ordinary shares of 0.2 pence each	287,296,527	287,070,971	287,150,971	574,593	574,142	574,302

11. Share Capital (continued)

The number of issued ordinary shares as at 1 January 2022 was 287,150,971. During the period of six months ended 30 June 2022, the Company issued 145,556 ordinary shares of 0.2 pence with each ordinary share carrying the right to one vote as follows:

		£	Number
January 2022	Non-Executive Director Share Award	21,834	145,556
		21,834	145,556

12. Subsequent events

There were no material post-period events.