Company Registration No. 02608373 (England and Wales)

ASSOCIATION OF TOURIST ATTRACTIONS IN KENT LIMITED

UNAUDITED ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

ASSOCIATION OF TOURIST ATTRACTIONS IN KENT LIMITED
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FOR THE YEAR ENDED 31 AUGUST 2016

ASSOCIATION OF TOURIST ATTRACTIONS IN KENT LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2016

Directors:	N Barrie Miss S Belsom S Bromley Ms L Dickson J Gardner Ms S Hirsch G Hukins
Company number:	02608373 (England and Wales)
Registered office:	1 Mount Cottages Hatch Lane Chartham Hatch Canterbury Kent CT4 7LS
Accountants:	NJH Accounting Services Ltd. Worschach Hearts Delight Road Tunstall Sittingbourne Kent ME9 8JA

ASSOCIATION OF TOURIST ATTRACTIONS IN KENT LIMITED
ABBREVIATED BALANCE SHEET
AS AT 31 AUGUST 2016

	2016		2015	
	£	£	£	£
Current assets				
Debtors	958		4,866	
Cash at bank and in hand	13,491		11,582	
	14,449		16,448	
Creditors: amounts falling due within one year	(728)		(747)	
Net current assets		13,721		15,701
Total assets less current liabilities		13,721		15,701
Reserves				
Capital reserve		10,154		10,154
Profit and loss account		3,567		5,547
		13,721		15,701

For the financial year ended 31 August 2016 the Company was entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The Members have not required the Company to obtain an audit of its financial statements for the year in question in accordance with Section 476;
- The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

Approved by the Board for issue on 8 December 2016.

Miss S Belsom
Director
Company Registration No. 02608373

The notes on page 3 form an integral part of these financial statements.

1. Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

1.4 Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. Company status

The Company is a private Company limited by guarantee and consequently does not have a share capital. Each of the Directors is liable to contribute an amount not exceeding £1 towards the assets of the Company in the event of liquidation.

Company registration number: 03114198
Charity registration number: 1050794

Aylesham And District Community Workshop Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 March 2017

Batchelor Coop Ltd
The New Barn
Mill Lane
Eastry
Sandwich
CT13 0JW

Aylesham And District Community Workshop Trust

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Aylesham And District Community Workshop Trust

Reference and Administrative Details

Trustees	L J Brazier C Bryan W R Cornelius A Doggett A Hockley L Jeavons Dr L Keen S Manion K Rogers (Resigned 1 June 2016) R Thompson (Deceased 23 May 2016)
Secretary	D Garrity M.B.E.
Principal Office	Ackholt Road Aylesham Kent CT3 3AJ
Registered Office	Ackholt Road Aylesham Kent CT3 3AJ The charity is incorporated in England & Wales.
Company Registration Number	03114198
Charity Registration Number	1050794
Solicitors	Furley Page 52-54 High Street Whitstable Kent CT5 1BG
Bankers	Lloyds Bank PLC 49 High Street Canterbury Kent CT1 2SE
Independent Examiner	Batchelor Coop Ltd The New Barn Mill Lane Eastry Sandwich CT13 0JW

Aylesham And District Community Workshop Trust

Trustees' Report

The trustees, who are directors for the purposes of company law, present the annual report together with the financial statements of the charitable company for the year ended 31 March 2017.

Objectives and activities

Objects and aims

The principle object of the charity is to benefit the persons of Aylesham and the rural district with the objective of improving the quality of life for those persons, by providing or assisting in the provision of facilities for the advancement of education, recreation and employment.

Public benefit

The trustees confirm that they have complied with the requirements of section 4 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

Financial review

Policy on reserves

The Trustees review the amount of reserves that are required to ensure that they are adequate to provide financial stability and fulfil the charity's continuing obligations in order to meet its charitable objective for the foreseeable future.

Structure, governance and management

Nature of governing document

The company is registered as a charitable company Limited by Guarantee and was set up by a Memorandum of Association on 16 October 1995.

Recruitment and appointment of trustees

The Trust had policies and procedures in place for the recruiting, induction and training of new trustees.

Organisational structure

The management of the charity is the responsibility of the Trustees who are elected and co-opted under the terms of the Memorandum and Articles of Association of the company. They form a board of Directors which is responsible for the general control of the charity. Trustees/Directors are volunteers, give their time freely and receive no remuneration or other financial benefits in respect of their voluntary position, save that reasonable expenses (notably travel) may be paid. Trustees/Directors meet together on a regular basis.

Day to day management of the charity and its assets are delegated to paid staff and volunteers.

Risk management

The Trustees examine the major risks that the charity faces each financial year and where necessary seek to develop systems to monitor and control these risks, to mitigate any impact which they may have on the future of the charity.

Aylesham And District Community Workshop Trust

Trustees' Report

Development, activities, achievements and performance
Aylesham & District Community Workshop Trust delivered all of its aims and objectives this year.

Aylesham & District Community Workshop Trust continue to encourage local entrepreneurs to relocate from the black economy to Aylesham business Park.

We have 25 businesses on site employing in the region of 300 people and putting an estimated £4.5 million into the local economy.

The 25 businesses and organisations probably spend £1.25 million on services and materials in the local economy.

In our small units the rent is manageable for a one or two person business and we have a stone mason, vets, hairdresser, coffee wholesaler, and builder who are working hard and servicing the local economy.

Our 10 medium size units are also fully occupied and employ about 95 people working in various industries including The London Underground, flood defence system and working in dentistry with the National Health Service.

The larger 2,500 square feet units employ up to 80 people in business from a local building company who has been on the site for many years. Karllee Construction started in the small unit, graduated to the 1,500 square feet unit and now are the largest building company in the area. Their success is based on two local men having an idea and working hard delivering it. All of these units are fully occupied and if the trust had the funding we could build and find businesses to work in the local economy.

The Garrity House office building with 17 offices has been another success. East Kent Housing have their head office in the building and work with the local councils of Dover, Folkestone, Thanet and Canterbury managing their housing stock.

We have created a purpose designed modern business estate that is the home for a variety of businesses together with community and educational opportunities.

In south east Kent there is a shortage of good quality modern serviced offices but funding prevents us expanding and modernising the local economy.

We have been operating since 1996 and the Trust continues to put training and education for the local people as one of its priorities.

Aylesham Business Hub, run by KCC, continues to promote facilities for the training of their staff in the south area of Kent , Carol and her dedicated staff promote the site as a go to place to train.

The Community Development Officer also has an office located in the main building and we have a close working relationship with her.

Bechange is also an important partner that works with families to enable them to reach their full potential, and together build a healthier, happier and stronger community.

Aylesham conference centre has 4 well equipped training rooms and organisations from all over the south east train here. Our clients' main business is to provide Health & Safety training and manual handling and courses that enable people to get into the work place.

We have also seen the creation of Emporium Plus of KCC managed by Tammy Winstone who supply children's equipment to play groups and voluntary organisations. They are offering a new service by allowing individual people to become members and giving them access to the whole range of equipment.

Aylesham And District Community Workshop Trust

Trustees' Report

But what of the future?

The trust is also working with KCC and the army to ensure that the army cadets based on site continue to thrive. Sergeant Smith has advertised for more recruits to the cadets. They have a great mixture of young boys and girls who have an exciting programme of events. They go camping, on different schemes and learn life skills of fending for themselves in survival exercises.

There are plenty of clubs and organisations in Aylesham working hard to give the villagers worthwhile activities.

Aylesham & District Community Workshop Trust award grants to local clubs and organisations in the former coalfield villages of Aylesham, Elvington, Chislet and Betteshanger. Since the grant making started in 2003 we have given £130,000 to local former coalfield clubs and organisations.

The Aylesham & District Workshop Trust awards grants from its work each year and this year we funded the Aylesham dance group to have a weekend of dancing in Blackpool the home of ballroom dancing, the Green Howards veteran army association to visit first world war battle fields, new shirts for Aylesham Bowls Club , the Aylesham Welfare portable goals , the Aylesham Baptist summer camp to Devon , a contribution to Snowdown Colliery memorial stone, Aylesham twinning associations hosting a visit from our friends from Couriers, France ,new jackets for the Snowdown male voice choir , helped the Aylesham Community Tearoom buy equipment for their kitchen and sponsored Snowdown Rugby Club home games.

We also sponsor Aylesham Carnival Association by lending them our minibus on long loan so they can attend all of their carnival commitments and the agreement to let the minibus out to any of the clubs and voluntary organisation associated with us in east Kent.

Who said that there was nothing to do in Aylesham?

We do regard ourselves as a vehicle for the regeneration of the Aylesham rural area and we work very closely with East Kent Spatial Development Company and other funding sources to compliment the local economy.

We have land on the site for more workshops and offices and we want to support the wider community to come to Aylesham to set up businesses and be the foundation of a new town.

I would like to thank our staff for their dedication and support - Lisa for administration and planning, Keith for looking after the estate and buildings and our customer service/cleaner staff of Kenny Devine and Jane Barton. They all work as a close team delivering great outcomes for the trust and the local community.

The trust would like to thank our trustees for making their contribution - Len Jeavons the chairman for his constant support and knowledge of business, our treasurer Lonnie Brazier for meticulous scrutiny of our accounts, Roy Cornelius, Arthur Hockley, Steve Manion, Caroline Bryan and Angela Doggett for their work keeping the trust in touch with the community we serve.

We would like to say a fond farewell to chairman Len Jeavons and Betteshanger champion Arthur Hockley who have given Aylesham & District Community Workshop Trust years of sterling service and give them an open invitation to visit us anytime.

I would like propose that we make them patrons of the charity.

Aylesham And District Community Workshop Trust

Trustees' Report

We thank our auditors Batchelor Coop Ltd and our auditor Martin Roby for their work on the charities behalf.

We celebrated 21st year of Aylesham & District Community Workshop Trust operations on this site and it was a great celebration luncheon.

We had over a hundred of local supporters from Aylesham, tenants and regeneration partners entertained by Aylesham Ladies choir who sang a specially designed programme ending in the "Working Miners" that is the miner's national anthem.

The annual report was approved by the trustees of the charity on 13 December 2017 and signed on its behalf by:

....
D Garrity M.B.E.
Company Secretary

Aylesham And District Community Workshop Trust

Statement of Trustees' Responsibilities

The trustees (who are also the directors of Aylesham And District Community Workshop Trust for the purposes of company law) are responsible for preparing the trustees' report and the financial statements in accordance with the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees 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 charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 charitable company will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Aylesham And District Community Workshop Trust

Independent Examiner's Report to the trustees of Aylesham And District Community Workshop Trust

I report on the accounts of the charity for the year ended 31 March 2017 which are set out on pages 8 to 22 .

Respective responsibilities of trustees and examiner
The trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the accounts. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed.
Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- to state whether particular matters have come to my attention.

Basis of independent examiner's report
My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a 'true and fair view' and the report is limited to those matters set out in the statement below.

Independent examiner's statement
In connection with my examination, no matter has come to my attention:

(1) which gives me reasonable cause to believe that in any material respect the requirements:

- to keep accounting records in accordance with section 386 of the Companies Act 2006; and
- to prepare accounts which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities

have not been met; or

(2) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

....
Mark A Batchelor BSC FCA
Chartered Accountant
Batchelor Coop Ltd
The New Barn
Mill Lane
Eastry
Sandwich
CT13 0JW

14 December 2017

Aylesham And District Community Workshop Trust

Statement of Financial Activities for the Year Ended 31 March 2017
(Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2017 £
Income and Endowments from:				
Charitable activities	3	140,119	-	140,119
Other trading activities	4	88,453	-	88,453
Investment income	5	940	-	940
Total Income		229,512	-	229,512
Expenditure on:				
Raising funds		(13,502)	-	(13,502)
Charitable activities	6	(206,132)	(21,898)	(228,030)
Total Expenditure		(219,634)	(21,898)	(241,532)
Net income/(expenditure)		9,878	(21,898)	(12,020)
Transfers between funds		(13,097)	13,097	-
Other recognised gains and losses				
Gains/losses on revaluation of fixed assets		-	123,000	123,000
Net movement in funds		(3,219)	114,199	110,980
Reconciliation of funds				
Total funds brought forward		451,302	1,356,012	1,807,314
Total funds carried forward	17	448,083	1,470,211	1,918,294

Aylesham And District Community Workshop Trust

Statement of Financial Activities for the Year Ended 31 March 2017 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted funds £	Restricted funds £	Total 2016 £
Income and Endowments from:				
Charitable activities	3	149,677	-	149,677
Other trading activities	4	88,997	-	88,997
Investment income	5	1,217	-	1,217
Total Income		239,891	-	239,891
Expenditure on:				
Raising funds		(14,356)	(17,000)	(31,356)
Charitable activities	6	(199,837)	(24,418)	(224,255)
Total Expenditure		(214,193)	(41,418)	(255,611)
Net income/(expenditure)		25,698	(41,418)	(15,720)
Transfers between funds		(12,242)	12,242	-
Net movement in funds		13,456	(29,176)	(15,720)
Reconciliation of funds				
Total funds brought forward		437,846	1,385,188	1,823,034
Total funds carried forward	17	451,302	1,356,012	1,807,314

All of the charity's activities derive from continuing operations during the above two periods.

The funds breakdown for 2016 is shown in note 17.

Aylesham And District Community Workshop Trust

(Registration number: 03114198)
Balance Sheet as at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	12	1,243,897	1,276,027
Investments	13	650,000	527,000
		1,893,897	1,803,027
Current assets			
Debtors	14	69,074	54,099
Cash at bank and in hand		195,815	191,680
		264,889	245,779
Creditors: Amounts falling due within one year	15	(63,363)	(50,347)
Net current assets		201,526	195,432
Total assets less current liabilities		2,095,423	1,998,459
Creditors: Amounts falling due after more than one year	16	(177,129)	(191,145)
Net assets		1,918,294	1,807,314
Funds of the charity:			
Restricted funds		1,470,211	1,356,012
Unrestricted income funds			
Unrestricted funds		448,083	451,302
Total funds	17	1,918,294	1,807,314

For the financial year ending 31 March 2017 the charity was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the charity to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Aylesham And District Community Workshop Trust

(Registration number: 03114198)
Balance Sheet as at 31 March 2017

The financial statements on pages 8 to 22 were approved by the trustees, and authorised for issue on 13 December 2017 and signed on their behalf by:

....

L Jeavons
Trustee

1 Charity status

The charity is a charity limited by guarantee and consequently does not have share capital. Each of the trustees is liable to contribute an amount not exceeding £10 towards the assets of the charity in the event of liquidation.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance
The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Basis of preparation
Aylesham And District Community Workshop Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Going concern
The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the charity.

Exemption from preparing a cash flow statement
The charity opted to early adopt Bulletin 1 published on 2 February 2016 and have therefore not included a cash flow statement in these financial statements.

Transition to FRS 102
In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 a restatement of comparative items was required. No restatements are required as a result of the transition to FRS 102.

Income and endowments
All income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably. Income derived from the provision of goods or services is stated after any discounts and net of VAT.

Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

Investment income

Dividends are recognised once the dividend has been declared and notification has been received of the dividend due.

Expenditure

All expenditure is recognised once there is a legal or constructive obligation to that expenditure, it is probable settlement is required and the amount can be measured reliably. All costs are allocated to the applicable expenditure heading that aggregate similar costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Raising funds

These are costs incurred in attracting voluntary income, the management of investments and those incurred in trading activities that raise funds.

Charitable activities

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Grant provisions

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

Support costs

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, for example, allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

Governance costs

These include the costs attributable to the charity's compliance with constitutional and statutory requirements, including audit, strategic management and trustees's meetings and reimbursed expenses.

Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Tangible fixed assets

Individual fixed assets costing £50.00 or more are initially recorded at cost.

Depreciation and amortisation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	**Depreciation method and rate**
Plant and machinery	25% reducing balance
Fixtures and fittings	15% reducing balance
Freehold property	Not depreciated
Motor vehicles	25% reducing balance
Leasehold improvements	Straight line over 50 years
Investment asset	Straight line over 40 years

Investment properties
Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by the trustees. The trustees use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Trade debtors
Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

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

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 change in value.

Borrowings
Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing 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 Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

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

Fund structure
Unrestricted income funds are general funds that are available for use at the trustees's discretion in furtherance of the objectives of the charity.

Restricted income funds are those donated for use in a particular area or for specific purposes, the use of which is restricted to that area or purpose.

3 Income from charitable activities

	Unrestricted funds General £	Total 2017 £	Total 2016 £
Rental income	140,119	140,119	149,677

4 Income from other trading activities

	Unrestricted funds General £	Total 2017 £	Total 2016 £
Property rental income	88,453	88,453	88,997
	88,453	88,453	88,997

5 Investment income

	Unrestricted funds General £	Total 2017 £	Total 2016 £
Interest receivable and similar income;			
Interest receivable on bank deposits	940	940	1,217

6 Expenditure on charitable activities

	Note	Unrestricted funds General £	Restricted funds £	Total 2017 £	Total 2016 £
Charitable activities		184,523	21,898	206,421	205,444
Grant funding of activities		9,595	-	9,595	6,632
Governance costs	7	12,014	-	12,014	12,179
		206,132	21,898	228,030	224,255

7 Analysis of governance and support costs

Governance costs

	Unrestricted funds General £	Total 2017 £	Total 2016 £
Bank charges and interest	353	353	298
Insurance	5,201	5,201	5,321
Telephone and fax	2,466	2,466	2,711
Printing, postage and stationery	963	963	486
Companies House	13	13	13
Motor expenses	-	-	97
Payroll administration	1,068	1,068	588
Independent examiner's fee	1,825	1,825	1,600
Legal and professional fees	-	-	990
Trade subscriptions	125	125	75
	12,014	12,014	12,179

8 Grant-making

Analysis of grants

	Grants to institutions 2017 £	2016 £
Analysis		
Grants awarded	9,595	6,632

The support costs associated with grant-making are £Nil (31 March 2016 - £Nil).

Below are details of material grants made to institutions by the Trust:

Name of institution	Activity	2017 £	2016 £
A&SSWS	Charitable activities	1,000	1,000
Aylkesham Community Tearoom	Charitable activities	750	1,000
Bechange	Charitable activities	619	(173)
Betteshangar Bowls Club	Charitable activities	1,000	-
Elvington and Eythorne Heritage Group	Charitable activities	697	-
Green Howards	Charitable activities	1,000	-
KCs Dancers	Charitable activities	936	-
S&A Bowls Club	Charitable activities	1,000	-
SCWRC	Charitable activities	1,000	1,000
Snowdown & Aylesham FC	Charitable activities	594	544
Support Aylesham Youth	Charitable activities	1,000	-
Aylesham Baptist Church	Charitable activities	-	865
Aylesham Heritage Centre	Charitable activities	-	1,000
Aylesham Twinning Association	Charitable activities	-	1,000
Snowdown Choir	Charitable activities	-	1,000
St Peter's Community Hall	Charitable activities	-	(134)
St Finbarrs Church	Charitable activities	-	(470)
		9,595	6,632

9 Trustees remuneration and expenses

No trustees, nor any persons connected with them, have received any remuneration from the charity during the year.

No trustees have received any other benefits from the charity during the year.

10 Staff costs

The monthly average number of persons (including senior management team) employed by the charity during the year expressed as full time equivalents was as follows:

	2017 No	2016 No
Average number of employees	6	5

No employee received emoluments of more than £60,000 during the year.

11 Taxation

The charity is a registered charity and is therefore exempt from taxation.

12 Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Motor vehicles £	Other tangible fixed asset £	Total £
Cost					
At 1 April 2016	426,790	219,855	35,252	1,297,713	1,979,610
Additions	-	937	-	-	937
At 31 March 2017	426,790	220,792	35,252	1,297,713	1,980,547
Depreciation					
At 1 April 2016	-	189,779	31,240	482,564	703,583
Charge for the year	-	4,893	1,003	27,171	33,067
At 31 March 2017	-	194,672	32,243	509,735	736,650
Net book value					
At 31 March 2017	426,790	26,120	3,009	787,978	1,243,897
At 31 March 2016	426,790	30,076	4,012	815,149	1,276,027

13 Fixed asset investments

	2017 £	2016 £
Investment properties	650,000	527,000

Investment properties

	Investment properties £
Cost or Valuation	
At 1 April 2016	680,000
Revaluation	(30,000)
At 31 March 2017	650,000
Provision	
At 1 April 2016	153,000
Eliminated on revaluation	(153,000)
At 31 March 2017	-
Net book value	
At 31 March 2017	650,000
At 31 March 2016	527,000

The investment properties were subject to a formal valuation by an independent valuer in November 2017. The trustees consider that the fair value of investment properties would not have been materially different to this valuation at the Balance Sheet date.

14 Debtors

	2017 £	2016 £
Trade debtors	53,119	48,714
Prepayments	4,061	1,657
Other debtors	11,894	3,728
	69,074	54,099

15 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans	14,016	13,097
VAT	12,419	18,107
Other creditors	33,275	15,530
Accruals	3,653	3,613
	63,363	50,347

16 Creditors: amounts falling due after one year

	2017 £	2016 £
Bank loans	177,129	191,145

Included in the creditors are the following amounts due after more than five years:

	2017 £	2016 £
After more than five years by instalments	110,543	128,927

17 Funds

	Balance at 1 April 2016 £	Incoming resources £	Resources expended £	Transfers £	Other recognised gains/(losses) £
Unrestricted funds					
General	(451,302)	(229,512)	219,634	13,097	-
Restricted funds	(1,356,012)	-	21,898	(13,097)	(123,000)
Total funds	(1,807,314)	(229,512)	241,532	-	(123,000)

	Balance at 31 March 2017 £
Unrestricted funds	
General	(448,083)
Restricted funds	(1,470,211)
Total funds	(1,918,294)

	Balance at 1 April 2015 £	Incoming resources £	Resources expended £	Transfers £	Balance at 31 March 2016 £
Unrestricted funds					
General	(437,846)	(239,891)	214,193	12,242	(451,302)
Restricted funds	(1,385,188)	-	41,418	(12,242)	(1,356,012)
Total funds	(1,823,034)	(239,891)	255,611	-	(1,807,314)

18 Analysis of net assets between funds

	Unrestricted funds General £	Restricted funds £	Total funds £
Tangible fixed assets	232,542	1,011,355	1,243,897
Fixed asset investments	-	650,000	650,000
Current assets	264,889	-	264,889
Current liabilities	(39,347)	(24,016)	(63,363)
Creditors over 1 year	-	(177,129)	(177,129)
Total net assets	458,084	1,460,210	1,918,294

19 Related party transactions

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

S Manion
(one of the trustees)
During the year the company charged rent and utilities charges of £2,178 (2016 £2,322) to a business operated by S Manion. This transaction was carried out at arms length on normal commercial terms. At the balance sheet date the amount due to/from S Manion was £Nil (2016 - £Nil).

R Thompson
(a former trustee)
During the year the company charged rent of £2,400 (2016 £2,400) to Aylesham Amateur Boxing Club, an organisation of which R Thompson was an officer. This transaction was carried out at arms length on normal commercial terms. At the balance sheet date the amount due to/from R Thompson was £Nil (2016 - £Nil).

K Rogers
(a former trustee)
During the year the company charged rent and utilities charges of £5,990 (2016 £5,292) to Bechange, an organisation of which K Rogers is an officer. This transaction was carried out at arms length on normal commercial terms. At the balance sheet date the amount due from K Rogers was £543 (2016 - £Nil).

Registered number: 04400592

Visit Kent Limited

(A company limited by guarantee)

Directors' report and financial statements

For the Year Ended 31 March 2017

Visit Kent Limited
(A company limited by guarantee)

Company Information

Directors	W Benson (appointed 12 May 2016) C Carmichael M Dance W Ferris R Hicks D Hughes (appointed 12 May 2016) J Keefe S Matthews-Marsh J Neame D Statham S Wood
Registered number	04400592
Registered office	28-30 St Peter's Street Canterbury Kent CT1 2BQ
Independent auditors	Kreston Reeves LLP Chartered Accountants & Statutory Auditor 37 St Margaret's Street Canterbury Kent CT1 2TU
Bankers	National Westminster Bank Plc 11 The Parade Canterbury Kent CT1 2SG

Visit Kent Limited
(A company limited by guarantee)

Contents

Directors' report
For the Year Ended 31 March 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

Principal activities

The company's principal activity is to carry on business and activities as may promote, market, advertise and develop nationally and internationally the tourist industry in the county of Kent and all the bodies, entities, persons associated and involved therein.

Directors' responsibilities statement

The directors are responsible for preparing the directors' 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. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in directors' reports may differ from legislation in other jurisdictions.

Directors

The directors who served during the year were:

W Benson (appointed 12 May 2016)
C Carmichael
M Dance
W Ferris
R Hicks
D Hughes (appointed 12 May 2016)
J Keefe
S Matthews-Marsh
J Neame
D Statham
S Wood

Visit Kent Limited
(A company limited by guarantee)

Directors' report (continued)
For the Year Ended 31 March 2017

Provision of in-kind services

The services which can be reliably measured have been recognised in the financial statements in accordance with the requirements of public benefit entity reporting under FRS102.

In addition goods and services with an estimated value of £508k (2016: £550k) were provided by a number of private sector investors.

Visit Kent Limited is grateful to the providers of these services, without which much of the work undertaken could not have been achieved.

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

Under section 487(2) of the Companies Act 2006, Kreston Reeves LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Small companies note

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

This report was approved by the board on 30 August 2017 and signed on its behalf.

S Matthews-Marsh

S Matthews-Marsh (MBE)
Director

Visit Kent Limited

(A company limited by guarantee)

Independent auditors' report to the members of Visit Kent Limited

We have audited the financial statements of Visit Kent Limited for the year ended 31 March 2017, set out on pages 5 to 15. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 auditors' 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.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Independent auditors' report to the members of Visit Kent Limited (continued)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report.

Kreston Reeves LLP

Peter Manser FCA DChA (senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury

31 August 2017

Visit Kent Limited

(A company limited by guarantee)

Statement of comprehensive income
For the Year Ended 31 March 2017

	2017	2016
	£	£
Turnover	**1,883,690**	1,332,305
Cost of sales	**(1,735,808)**	(1,167,357)
Gross profit	**147,882**	164,948
Administrative expenses	**(120,395)**	(146,756)
Operating profit	**27,487**	18,192
Interest receivable and similar income	**379**	391
Profit before tax	**27,866**	18,583
Tax on profit	**(76)**	(78)
Profit for the financial year	**27,790**	18,505

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 7 to 15 form part of these financial statements.

Visit Kent Limited

(A company limited by guarantee)
Registered number: 04400592

Balance sheet
As at 31 March 2017

	Note		2017 £		2016 £
Fixed assets					
Tangible assets	5		**7,948**		6,620
Investments	6		**1**		-
			7,949		6,620
Current assets					
Debtors: amounts falling due within one year	7	**246,866**		306,417	
Cash at bank and in hand		**417,484**		230,189	
		664,350		536,606	
Creditors: amounts falling due within one year	8	**(450,275)**		(348,992)	
Net current assets			**214,075**		187,614
Total assets less current liabilities			**222,024**		194,234
Net assets			**222,024**		194,234
Capital and reserves					
Profit and loss account			**222,024**		194,234
			222,024		194,234

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 30 August 2017.

S Matthews-Marsh (MBE) S. Matthews-Marsh
Director

D Statham David Statham
Director

The notes on pages 7 to 15 form part of these financial statements.

1. General information

Visit Kent Limited is a company limited by guarantee, incorporated in England and Wales. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

The company is the parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The company is considered to be a public benefit entity in accordance with the requirements of FRS102.

The company's principal activity is to carry on business and activities as may promote, market, advertise and develop nationally and internationally the tourist industry in the county of Kent and all the bodies, entities, persons associated and involved therein.

The registered office is 28 - 30 St. Peters Street, Canterbury, Kent, CT1 2BQ.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss. Information on the impact of first-time adoption of FRS102 is given in note 13.

The following principal accounting policies have been applied:

2.2 Going concern

The directors believe that the company will have adequate resources to continue in operational existence for the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on a going concern basis.

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Grant income

Grant funding is recognised under the accrual model as prescribed by FRS102. Grant funding is only recognised when the relevant claim has been submitted in circumstances where the Board are confident that the claim will be accepted, in the relevant periods in which the entity recognises the related costs for which the grant is intended to compensate.

In-kind services

In-kind services or facilities are recognised when the company has control over the item, any conditions associated with the item have been met, the receipt of economic benefit from the use of the company of the item is probable and that economic benefit can be measured reliably. On receipt, in-kind services and facilities are recognised on the basis of the value of the gift to the company which is the amount the company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

In-kind services of which the fair value can not be reliably measured have not been recognised in the financial statements but disclosure has been made of their estimated value.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	- 25% straight line
Fixtures and fittings	- 20% straight line
Office equipment	- 20% straight line
Computer equipment	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2. Accounting policies (continued)

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Creditors

Short term creditors are measured at the transaction price.

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Pounds Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

2.10 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.11 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2. Accounting policies (continued)

2.12 Taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following judgement has had the most significant impact on amounts recognised in the financial statements:

Public benefit entity

The company receives a number of in-kind services from both KCC and other private sector investors as disclosed in the directors' report. The services which can be reliably measured have been recognised in the financial statements on the basis that the directors consider the company to be a public benefit entity in accordance with the requirements of FRS102.

In-kind services received comprise staff time, advertising and publications, event hire, catering, accommodation, trade contracts, entry to attractions and rates reductions. The value of these services has been estimated by the directors based on their experience and the market value of similar services received.

Recognition of the in-kind services which can be reliably measured are shown within income with a matching cost and there is therefore no effect on profitability. In-kind services of which the fair value can not be reliably measured have not been recognised in the financial statements and the directors' estimate that these services are valued at £508k (2016: £550k).

Grant income

The company's entitlement to grant funding (see note 2.3) is dependent on it meeting certain "key delivery outcomes" as specified within the grant documentation. In the opinion of the directors the company has continued to meet these "key delivery outcomes".

4. Employees

The average monthly number of employees, including directors that were employed by the company, during the year was 18 (2016 - 10). 2 directors (2016: 1 director) were employed by the company during the year.

Visit Kent Limited
(A company limited by guarantee)

Notes to the financial statements
For the Year Ended 31 March 2017

5. Tangible fixed assets

	Motor vehicles £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2016	6,896	3,317	6,563	16,776
Additions	-	2,003	4,370	6,373
At 31 March 2017	6,896	5,320	10,933	23,149
Depreciation				
At 1 April 2016	5,172	1,829	3,155	10,156
Charge for the year on owned assets	1,724	692	2,629	5,045
At 31 March 2017	6,896	2,521	5,784	15,201
Net book value				
At 31 March 2017	-	2,799	5,149	7,948
At 31 March 2016	1,724	1,487	3,409	6,620

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
Additions	1
At 31 March 2017	1
Net book value	
At 31 March 2017	1
At 31 March 2016	-

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Go-To-Places Limited	Ordinary	100 %	Promotion of tourism

7. Debtors

	2017 £	2016 £
Trade debtors	62,826	111,664
Grant debtors	168,715	172,510
Prepayments and accrued income	15,325	22,243
	246,866	306,417

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	**79,321**	53,021
Corporation tax	**76**	78
Other taxation and social security	**54,924**	32,462
Other creditors	**4,696**	3,775
Accruals and deferred income	**311,258**	259,656
	450,275	348,992

9. Reserves

Profit & loss account

This reserve comprises all current and prior period retained profits and losses.

10. Contingent liabilities

The company's entitlement to grant funding (see note 2.3) is dependent on it meeting certain "key delivery outcomes" as specified within the grant documentation. In the opinion of the directors the company has continued to meet these "key delivery outcomes". Therefore whilst failure to adhere to these requirements could result in an obligation to repay part of the funds, no attempt has been made to quantify the amount of this contingent liability as in the opinion of the directors the likelihood of the company being obliged to make any repayment is negligible.

11. Commitments under operating leases

At 31 March 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	**1,056**	4,224
Later than 1 year and not later than 5 years	**-**	1,056
	1,056	5,280

12. Controlling party

In the opinion of the directors there is no one ultimate controlling party.

13. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2015. The impact of the transition to FRS 102 is as follows:

	As previously stated 1 April 2015 £	Effect of transition 1 April 2015 £	**FRS 102 (as restated) 1 April 2015 £**	As previously stated 31 March 2016 £	Effect of transition 31 March 2016 £	**FRS 102 (as restated) 31 March 2016 £**
Fixed assets	5,691	-	**5,691**	6,621	-	**6,621**
Current assets	595,342	-	**595,342**	536,606	-	**536,606**
Creditors: amounts falling due within one year	(425,305)	-	**(425,305)**	(348,992)	-	**(348,992)**
Net current assets	170,037	-	**170,037**	187,614	-	**187,614**
Total assets less current liabilities	175,728	-	**175,728**	194,235	-	**194,235**
Net assets	175,728	-	**175,728**	194,235	-	**194,235**
Capital and reserves	175,728	-	**175,728**	194,235	-	**194,235**

13. First time adoption of FRS 102 (continued)

	Note	As previously stated 31 March 2016 £	Effect of transition 31 March 2016 £	**FRS 102 (as restated) 31 March 2016 £**
Turnover	1	1,253,305	79,000	**1,332,305**
Cost of sales	1	(1,088,357)	(79,000)	**(1,167,357)**
		164,948	-	**164,948**
Administrative expenses		(146,756)	-	**(146,756)**
Operating profit		18,192	-	**18,192**
Interest receivable and similar income		391	-	**391**
Taxation		(78)	-	**(78)**
Profit on ordinary activities after taxation and for the financial year		18,505	-	**18,505**

Explanation of changes to previously reported profit and equity:

1 The company receives a number of in-kind services. These services have been recognised in the financial statements where they can be reliably measured, on the basis that the directors consider the company to be a public benefit entity in accordance with the requirements of FRS102.

The value of these services has been estimated by the directors based on their experience and the market value of similar services received. Recognition of the in-kind services is shown within income with a matching cost and there is therefore no effect on profitability.

Registered number: 03230721

RECEIVED
31 JUL 2017

LOCATE IN KENT LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

HEDLEY DUNK LIMITED
Chartered Accountants
Trinity House
3 Bullace Lane
Dartford
Kent
DA1 1BB

FRIDAY

A6DL7L3N
A28 25/08/2017 #3
COMPANIES HOUSE

LOCATE IN KENT LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 03230721

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note		2017 £		2016 £
Current assets					
Debtors: amounts falling due within one year	5	122,283		66,671	
Cash at bank and in hand	6	325,709		312,492	
		447,992		379,163	
Creditors: amounts falling due within one year	7	(91,134)		(69,227)	
Net current assets			356,858		309,936
Total assets less current liabilities			356,858		309,936
Net assets			356,858		309,936
Capital and reserves					
Profit and loss account			356,858		309,936
			356,858		309,936

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
27-07-17

P Wookey

P Wookey
Director
The notes on pages 2 to 7 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. General information

Locate in Kent Limited is a company limited by guarantee, incorporated and domiciled in the England and Wales. The address of the registered office is shown in the company information, and is the principal place of business.

The nature of the entity's operations and principal activity is the marketing of Kent.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	50% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.4 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.5 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.10 Borrowing costs

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

2.11 Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

3. Employees

The average monthly number of employees, including directors, during the year was 5 (2016 - 5).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

4. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 April 2016	14,414
At 31 March 2017	14,414
Depreciation	
At 1 April 2016	14,414
At 31 March 2017	14,414
Net book value	
At 31 March 2017	-
At 31 March 2016	-

5. Debtors

	2017 £	2016 £
Trade debtors	112,944	62,500
Other debtors	266	266
Prepayments and accrued income	9,073	3,905
	122,283	66,671

6. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	325,709	312,492
Less: bank overdrafts	(15,613)	(12,126)
	310,096	300,366

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	15,613	12,126
Trade creditors	23,375	6,822
Corporation tax	45	89
Other taxation and social security	37,081	24,653
Other creditors	2,781	927
Accruals and deferred income	12,239	24,610
	91,134	69,227

8. Financial instruments

	2017 £	2016 £
Financial assets		
Other financial assets measured at fair value through profit or loss	310,096	300,366

Financial assets measured at fair value through profit or loss comprise the cash at bank.

9. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £126,306 (2016 - £83,476).

11. Related party transactions

The following transactions were untertaken with members during the year

	2017 £	2016 £
Kent Developers Group - Contributions received	79,000	100,000
Kent County Council - Contributions receivable	926,435	625,000

12. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

REGISTERED NUMBER: 05259365 (England and Wales)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

FOR

TRADING STANDARDS SOUTH EAST LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

TRADING STANDARDS SOUTH EAST LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2017

DIRECTORS:	P J Dart S M F Murphy R J Sexton A L Poole C D Robinson S J Ruddy M Golledge J S Woodhouse R I Webb G J Jackson J Player J Kerman V De Haan J C Peerless-Mountford A Gregory S C Crawley D R Cross I G Gilmore R Zambra L C Corrie J C Edsell P Lipscomb R W Sargeant A J Clooney J Crosbie S M Rock S Harvey E C Skinner J A Chambers
SECRETARY:	G J Jackson
REGISTERED OFFICE:	Surrey County Council, Fairmount House Bull Hill Leatherhead Surrey KT22 7AY
REGISTERED NUMBER:	05259365 (England and Wales)
SENIOR STATUTORY AUDITOR:	Anthony Brain
AUDITORS:	CG LEE Limited Chartered Certified Accountants Statutory Auditors Ingram House Meridian Way Norwich Norfolk NR7 0TA

BALANCE SHEET
31 MARCH 2017

	Notes	2017 £	2016 £
CURRENT ASSETS			
Debtors	4	364,651	609,777
Cash at bank		2,290,927	1,674,004
		2,655,578	2,283,781
CREDITORS			
Amounts falling due within one year	5	1,703,094	1,841,069
NET CURRENT ASSETS		952,484	442,712
TOTAL ASSETS LESS CURRENT LIABILITIES		952,484	442,712
RESERVES			
Income and expenditure account		952,484	442,712
		952,484	442,712

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 22 December 2017 and were signed on its behalf by:

R J Sexton - Director

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. STATUTORY INFORMATION

Trading Standards South East Limited is a private company, limited by guarantee , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover
Turnover represents the net value of services provided, excluding value added tax.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Grants receivable
Revenue grants received are matched against the expenditure to which they relate.

Grants received in respect of capital expenditure are credited to the deferred income account and are released to the profit and loss account by equal instalments over the expected useful lives of the assets.

Any unmatched surplus revenue grants at the end of the period are carried forward in reserves.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 29 (2016 - 29) .

4. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade debtors	169,215	389,265
Other debtors	195,436	220,512
	364,651	609,777

continued...

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

5. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	612,127	213,276
Taxation and social security	423	962
Other creditors	1,090,544	1,626,831
	1,703,094	1,841,069

6. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Auditors' Report was unqualified.

Anthony Brain (Senior Statutory Auditor)
for and on behalf of CG LEE Limited

7. APB ETHICAL STANDARD - PROVISIONS AVAILABLE FOR SMALL ENTITIES

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

8. LIMITED LIABILITY AND CONTROLLING INTEREST

The company is limited by guarantee and does not have any share capital. The liability of the members is limited to contributions of £1. There is no ultimate controlling party.

Registered number: 04410176

East Kent Spatial Development Company

(A company limited by guarantee)

Directors' Report and Financial Statements

For the year ended 31 March 2017

East Kent Spatial Development Company
(A company limited by guarantee)

Company Information

Member Organisations	Kent County Council (KCC) University of Kent (UoK) Locate in Kent (LiK) Thanet District Council (TDC) Dover District Council (DDC) Shepway District Council (SDC) Canterbury City Council (CCC)
Directors	P Wookey (LiK) M Dance (KCC) P Watkins (DDC) (resigned 30 September 2017) C Barron (UoK) P Czarnomski (UoK) D Monk (SDC) S Cook (CCC) H Stummer-Schmertzing (TDC) K Morris (DDC) (appointed 18 October 2017)
Company secretary & Chief executive officer	D Spalding
Registered number	04410176
Registered office	Clover House John Wilson Business Park Chestfield Whitstable Kent CT5 3QZ
Independent auditors	Kreston Reeves LLP Statutory Auditor & Chartered Accountants 37 St Margaret's Street Canterbury Kent CT1 2TU
Bankers	NatWest Bank Plc 11 The Parade Canterbury Kent CT1 2SQ

East Kent Spatial Development Company
(A company limited by guarantee)

Contents

East Kent Spatial Development Company
(A company limited by guarantee)

Directors' Report
For the year ended 31 March 2017

The Directors present their report and the financial statements for the year ended 31 March 2017.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' 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. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Principal activity

The company's principal activity is to promote the economic development and regeneration, with a view to promoting the economic and environmental wellbeing, of an area within the districts of Thanet District Council, Dover District Council, Shepway District Council and Canterbury City Council including, without limitation

a) primarily to undertake or procure the provision of infrastructure works and wider regeneration activities, and

b) subject thereto to promote, provide and procure the provision of economic development activities and to promote, provide and procure the provision of other appropriate support activities, including without limitation, advice and training, in each case within or for the benefit of the Target Area.

Directors

The Directors who served during the year were:

P Wookey (LiK)
M Dance (KCC)
P Watkins (DDC) (resigned 30 September 2017)
C Barron (UoK)
P Czarnomski (UoK)
D Monk (SDC)
S Cook (CCC)
H Stummer-Schmertzing (TDC)
K Morris (DDC) (appointed 18 October 2017)

Directors' Report (continued)
For the year ended 31 March 2017

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

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

This report was approved by the board on 12 December 2017 and signed on its behalf.

S Cook (CCC)
Director

East Kent Spatial Development Company
(A company limited by guarantee)

Independent Auditors' Report to the Members of East Kent Spatial Development Company

We have audited the financial statements of East Kent Spatial Development Company for the year ended 31 March 2017, set out on pages 5 to 21. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 Auditors' 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.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' responsibilities statement on page 1, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

Valuation of other debtors

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in note 2.6 to the financial statements concerning the value of other debtors which is dependent upon performance criteria outside the company's control. The ultimate value of these other debtors cannot be presently determined.

Independent Auditors' Report to the Members of East Kent Spatial Development Company (continued)

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with those financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' report and take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Kreston Reeves LLP

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Statutory Auditor
Chartered Accountants

Canterbury

12 December 2017

East Kent Spatial Development Company
(A company limited by guarantee)

Statement of Comprehensive Income
For the year ended 31 March 2017

	Note	2017 £	2016 £
Turnover		**940,357**	926,627
Cost of sales		**(582,342)**	(539,670)
Gross profit		**358,015**	386,957
Administrative expenses		**(163,390)**	(121,258)
		194,625	265,699
Other operating income	4	**1,926,120**	-
Fair value movements		**(1,120,863)**	-
Total operating profit		**999,882**	265,699
Revaluation of investment properties		**400,000**	-
Interest receivable and similar income		**37,347**	30,453
Interest payable and expenses		**-**	(1,500)
Profit before tax		**1,437,229**	294,652
Tax on profit	6	**(188,796)**	(5,061)
Profit for the financial year		**1,248,433**	289,591

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016: £NIL).

The notes on pages 7 to 21 form part of these financial statements.

East Kent Spatial Development Company

(A company limited by guarantee)
Registered number: 04410176

Balance Sheet
As at 31 March 2017

	Note		2017 £		2016 £
Fixed assets					
Tangible assets	7		**19,045**		1,728
Investment property	8		**5,401,120**		3,075,000
			5,420,165		3,076,728
Current assets					
Debtors	9	**5,222,432**		5,309,967	
Cash at bank and in hand		**1,880,314**		4,632,437	
		7,102,746		9,942,404	
Creditors: amounts falling due within one year	10	**(339,852)**		(407,182)	
Net current assets			**6,762,894**		9,535,222
Total assets less current liabilities			**12,183,059**		12,611,950
Creditors: amounts falling due after more than one year	11		**(5,660,548)**		(7,586,668)
Provisions for liabilities					
Deferred tax	14	**(802,296)**		(553,500)	
			(802,296)		(553,500)
Net assets			**5,720,215**		4,471,782
Capital and reserves					
Reserves			**5,720,215**		4,471,782
			5,720,215		4,471,782

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 December 2017.

S Cook (CCC)
Director

The notes on pages 7 to 21 form part of these financial statements.

Notes to the Financial Statements
For the year ended 31 March 2017

1. General information

East Kent Spatial Development Company is a company limited by guarantee incorporated in England. The address of the registered office is Clover House, John Wilson Business Park, Chestfield, Whitstable, CT5 3QZ.

The company's principal activity is to promote the economic development and regeneration, with a view to promoting the economic and environmental wellbeing, of an area within the districts of Thanet District Council, Dover District Council, Shepway District Council and Canterbury City Council.

The financial statements are presented in sterling which is the functional currency of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 19.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

There is no certainty over the timing and future value of the other debtor loan repayments and consequently the carrying value of the loans which are valued at the Directors' best estimate of fair value. The carrying value includes a significant unrealised deficit which in the opinion of the Directors is necessary to show these balances at their recoverable value.

The recognition of the unrealised deficit relating to the revaluation of other debtors does not impact on the company's financial facilities. The company has received repayments and expects to continue to receive repayments from its other debtors valued as per note 2.6.

The company made a profit before grant releases and fair value movements of £194,625 (2016: £265,699). The company has £1,880,314 (2016: £4,632,437) included in cash at the bank. As a consequence the Directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook and uncertainty over the carrying value of utility loans (see note 2.6).

After making enquiries, the Directors have a reasonable expectation that the company has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office Equipment - 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 Investment property

Investment property is carried at fair value based on the latest valuation undertaken, derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. The 2017 valuations were undertaken by the Directors informed by valuations by Caxtons Commercial Limited Chartered Surveyors. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

2. Accounting policies (continued)

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Utility loans

Other debtors include loans made to a utility provider to finance new infrastructure works in East Kent. The loans (utility loans) are index linked to RPI and are repayable as and when third parties pay the utility provider to connect to the new utility infrastructure. The amount of utility loan repayable is proportionate to the capacity connected as a percentage of the total capacity of the new utility network.

In order to make these utility loans the company has received grants (see note 2.10). At the point of repayment, the grant made to finance the utility loan is transferred from designated grants in advance to unrestricted grants in advance.

The utility loans have been treated as other financial instruments and are measured at fair value, being the present value of future payments discounted at a market rate of interest for a similar debt instrument. Any movement in the value of this estimate, other than from draw down or repayment, is taken to the Statement of comprehensive income.

The directors do not envisage 100% connection to the network and therefore they have made a provision to reduce the value of utility loans to their estimated fair value. There is no certainty over the timing and percentage connection to the network that will be achieved. As such there is significant uncertainty over the carrying value of utility loans.

Fair value is the directors' best estimate of the discounted future income stream arising from the repayment of the utility loans based on the latest professional consideration of the likely repayments. Repayments are linked to the Retail Price Index up to March 2019 and it is assumed that this will continue to rise at 3.5% per annum. The discount rate applied is also assumed to be 3.5%.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Accounting policies (continued)

2.8 Financial instruments

Other than the Company's utility loans, the Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors; and loans to related and other parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.10 Grants

Grants received in respect of investment properties

Investment property related grants are accounted for in accordance with the performance model. Under the performance model:

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

Grants received in respect of revenue expenditure

Grants relating to revenue expenditure are accounted for in accordance with the accrual model. Under the accrual model grants relating to revenue shall be recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

Grants received to finance utility loans

Grants receivable to finance utility loans are accounted for under the accrual model. Under the accrual model grants relating to utility loans shall be transferred from designated grants in advance to unrestricted grants in advance in the period in which repayment or other reduction of the other debtor to which they relate is made.

2.11 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make judgments, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following judgments have had the most significant impact on amounts recognised in the financial statements:

Going concern

In the judgment of the directors it is appropriate to prepare the financial statements in accordance with the going concern basis of accounting. See note 2.2 for further details.

Investment properties

The company holds investment property with fair value of £5,401,120 at the year end (see note 8). In order to determine the fair value of investment property the company has engaged independent valuation specialists with experience in the location and nature of the property being valued. They have used a valuation technique based on comparable market data. The determined fair value of the investment property is most sensitive to fluctuations in the property market.

Debtors

The company has made loans to a utility provider. The utility loans have been treated as other financial instruments and are measured at fair value, being the present value of future payments discounted at a market rate of interest for a similar debt instrument. Fair value is taken as the Directors' best estimate of the discounted future income stream arising from the repayment of the utility loans (see note 2.6).

Any movement in the value of this estimate, other than from the draw down or repayment, is taken to the statement of comprehensive income.

The Directors do not envisage 100% connection to the network and therefore they have made a provision to reduce the value of utility loans to their estimated fair value. There is no certainty over the timing and percentage connection to the network that will be achieved. As such there is significant uncertainty over the carrying value of utility loans.

Grants

Grants relating to investment properties are accounted for under the performance model. In the opinion of the Directors' all performance criteria have been met and thus all appropriate grant income has been released.

4. Other operating income

	2017 £	2016 £
Grants released in relation to the acquisition of investment properties	**1,926,120**	-
	1,926,120	-

Notes to the Financial Statements
For the year ended 31 March 2017

5. Employees

The average monthly number of employees, including directors, during the year was 2 (2016 - 2).

6. Taxation

	2017	2016
	£	£
Corporation tax		
Current tax on profits for the year	-	60,000
Adjustments in respect of previous periods	(60,000)	6,561
Total current tax	**(60,000)**	66,561
Deferred tax		
Changes to tax rates	(30,750)	(61,500)
Origination and reversal of timing differences	279,546	-
Total deferred tax	**248,796**	(61,500)
Taxation on profit on ordinary activities	**188,796**	5,061

7. Tangible fixed assets

	Furniture, fittings and equipment £
Cost or valuation	
At 1 April 2016	9,406
Additions	19,102
At 31 March 2017	28,508
Depreciation	
At 1 April 2016	7,678
Charge for the year on owned assets	1,785
At 31 March 2017	9,463
Net book value	
At 31 March 2017	19,045
At 31 March 2016	1,728

8. Investment property

	Long term Leasehold investment property £
Valuation	
At 1 April 2016	**3,075,000**
Additions at cost	**1,926,120**
Surplus on revaluation	**400,000**
At 31 March 2017	**5,401,120**

The 31 March 2017 valuations were made by the Directors, informed by valuations undertaken by Caxtons Commercial Limited Chartered Surveyors, on a fair value basis.

Caxtons Commercial Limited Chartered Surveyors are an independent professionally qualified valuer with recent experience in the location.

If the investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2017 **£**	2016 £
Historic cost	**10,308,367**	8,382,247
Accumulated impairments	**(4,907,247)**	(5,307,247)
	5,401,120	3,075,000

9. Debtors

	2017 **£**	2016 £
Due after more than one year		
Other debtors	**4,773,069**	5,269,112
	4,773,069	5,269,112
Due within one year		
Trade debtors	**31,438**	12,913
Other debtors	**386,147**	-
Prepayments and accrued income	**31,778**	27,942
	5,222,432	5,309,967

Other debtors include loans made to a utility service provider to finance the installation of new network infrastructure, see note 13 and note 2.6.

10. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	**33,148**	26,309
Corporation tax	**7,500**	67,500
Other taxation and social security	**-**	15,668
Other creditors	**159,316**	146,398
Accruals and deferred income	**139,888**	151,307
	339,852	407,182

11. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Grants received in advance (see note 12)	**5,660,548**	7,586,668
	5,660,548	7,586,668

12. Grants received in advance

	2017 £	2016 £
Designated grants - other debtors	**4,831,055**	5,603,244
Unrestricted grants	**829,493**	1,983,424
	5,660,548	7,586,668

Designated grants
These relate to grants received in order to finance other debtor loans made by the company. They are converted to unrestricted grants once the repayment of the other debtor falls due. The balance includes Single Regeneration Budget funding administered through TDC of £1,217,876 (2016: £1,412,540), and other third party funding of £3,613,179 (2016: £4,190,704).

Unrestricted grants
These relate to those grants received by the company that the company is able to use for whatever purpose it deems appropriate. The balance includes unreleased general grant funding of £57,304 (2016: £300,430) and converted other debtor grants of £772,189 (2016: £1,682,994).

13. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	**3,975,326**	5,096,189
	3,975,326	5,096,189

Financial assets measured at fair value through profit or loss comprise loans made to a utility provider which are held in other debtors. The valuation principles of these loans and related uncertainties are described in note 2.6.

14. Deferred taxation

	2017 £
At beginning of year	**(553,500)**
Charged to Statement of comprehensive income	**(248,796)**
At end of year	**(802,296)**

The deferred tax liability is made up as follows:

	2017 £
Tax losses carried forward	**115,894**
Grant funding of property acquisitions	**(918,190)**
	(802,296)

15. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

16. Contingent liabilities

The company has received grants contingent on meeting certain performance criteria. The Directors are confident that the company will meet these performance criteria.

17. Other financial commitments

As at 31 March 2017, the company had made a commitment to make a loan to an unrelated third party totalling £750,000 (2016: £750,000). All of this (2016: £150,000) had been advanced and is included within other debtors due after more than one year. The loan is interest bearing and repayable over 10 years from the date of completion of the project being financed.

18. Controlling party

There is no controlling party for the company.

East Kent Spatial Development Company
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 March 2017

19. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2015. The impact of the transition to FRS 102 is as follows:

	Note	As previously stated 1 April 2015 £	Effect of transition 1 April 2015 £	**FRS 102 (as restated) 1 April 2015 £**	As previously stated 31 March 2016 £	Effect of transition 31 March 2016 £	**FRS 102 (as restated) 31 March 2016 £**
Fixed assets		3,077,990	-	**3,077,990**	3,076,728	-	**3,076,728**
Current assets	1	9,636,602	-	**9,636,602**	9,942,405	-	**9,942,405**
Creditors: amounts falling due within one year		(330,732)	-	**(330,732)**	(407,182)	-	**(407,182)**
Net current assets		9,305,870	-	**9,305,870**	9,535,223	-	**9,535,223**
Total assets less current liabilities		12,383,860	-	**12,383,860**	12,611,951	-	**12,611,951**
Creditors: amounts falling due after more than one year		(7,586,668)	-	**(7,586,668)**	(7,586,668)	-	**(7,586,668)**
Provisions for liabilities	1	-	(615,000)	**(615,000)**	-	(553,500)	**(553,500)**
Net assets		4,797,192	(615,000)	**4,182,192**	5,025,283	(553,500)	**4,471,783**
Capital and reserves		4,797,192	(615,000)	**4,182,192**	5,025,283	(553,500)	**4,471,783**

Notes to the Financial Statements
For the year ended 31 March 2017

19. First time adoption of FRS 102 (continued)

	Note	As previously stated 31 March 2016 £	Effect of transition 31 March 2016 £	**FRS 102 (as restated) 31 March 2016 £**
Turnover		926,627	-	**926,627**
Cost of sales		(539,670)	-	**(539,670)**
		386,957	-	**386,957**
Administrative expenses		(121,258)	-	**(121,258)**
Operating profit		265,699	-	**265,699**
Interest receivable and similar income		30,453	-	**30,453**
Interest payable and similar charges		(1,500)	-	**(1,500)**
Taxation	1	(66,561)	61,500	**(5,061)**
Profit on ordinary activities after taxation and for the financial year		228,091	61,500	**289,591**

Explanation of changes to previously reported profit and reserves:

1 In accordance with the requirements of FRS102 the company has recognised deferred tax in respect of the eventual sale of its investment properties.

Company Registration No. 05505567 (England and Wales)

PRODUCED IN KENT LIMITED

COMPANY LIMITED BY GUARANTEE

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
COMPANY INFORMATION

Directors	P Hannan W Opie Mr S Clarke Mr R Phillips Ms A Church Mr J Barnes Mr S Holden
Secretary	S Durling
Company number	05505567
Registered office	Rural Regeneration Centre Blackmans Lane Hadlow Tonbridge Kent England TN11 0AX
Auditor	Wilkins Kennedy FKC Stourside Place Station Road Ashford Kent TN23 1PP
Business address	Rural Regeneration Centre Blackmans Lane Hadlow Tonbridge Kent England TN11 0AX

PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
CONTENTS

PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2017

The directors present their annual report and financial statements for the year ended 31 March 2017.

Principal activities
The principal activity of the company continued to be that of increasing public awareness of produce which has been produced in Kent.

Directors
The directors who held office during the year and up to the date of signature of the financial statements were as follows:
P Hannan
W Opie
Mr S Clarke
Mr R Phillips
Ms A Church
Mr J Barnes
Mr S Holden

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. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

....
W Opie
Director
27 July 2017

PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PRODUCED IN KENT LIMITED

We have audited the financial statements of Produced in Kent Limited for the year ended 31 March 2017 set out on pages 4 to 12. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Directors' Report has been prepared in accordance with applicable legal requirements.

PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF PRODUCED IN KENT LIMITED

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

John McIntyre (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy FKC

9 August 2017

Chartered Accountants
Statutory Auditor

Stourside Place
Station Road
Ashford
Kent
TN23 1PP

PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Turnover		227,763	230,429
Cost of sales		(70,728)	(66,197)
Gross profit		157,035	164,232
Administrative expenses		(150,459)	(182,230)
Operating profit/(loss)	2	6,576	(17,998)
Interest receivable and similar income		315	406
Profit/(loss) before taxation		6,891	(17,592)
Taxation		(1,373)	3,481
Profit/(loss) for the financial year		5,518	(14,111)
Retained earnings at 1 April 2016		53,584	67,695
Retained earnings at 31 March 2017		59,102	53,584

PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
BALANCE SHEET

AS AT 31 MARCH 2017

		2017		2016	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	**3**		-		240
Investments	**4**		2		2
			2		242
Current assets					
Debtors	**6**	38,234		50,246	
Cash at bank and in hand		119,655		104,962	
		157,889		155,208	
Creditors: amounts falling due within one year	**7**	(98,789)		(101,866)	
Net current assets			59,100		53,342
Total assets less current liabilities			59,102		53,584
Capital and reserves					
Profit and loss reserves			59,102		53,584

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

The financial statements were approved by the board of directors and authorised for issue on 27 July 2017 and are signed on its behalf by:

....

W Opie
Director

Company Registration No. 05505567

PRODUCED IN KENT LIMITED
COMPANY LIMITED BY GUARANTEE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Produced in Kent Limited is a private company limited by shares incorporated in England and Wales. The registered office is Rural Regeneration Centre, Blackmans Lane, Hadlow, Tonbridge, Kent, England, TN11 0AX.

1.1 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.

These financial statements for the year ended 31 March 2017 are the first financial statements of Produced in Kent Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Going concern

The accounts are prepared on a going concern basis, the use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 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.

1 Accounting policies **(Continued)**

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, fittings & equipment	33.3% 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.

1.5 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.

1.6 Impairment of fixed assets

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

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

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.8 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 in the company's balance sheet 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.

Basic financial assets

Basic financial assets, which include 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

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

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

2 Operating profit/(loss)

	2017	2016
Operating profit/(loss) for the year is stated after charging/(crediting):	£	£
Fees payable to the company's auditor for the audit of the company's financial statements	3,245	3,150

3 Tangible fixed assets

	Fixtures, fittings & equipment
	£
Cost	
At 1 April 2016	20,025
Disposals	(170)
At 31 March 2017	19,855
Depreciation and impairment	
At 1 April 2016	19,785
Depreciation charged in the year	240
Eliminated in respect of disposals	(170)
At 31 March 2017	19,855
Carrying amount	
At 31 March 2017	-
At 31 March 2016	240

4 Fixed asset investments

	2017	2016
	£	£
Investments	2	2

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 April 2016 & 31 March 2017	2
Carrying amount	
At 31 March 2017	2
At 31 March 2016	2

5 Subsidiaries

Details of the company's subsidiaries at 31 March 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Kentish Fare Limited	England	Dormant	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Kentish Fare Limited	-	2

6 Debtors

	2017	2016
Amounts falling due within one year:	£	£
Trade debtors	7,401	9,020
Corporation tax recoverable	-	3,440
Other debtors	30,433	37,346
	37,834	49,806
Amounts falling due after more than one year:		
Deferred tax asset	400	440
Total debtors	38,234	50,246

7 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	5,081	11,599
Corporation tax	1,352	-
Other taxation and social security	4,720	1,576
Other creditors	87,636	88,691
	98,789	101,866

8 Company status

The company is a company limited by guarantee and not having a share capital. Every member of the company undertakes to contribute in a winding up a sum not exceeding £1 whilst they are a member, or within one year after ceasing to be a member, towards debts and liabilities contracted before ceasing to be a member.

9 Related party transactions

During the year ended 31 March 2017 the company received funding from Kent County Council, a member of the company, in respect of operational costs amounting to £60,000 (2016: £60,000). As at 31 March 2017, £30,000 (2016: £30,000) was due from Kent County Council. Staff costs payable to Kent County Council for the year amounted to £95,987 (2016: £128,155) of which £48,401 (2016: £61,477) remained outstanding at the year end.

The company also received income during the year from Hadlow College, also a member of the company, amounting to £43,408 (2015: £40,000). The premises occupied by the company during the year to 31 March 2017 were rented from Hadlow College for which rent and service charge expenses were incurred totalling £3,333 (2016: £10,000).

Financial Statements

for the Year Ended 31 December 2016

for

Trics Consortium Limited

Trics Consortium Limited

Contents of the Financial Statements
for the Year Ended 31 December 2016

Trics Consortium Limited

Company Information
for the Year Ended 31 December 2016

DIRECTORS:	N Rabbets M A Hogben W A Sayers D A Smith K Travers A P Jack M K Green
REGISTERED OFFICE:	County Hall Penrhyn Road Kingston Upon Thames Surrey KT1 2TW
REGISTERED NUMBER:	09262594
AUDITORS:	Hunter Accountants Chartered Accountants and Statutory Auditors 3 Kings Court Little King Street Bristol Somerset BS1 4HW

Trics Consortium Limited (Registered number: 09262594)

Balance Sheet
31 December 2016

	Notes	31.12.16 £	31.12.16 £	31.12.15 £	31.12.15 £
FIXED ASSETS					
Intangible assets	4		337,489		378,308
Tangible assets	5		4,840		4,866
			342,329		383,174
CURRENT ASSETS					
Debtors	6	150,696		168,378	
Cash at bank and in hand		464,838		408,085	
		615,534		576,463	
CREDITORS					
Amounts falling due within one year	7	340,474		335,643	
NET CURRENT ASSETS			275,060		240,820
TOTAL ASSETS LESS CURRENT LIABILITIES			617,389		623,994
CAPITAL AND RESERVES					
Called up share capital			225,000		225,000
Share premium			364,500		364,500
Retained earnings			27,889		34,494
SHAREHOLDERS' FUNDS			617,389		623,994

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on ......30 March 2017...... and were signed on its behalf by:

....

N Rabbets - Director

The notes form part of these financial statements

Trics Consortium Limited

Notes to the Financial Statements
for the Year Ended 31 December 2016

1. **STATUTORY INFORMATION**

Trics Consortium Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements
These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover
Turnover represents net invoiced sale of goods from ordinary activities, stated after trade discounts, other sales taxes and net of value added tax

Intangible fixed assets
Intangible Assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is provided to write off the cost less estimated residual value of each asset over the following useful lives

Intellectual Property Rights (Surveys) - 7 Years

Intellectual Property Rights (System) - 5 Years

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Computer Equipment and Fixtures and Fittings - 25% Reducing Balance

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that that have been enacted or substantively enacted by the balance sheet date.

continued...

2. **ACCOUNTING POLICIES - continued**

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 4.

4. **INTANGIBLE FIXED ASSETS**

	Other intangible assets £
COST	
At 1 January 2016	561,822
Additions	140,880
At 31 December 2016	702,702
AMORTISATION	
At 1 January 2016	183,514
Charge for year	181,699
At 31 December 2016	365,213
NET BOOK VALUE	
At 31 December 2016	337,489
At 31 December 2015	378,308

continued...

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc
	£
COST	
At 1 January 2016	6,487
Additions	1,588
At 31 December 2016	8,075
DEPRECIATION	
At 1 January 2016	1,621
Charge for year	1,614
At 31 December 2016	3,235
NET BOOK VALUE	
At 31 December 2016	4,840
At 31 December 2015	4,866

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16	31.12.15
	£	£
Trade debtors	119,448	141,892
Other debtors	31,248	26,486
	150,696	168,378

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16	31.12.15
	£	£
Trade creditors	52,290	67,123
Taxation and social security	159,362	179,281
Other creditors	128,822	89,239
	340,474	335,643

8. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.16	31.12.15
	£	£
Within one year	26,800	26,172
Between one and five years	-	26,172
	26,800	52,344

continued...

9. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

David Hunter BSc FCA DChA (Senior Statutory Auditor)
for and on behalf of Hunter Accountants

10. RELATED PARTY DISCLOSURES

Turnover for the year includes the following amounts in connection with councils that are associated with the company.

Dorset County Council - TRICS Licence - Income to TRICS - £3,070

East Sussex County Council - TRICS Licence - Income to TRICS - £3,070

West Sussex County Council - TRICS Licence - Income to TRICS - £3,070

Hampshire County Council - TRICS Licence - Income to TRICS - £3,070

Kent County Council - TRICS Licence - Income to TRICS - £3,070

Surrey County Council - TRICS Licence - Income to TRICS - £5,520

11. ULTIMATE CONTROLLING PARTY

By virtue of the shareholdings there is no controlling party.

COMPANY REGISTRATION NUMBER: 08353777

Shearwater Systems Limited

Filleted Financial Statements

31 March 2017

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COMPANIES HOUSE

BURGESS HODGSON LLP
Chartered accountant & statutory auditor
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

Shearwater Systems Limited

Financial Statements

Year ended 31 March 2017

Contents **Page**

Shearwater Systems Limited

Directors' Responsibilities Statement

Year ended 31 March 2017

The directors are responsible for preparing the directors' 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. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Shearwater Systems Limited

Statement of Financial Position

31 March 2017

	Note	2017 £	2017 £	2016 £
Fixed assets				
Tangible assets	5		**42,569**	71,833
Current assets				
Debtors	6	**484,860**		1,138,082
Cash at bank and in hand		**1,517,147**		1,072,988
		2,002,007		2,211,070
Creditors: amounts falling due within one year	7	**455,523**		303,219
Net current assets			**1,546,484**	1,907,851
Total assets less current liabilities			**1,589,053**	1,979,684
Creditors: amounts falling due after more than one year	8		**409,645**	599,957
Provisions				
Taxation including deferred tax			**8,514**	14,367
Net assets			**1,170,894**	1,365,360
Capital and reserves				
Called up share capital			**40,417**	40,417
Share premium account			**2,413,016**	2,413,016
Capital contribution reserve			**45,042**	78,793
Profit and loss account			**(1,327,581)**	(1,166,866)
Shareholders funds			**1,170,894**	1,365,360

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 20/12/17, and are signed on behalf of the board by:

Dr I S Denley
Director

Company registration number: 08353777

The notes on pages 4 to 8 form part of these financial statements.

Shearwater Systems Limited

Statement of Changes in Equity

Year ended 31 March 2017

	Called up share capital	Share premium account	Capital contribution reserve	Profit and loss account	**Total**
	£	£	£	£	**£**
At 1 April 2015	40,417	2,413,016	66,548	(1,213,757)	1,306,224
Profit for the year				14,890	14,890
Total comprehensive income for the year	–	–	–	14,890	14,890
Transfer to profit and loss account	–	–	(32,001)	32,001	–
Capital introduced	–	–	44,246	–	44,246
Total investments by and distributions to owners	–	–	12,245	32,001	44,246
At 31 March 2016	40,417	2,413,016	78,793	(1,166,866)	**1,365,360**
Loss for the year				(194,466)	**(194,466)**
Total comprehensive income for the year	–	–	–	(194,466)	**(194,466)**
Transfer to profit and loss account	–	–	(33,751)	33,751	–
Total investments by and distributions to owners	–	–	(33,751)	33,751	–
At 31 March 2017	40,417	2,413,016	45,042	(1,327,581)	**1,170,894**

The notes on pages 4 to 8 form part of these financial statements.

Shearwater Systems Limited

Notes to the Financial Statements

Year ended 31 March 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Suite 1C Orchard House, Orchard Street, Canterbury, Kent, CT2 8AP.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 12.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Useful economic life of fixed assets - The annual depreciation and amortisation charges are based upon management's assessment of the useful economic lives and residual values of the company's tangible assets. These are re-assessed annually and amended where necessary.

(ii) Revenue recognition - The company have contracts in place with customers which details the annual income receivable. The company are therefore able to prorate the annual income and accurately accrue the sum not yet billed.

(iii) Research and development credit - The company undertake research and development work from which it makes an annual claim. All relevant costs are recorded along with time sheets to allow the company to calculate the amount payable from HMRC. This amount is accrued in the accounts within debtors.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

3. Accounting policies *(continued)*

Revenue recognition *(continued)*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold Property Fittings	-	20% straight line
Fixtures and Fittings	-	33% straight line
Equipment	-	33% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 24 (2016: 23).

5. Tangible assets

	Leasehold property fittings £	Fixtures and fittings £	Equipment £	**Total** **£**
Cost				
At 1 April 2016	68,963	20,194	91,434	**180,591**
Additions	–	–	5,690	**5,690**
At 31 March 2017	68,963	20,194	97,124	**186,281**
Depreciation				
At 1 April 2016	29,992	9,824	68,942	**108,758**
Charge for the year	13,999	4,039	16,916	**34,954**
At 31 March 2017	43,991	13,863	85,858	**143,712**
Carrying amount				
At 31 March 2017	24,972	6,331	11,266	**42,569**
At 31 March 2016	38,971	10,370	22,492	71,833

6. Debtors

	2017	2016
	£	£
Trade debtors	**50,723**	33,042
Other debtors	**434,137**	1,105,040
	484,860	1,138,082

Within other debtors is £140,723 (2016: £235,116) in relation to the expected amount receivable for the company's research and development credit claim.

7. Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	**13,249**	1,511
Social security and other taxes	**197,134**	42,334
Other creditors	**245,140**	259,374
	455,523	303,219

8. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Other creditors	**409,645**	599,957

Included in creditors falling due within and after one year is £190,312 and £409,645 respectively (2016: £181,249 and £599,957 respectively) for a loan provided by The Kent County Council under the East Kent Growth Fund. The loan is an interest free loan and therefore the figures in the financial statements represented the discounted value at a market interest rate. The total non discounted amount outstanding at the year end is £645,000 (2016: £860,000), with repayments of £215,000 being made annually ending 30th September 2019.

9. Summary audit opinion

The auditor's report for the year dated 22/12/17 was unqualified.

The senior statutory auditor was Colin Reid, for and on behalf of Burgess Hodgson LLP.

10. Directors' advances, credits and guarantees

There were no advances made to directors during the year.

At the year end directors owed the company £4,066 (2016: £4,066). There is no interest on this loan.

11. Related party transactions

At the year end the company was owed £2,999 (2015: £2,999) from the Shearwater Employee Benefit Trust for money lent to purchase shares in Shearwater Systems Limited.

At the year end the company had trade debtors of £49,728 (2016:£32,342) and trade creditors of £nil (2016:£1,280) with companies associated through common control and/or directorship.

12. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 April 2015.

Reconciliation of equity

	1 April 2015			31 March 2016		
	As previously stated	Effect of transition	FRS 102 (as restated)	As previously stated	Effect of transition	FRS 102 (as restated)
	£	£	£	£	£	£
Fixed assets	90,574	–	90,574	71,833	–	71,833
Current assets	1,817,512	–	1,817,512	2,211,070	–	2,211,070
Creditors: amounts falling due within one year	(50,295)	–	(50,295)	(303,219)	–	(303,219)
Net current assets	1,767,217	–	1,767,217	1,907,851	–	1,907,851
Total assets less current liabilities	1,857,791	–	1,857,791	1,979,684	–	1,979,684
Creditors: amounts falling due after more than one year	(600,000)	66,548	(533,452)	(678,750)	78,793	(599,957)
Provisions	(18,115)	–	(18,115)	(14,367)	–	(14,367)
Net assets	1,239,676	66,548	1,306,224	1,286,567	78,793	1,365,360
Capital and reserves	1,239,676	66,548	1,306,224	1,286,567	78,793	1,365,360

The company has a 0% interest loan with Kent County Council. Under FRS102 this has been discounted at a market rate of interest to give a discounted liability. As the loan is from a shareholder the discounted element is included within capital contribution. An amount equal to the interest charge is transferred from the capital contribution reserve to the profit and loss each year until the loan is settled.

REGISTERED NUMBER: 07592520 (England and Wales)

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2017

FOR

TRN - THE RESEARCH NETWORK LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2017

TRN - THE RESEARCH NETWORK LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 APRIL 2017

DIRECTOR:	A McElroy
SECRETARY:	
REGISTERED OFFICE:	IPC 600 Discovery Park Enterprise Zone Ramsgate Road Sandwich Kent CT13 9NJ
REGISTERED NUMBER:	07592520 (England and Wales)
ACCOUNTANTS:	Higson APS Limited 45 Queen Street Deal Kent CT14 6EY

BALANCE SHEET
30 APRIL 2017

		2017		2016	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	4		1,449		235
Investments	5		3,107		3,107
			4,556		3,342
CURRENT ASSETS					
Debtors	6	216,957		257,878	
Cash at bank		71,843		59,215	
		288,800		317,093	
CREDITORS					
Amounts falling due within one year	7	197,465		232,683	
NET CURRENT ASSETS			91,335		84,410
TOTAL ASSETS LESS CURRENT LIABILITIES			95,891		87,752
CREDITORS					
Amounts falling due after more than one year	8		-		12,000
NET ASSETS			95,891		75,752
CAPITAL AND RESERVES					
Called up share capital			23,325		23,325
Share premium			50,275		50,275
Retained earnings			22,291		2,152
SHAREHOLDERS' FUNDS			95,891		75,752

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 April 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 April 2017 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

continued...

BALANCE SHEET - continued
30 APRIL 2017

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the director on 22 September 2017 and were signed by:

A McElroy - Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2017

1. STATUTORY INFORMATION

TRN - The Research Network Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover
Turnover represents net invoiced sales of services, excluding VAT.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.
Computer equipment - 33% on cost

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 6 .

continued...

4. TANGIBLE FIXED ASSETS

	Computer equipment £
COST	
At 1 May 2016	1,660
Additions	1,874
At 30 April 2017	3,534
DEPRECIATION	
At 1 May 2016	1,425
Charge for year	660
At 30 April 2017	2,085
NET BOOK VALUE	
At 30 April 2017	1,449
At 30 April 2016	235

5. FIXED ASSET INVESTMENTS

	Interest in other participating interests £
COST	
At 1 May 2016 and 30 April 2017	3,107
NET BOOK VALUE	
At 30 April 2017	3,107
At 30 April 2016	3,107

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	167,596	165,075
Other debtors	-	300
Directors' current accounts	12,556	808
Tax	2,627	31,974
VAT	24,225	52,582
Deferred tax asset	4,559	4,559
Prepayments	5,394	2,580
	216,957	257,878

continued...

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 APRIL 2017

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Other loans	-	24,000
Trade creditors	194,060	180,275
Social security and other taxes	743	881
Deferred income	1,262	25,727
Accrued expenses	1,400	1,800
	197,465	232,683

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016
	£	£
Other loans - 1-2 years	-	12,000

REPORT OF THE ACCOUNTANTS TO THE DIRECTOR OF TRN - THE RESEARCH NETWORK LIMITED

The following reproduces the text of the report prepared for the director and members in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Director are not required to be filed with the Registrar of Companies.

As described on the Balance Sheet you are responsible for the preparation of the financial statements for the year ended 30 April 2017 set out on pages to and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Higson APS Limited
45 Queen Street
Deal
Kent
CT14 6EY

22 September 2017

Financial Statements

Michelson Diagnostics Limited

For the Year Ended 30 September 2017

Registered number: 05732681

Michelson Diagnostics Limited
Registered number:05732681

Statement of Financial Position
As at 30 September 2017

	Note		2017 £		2016 £
Fixed assets					
Tangible assets	5		**92,362**		238,634
Investments	6		**22,001**		22,001
			114,363		260,635
Current assets					
Stocks	7	**515,435**		565,041	
Debtors	8	**437,024**		495,045	
Cash at bank	9	**143,294**		181,969	
		1,095,753		1,242,055	
Creditors: amounts falling due within one year	10	**(635,264)**		(645,198)	
Net current assets			**460,489**		596,857
Total assets less current liabilities			**574,852**		857,492
Creditors: amounts falling due after more than one year	11		**(117,024)**		(234,048)
Net assets			**457,828**		623,444
Capital and reserves					
Called up share capital	13		**324,370**		321,119
Share premium account	14		**12,777,249**		12,113,287
Shares to be issued	14		**-**		124,961
Profit and loss account	14		**(12,643,791)**		(11,935,923)
			457,828		623,444

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15/1/2018

J.D.Holmes.

J Holmes
Director

Statement of Financial Position (continued)

As at 30 September 2017

The notes on pages 3 to 17 form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 30 September 2017

1. General information

Michelson Diagnostics Limited is a private company, limited by shares, incorporated in England and Wales with registered number 05732681. The company's registered head office is at Ground Floor Eclipse House Eclipse Park, Sittingbourne Road, Maidstone, Kent, ME14 3EN.

The company's principal activities continue to be the development, manufacture and supply of the patented, Optical Coherence Tomography (OCT) instrumentation (the VivoSight scanner) to the dermatology markets, and aesthetic laser treatment markets, and the supply of associated services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The company is the parent undertaking of a small group and as such is not required by the Companies Act of 2006 and Section 1a of FRS 102 to prepare consolidated financial statements. These financial statements therefore present information about the company as an individual undertaking and not about the group.

This is the first year adoption of FRS 102 for the company from its previous accounting framework under UK GAAP. The transition period to FRS 102 was 1 October 2014. The policies applied under the entities previous accounting framework are not materially different from FRS 102 and have not impacted the equity or profit or loss.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

Notes to the Financial Statements

For the Year Ended 30 September 2017

2. Accounting policies (continued)

2.2 Going concern

The company's business activities, together with the factors which are likely to affect its future development, performance and position are set out within the Review of the Business within the Directors' Report. The company is in its development phase and has the support of its investors during this phase. The company has organised funding of £550k after the year end and this was completed in December 2017. The directors have considered, approved and are implementing a strategic plan for the company. That plan and forecast assumes significant continued investment and development by the company in its product and international sales channels which will result in continued, albeit lower than historic, operating losses in the medium term. While the directors are of the opinion that the recent and future fund raisings will ensure that the company has enough cash reserves to operate as a going concern for a period of at least twelve months from the date of approval of the financial statements, should the company not meet its forecast, the company could extinguish its cash reserves during 2018 earlier than planned.

The directors have concluded that the combination of these circumstances represents a material uncertainty that casts significant doubt upon the company's ability to continue as a going concern and that, therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business. Nevertheless, after making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing these financial statements.

Notes to the Financial Statements
For the Year Ended 30 September 2017

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Rental income

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Notes to the Financial Statements
For the Year Ended 30 September 2017

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is calculated to write down the cost less estimated residual value of tangible fixed assets, over their estimated useful lives.

Depreciation is provided on the following basis:

Plant and machinery	-	8.33%	reducing balance
Fixtures and fittings	-	20.00%	straight line
Other fixed assets	-	20.00%	straight line

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first outbasis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset

Notes to the Financial Statements
For the Year Ended 30 September 2017

2. Accounting policies (continued)

2.9 Financial instruments (continued)

or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

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

Notes to the Financial Statements

For the Year Ended 30 September 2017

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.13 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Notes to the Financial Statements

For the Year Ended 30 September 2017

2. Accounting policies (continued)

2.14 Share based payments

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

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

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

Where equity instruments are granted to persons other than employees, the Statement of comprehensive income is charged with fair value of goods and services received.

2.15 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

2.16 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.17 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.18 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

Notes to the Financial Statements
For the Year Ended 30 September 2017

2. Accounting policies (continued)

2.19 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

2.20 Research and development

Research and deveopment costs are charged to Statement of comprehensive income as incurred.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Estimation uncertainty

Useful lives of depreciable assets
Management reviews its estimates of useful lives of depreciable assets at each reporting date, based on expected utility of the assets.

The directors have considered that no significant judgements, estimates and assumptions have been made which would have a material effect on the results of the company.

4. Employees

The average monthly number of employees, including directors, during the year was 8 (2016 - 11).

Notes to the Financial Statements
For the Year Ended 30 September 2017

5. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Other fixed assets £	Total £
Cost or valuation				
At 1 October 2016	59,799	91,527	368,562	519,888
Additions	184	-	40,207	40,391
Disposals	-	-	(121,460)	(121,460)
At 30 September 2017	59,983	91,527	287,309	438,819
Depreciation				
At 1 October 2016	59,473	31,520	190,262	281,255
Charge for the year on owned assets	212	17,527	94,183	111,922
Disposals	-	-	(46,720)	(46,720)
At 30 September 2017	59,685	49,047	237,725	346,457
Net book value				
At 30 September 2017	298	42,480	49,584	92,362
At 30 September 2016	327	60,007	178,300	238,634

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2016	22,001
Net book value	
At 30 September 2017	22,001
At 30 September 2016	22,001

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Notes to the Financial Statements
For the Year Ended 30 September 2017

6. Fixed asset investments (continued)

Name	Country of incorporation	Holding	Principal activity
Michelson Diagnostics Inc	USA	100 %	Supply and marketing of medical devices.
Michelson Diagnostics Gmbh	Germany	100 %	Supply and marketing of medical devices.
Michelson Diagnostics Finance UK Limited	UK	100 %	Financial leasing

7. Stocks

	2017 £	2016 £
Raw materials and consumables	**286,222**	313,173
Work in progress (goods to be sold)	**46,127**	24,323
Finished goods and goods for resale	**183,086**	227,545
	515,435	565,041

8. Debtors

	2017 £	2016 £
Trade debtors	**154,575**	4,749
Amounts owed by group undertakings	**29,534**	-
Other debtors	**143,376**	368,614
Tax recoverable	**109,539**	121,682
	437,024	495,045

Amounts owed to group undertakings are unsecured, interest free and are repayable on demand.

9. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	**143,294**	181,969

Notes to the Financial Statements
For the Year Ended 30 September 2017

10. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Unsecured loans	117,024	10,952
Trade creditors	185,416	244,491
Amounts owed to group undertakings	119,450	86,420
Other taxation and social security	16,367	8,733
Other creditors	186,007	294,602
Accruals and deferred income	11,000	-
	635,264	645,198

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

No interest is charged on the unsecured loans. The last repayment date of the unsecured loans is September 2019. The directors consider that the carrying value of the loan is not materially different from its fair market value.

11. Creditors: Amounts falling due after more than one year

	2017	2016
	£	£
Unsecured loans	117,024	234,048

No interest is charged on the unsecured loans. The last repayment date of the unsecured loans is September 2019. The directors consider that the carrying value of the loan is not materially different from its fair market value.

Notes to the Financial Statements

For the Year Ended 30 September 2017

12. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at amortised costs	**470,779**	509,527
Financial liabilities		
Financial liabilities measured at amortised costs	**(607,897)**	(590,660)
	607,897	590,660

Financial assets measured at amortised costs comprise cash, trade debtors, other debtors and amounts owed by group undertakings.

Other financial liabilities measured at amortised costs comprise loans, trade creditors, amounts owed to group undertakings, and other creditors.

13. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
192,423 (2016 - 189,898) Ordinary shares of £1 each	**192,423**	189,898
116,630 Ordinary A shares of £1 each	**116,630**	116,630
125,677 (2016 - 125,680) Ordinary A1 shares of £0.10 each	**12,568**	12,568
253,399 (2016 - 253,000) Ordinary A2 shares of £0.001 each	**253**	253
269,862 (2016 - 270,000) Ordinary B shares of £0.001 each	**270**	270
2,226,139 (2016 - 1,500,000) Ordinary C shares of £0.001 each	**2,226**	1,500
	324,370	321,119

During the year 726,145 Ordinary C shares were issued for a total consideration (net of expenses) of £677,668. It was noted after the last financial year that the Ordinary shares of £1 each was understated by £2,525 in 2016. The Ordinary shares of £1 each has been correctly stated this year.

14. Reserves

Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Shares to be issued

Includes proceeds of shares issued after year end.

Profit and loss account

Includes all current and prior period retained profits and losses.

Foreign exchange reserves

Included gains and losses, resulting from transactions and balances with group companies.

Other reserves

Includes proceeds or shares issued after year end.

15. Share based payments

The company has issued approved and unapproved options to acquire shares in the company as follows:

	Weighted average exercise price (pence) 2017	**Number 2017**	Weighted average exercise price (pence) 2016	Number 2016
Approved: Ordinary shares	**1.00**	**29,733**	1.00	29,733
Approved: C Shares	**0.20**	**183,300**	0.20	239,700
Unapproved: Ordinary shares	**1.00**	**8,096**	1.00	8,096
Unapproved: C shares	**0.50**	**8,000**		-
Unapproved: C Shares	**0.20**	**17,055**		-
Outstanding at the end of the year		**246,184**		277,529

The are no performance conditions attached to these options.

The options have a term of 10 years from the date granted and are only cancelled when an employee leaves the company.

During the year, 28,200 C share options lapsed after an employee left the company. On other other hand, 25,055 C share options were granted but are not approved by HMRC before or at year end.

In accordance with the transitional exemption available in FRS 102, the company has chosen not to retrospectively apply the standard to share-based payments that occurred before the date of transition to FRS 102, being 1 October 2015.

The fair value of the options granted during the year was immaterial.

16. Related party transactions

The directors of the company has taken advantage of the exemption available to them under Section 33, FRS 102, not to disclosed transactions with fellow group undertakings where 100% of the voting rights are controlled within the group.

17. Post balance sheet events

In order to fund the future development of the business, new ordinary shares were issued post year end, raising a total of £550,000.

Notes to the Financial Statements

For the Year Ended 30 September 2017

18. Auditor's information

The audited Finacial Statements of Michelson Diagnostics Limited include unqualified auditor's report. The auditor's report draws attention to a material uncertainty relating to going concern, noted in note 2.2 of the financial statements, which indicates that the company incurred a net loss of £719,050 during the year ended 30 September 2017. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's abilty to continue as a going concern. Our opinion is not modified in respect. The auditor was Grant Thornton UK LLP Crawley, and the auditors report was signed by Jonathan Maile BSc (Hons) FCA (Senior Statutory auditor).

Digital Contact Limited

Company Registration Number
08035366

Report of the Directors and
Abridged Unaudited Financial Statements

Period of accounts

Start date 01/05/2016

End date 30/04/2017

Contents of the Financial Statements
for the Period Ended 30 April 2017

Digital Contact Limited

Company Information

for the Period Ended 30 April 2017

Directors		Mr G Mann Mr L Harstad Mr A Ware Mr M Jenkins Mr T Gaunt
Registered office		Unit 42 The Coach House St Mary's Business Centre Bexley Kent DA5 1LU
Company Registration Number		08035366
Accountants	Name	Pomfrey Accountants Limited
	Address	Unit 42 The Coach House St Mary's Business Centre Bexley Kent DA5 1LU

Accountants' Report

for the Period Ended 30 April 2017

Independent accountants' report

Report to the directors on the preparation of the unaudited statutory accounts of the company for theperiod ended 30 April 2017. In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of the company for the period ended 30 April 2017 as set out on pages 3 to 10 which comprise of the Balance Sheet and the related notes from the companys accounting records and from information and explanations you have given us. This report is made solely to the Board of Directors of the company, as a body, in accordance with the terms of our engagement. Our work has been undertaken solely to prepare for your approval the accounts of the company and state those matters that we have agreed to state to the Board of Directors of the company, as a body, in this report. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors as a body for our work or for this report.

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

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

Pomfrey Accountants Limited
Unit 42 The Coach House
St Mary's Business Centre
Bexley Kent
DA5 1LU

Date 2017-05-15

Digital Contact Limited

Balance Sheet

for the Period Ended 30 April 2017

Company registration number 08035366

	Notes	2017	2016
		£	£
Fixed assets			
Tangible fixed assets	2	14,826	18,779
Total fixed assets		14,826	18,779
Current assets			
Debtors	3	255,309	230,781
Cash at bank and in hand		430,179	583,065
Total current assets/(liabilities)		685,488	813,846
Creditors			
Creditors - amounts falling due within one year	4	117,682	87,084
Net current assets		567,806	726,762
Total assets less current liabilities		582,632	745,541
Creditors - amounts falling due after more than one year	5	712,454	731,488
Long term creditors		712,454	731,488
Net assets/(liabilities)		(129,822)	14,053
Capital and reserves			
Called up share capital	6	15,123	13,889
Share premium		2,031,203	1,632,762
Profit and loss account	7	(2,176,148)	(1,632,598)
Total shareholders funds		(129,822)	14,053

Digital Contact Limited

Balance Sheet

for the Period Ended 30 April 2017

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The option not to file the profit and loss account has been taken.

For the year ending 30 April 2017 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The members have agreed to the preparation of abridged accounts.

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

The financial statements were approved by the Board of Directors on 2017-05-15

SIGNED ON BEHALF OF THE BOARD BY

Name Mr G Mann

The notes form part of these financial statements

Digital Contact Limited

Notes to the Financial Statements

for the Period Ended 30 April 2017

1. Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the small companies regime.

Going Concern

The company has a deficit on shareholders' funds and relies upon the support of its shareholders and creditors,which has been confirmed for a period of at least twelve months from the approval of the financia statements.Accordingly the directors have prepared the financial statements on the going concern basis.

Tangible fixed assets Depreciation

Depreciation is provided, after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life.

Research and Development

Expenditure on research and development is written off in the year in which it is incurred.

Digital Contact Limited

Notes to the Financial Statements

for the Period Ended 30 April 2017

2. Tangible fixed assets

	Office equipment	Motor vehicles	Total
Cost	£	£	£
At 1 May 2016	7,889	19,816	27,705
At 30 April 2017	7,889	19,816	27,705
Depreciation			
At 1 May 2016	4,964	3,962	8,926
Charge for year	1,972	1,981	3,953
At 30 April 2017	6,936	5,943	12,879
Net book value			
At 30 April 2017	953	13,873	14,826
At 30 April 2016	2,925	15,854	18,779

Digital Contact Limited

Notes to the Financial Statements
for the Period Ended 30 April 2017

3. Debtors	2017	2016
Trade debtors	29,160	17,040
Other debtors	222,324	207,627
Prepayments and accrued income	3,825	6,114
Total	255,309	230,781

4. Creditors amounts falling due within one year	2017	2016
Trade creditors	84,903	39,424
Other taxation and social security	10,437	7,661
Accruals and deferred income	22,227	39,999
Other creditors	115	
Total	117,682	87,084

5. Creditors amounts falling due after more than one year	2017	2016
Other creditors	712,454	731,488
Total	712,454	731,488

Digital Contact Limited

Notes to the Financial Statements

for the Period Ended 30 April 2017

6. Share capital

		2017	2016
Authorised type	Par value	£	£
Ordinary	1	15,123	13,889
Total		15,123	13,889
Allotted, called up and paid		£	£
Ordinary		15,123	13,889
Total		15,123	13,889

7. Reserves/Retained profit

Retained profit reconciliation	£
Reserves at 1 May 2016	(1,632,598)
Profit/(Loss) for year	(543,550)
Dividends paid	
Retained Profit/(Loss) at 30 April 2017	(2,176,148)

Registered number: 07191036

Venomtech Limited

Unaudited

Abbreviated accounts

For the year ended 31 August 2016

Venomtech Limited

The following reproduces the text of the Chartered accountants' report in respect of the company's annual financial statements, from which the abbreviated accounts (set out on pages 2 to 4) have been prepared.

Chartered accountants' report to the board of directors on the preparation of the unaudited statutory financial statements of Venomtech Limited for the year ended 31 August 2016

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Venomtech Limited for the year ended 31 August 2016 which comprise the Profit and loss account, the Balance sheet and the related notes from the company's accounting records and from information and explanations you have given to us.

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

This report is made solely to the Board of directors of Venomtech Limited, as a body, in accordance with the terms of our engagement letter dated 28 June 2017. Our work has been undertaken solely to prepare for your approval the financial statements of Venomtech Limited and state those matters that we have agreed to state to the Board of directors of Venomtech Limited, as a body, in this report in accordance with ICAEW Technical release TECH07/16AAF . To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Venomtech Limited and its Board of directors, as a body, for our work or for this report.

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

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

Kreston Reeves LLP

Kreston Reeves LLP

Chartered Accountants

Office 20, Second Floor
Innovation House
Ramsgate Road
Sandwich
Kent
CT13 9FF

28 June 2017

Venomtech Limited
Registered number: 07191036

Abbreviated balance sheet
As at 31 August 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible assets	2		**12,408**		16,144
Current assets					
Stocks		**15,906**		14,285	
Debtors		**16,014**		17,994	
Cash at bank and in hand		**49,300**		23,007	
		81,220		55,286	
Creditors: amounts falling due within one year	3	**(89,158)**		(16,823)	
Net current (liabilities)/assets			**(7,938)**		38,463
Total assets less current liabilities			**4,470**		54,607
Creditors: amounts falling due after more than one year			**(133,269)**		(87,896)
Net liabilities			**(128,799)**		(33,289)
Capital and reserves					
Called up share capital	4		**168**		162
Share premium account			**521,346**		473,244
Profit and loss account			**(650,313)**		(506,695)
Shareholders' deficit			**(128,799)**		(33,289)

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 August 2016 and of its loss for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf on 27 June 2017.

Mr S A Trim
Director

The notes on pages 3 to 4 form part of these financial statements.

Notes to the abbreviated accounts
For the year ended 31 August 2016

1. Accounting policies

1.1 Basis of preparation of financial statements

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

1.2 Going concern

The company has agreements in place to provide snake and invertebrate venom to companies in the coming months. However, despite significant efforts, it has so far proved difficult to obtain additional contracts. If new contracts are not forthcoming, the directors will need to wind up the company.

The directors have concluded that a material uncertainty exists that casts significant doubt upon the company's ability to continue as a going concern and that, therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business. However, given the continuing efforts to secure new contracts, the directors continue to adopt the going concern basis of accounting.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	25% reducing balance
Fixtures & fittings	-	25% reducing balance

1.5 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

1.6 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.7 Research and development

Research and development expenditure is written off in the year in which it is incurred.

Notes to the abbreviated accounts
For the year ended 31 August 2016

2. Tangible fixed assets

	£
Cost	
At 1 September 2015	**39,150**
Additions	**400**
At 31 August 2016	**39,550**
Depreciation	
At 1 September 2015	**23,006**
Charge for the year	**4,136**
At 31 August 2016	**27,142**
Net book value	
At 31 August 2016	**12,408**
At 31 August 2015	16,144

3. Creditors: Amounts falling due within one year

The bank overdraft of £136 is secured by way of a debenture.

4. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
16,769 (2015 - 16,097) Ordinary shares of £0.01 each	**167.69**	160.97
56 Non-diluting shares of £0.01 each	**0.56**	0.56
	168	162

During the year, 672 Ordinary shares of £0.01 each were allotted with an aggregate nominal value of £6.72. The shares were fully paid up during the period.

Company Registration Number 08939210 (England and Wales)

MEAD VT GROUP HOLDINGS LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

PAGES FOR FILING WITH REGISTRAR

MEAD VT GROUP HOLDINGS LIMITED

BALANCE SHEET

AS AT 31 MARCH 2017

	2017		2016	
	£	£	£	£
Fixed assets		602		602
Current assets	249,574		249,574	
Net current assets		249,574		249,574
Total assets less current liabilities		250,176		250,176
Net assets		250,176		250,176
Capital and reserves		250,176		250,176

Mead VT Group Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is 53 Towers Road, Globe Industrial Estate, Grays, Essex, RM17 6ST.

The director of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the year ended 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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.

These financial statements have been prepared in accordance with the micro-entity provisions and in accordance with FRS 105 'The Financial Reporting Standard applicable to the Micro-entities Regime' and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the director and authorised for issue on 20 December 2017

Mr B C Mead
Director

Company Registration Number 08939210

Company Registration No. 08477656 (England and Wales)

FUTURENOVA LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2017

PAGES FOR FILING WITH REGISTRAR

FUTURENOVA LIMITED

COMPANY INFORMATION

Directors	M Casey	
	P Jones	(Appointed 23 March 2017)
	M Thorp	(Appointed 23 March 2017)
	C Soden	(Appointed 23 March 2017)
Company number	08477656	
Registered office	Innovation House Innovation Way Discovery Park Sandwich Kent CT13 9FF	
Accountants	UHY Hacker Young PO Box 501 The Nexus Building Broadway Letchworth Garden City Herts SG6 9BL	
Business address	The Medbic Innovation Centre Alan Cherry Drive Chelmsford Essex CM1 1SQ	

FUTURENOVA LIMITED

CONTENTS

FUTURENOVA LIMITED

BALANCE SHEET

AS AT 30 APRIL 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets			33,108		37,118
Tangible assets	4		85,586		89,517
			118,694		126,635
Current assets					
Stocks		60,536		25,767	
Debtors	5	133,184		14,815	
Cash at bank and in hand		55,278		92,442	
		248,998		133,024	
Creditors: amounts falling due within one year	6	(146,482)		(113,860)	
Net current assets			102,516		19,164
Total assets less current liabilities			221,210		145,799
Creditors: amounts falling due after more than one year	7		(150,378)		(168,571)
Net assets/(liabilities)			70,832		(22,772)
Capital and reserves					
Called up share capital	8		1,600		1,350
Share premium account			599,400		349,650
Profit and loss reserves			(530,168)		(373,772)
Total equity			70,832		(22,772)

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 April 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

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.

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

FUTURENOVA LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 APRIL 2017

The financial statements were approved by the board of directors and authorised for issue on 31 January 2018 and are signed on its behalf by:

M Casey
Director

Company Registration No. 08477656

FUTURENOVA LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2017

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 May 2015		1,150	149,850	(69,906)	81,094
Year ended 30 April 2016:					
Loss and total comprehensive income for the year		-	-	(303,866)	(303,866)
Issue of share capital	8	200	199,800	-	200,000
Balance at 30 April 2016		1,350	349,650	(373,772)	(22,772)
Year ended 30 April 2017:					
Loss and total comprehensive income for the year		-	-	(156,396)	(156,396)
Issue of share capital	8	250	249,750	-	250,000
Balance at 30 April 2017		1,600	599,400	(530,168)	70,832

1 Accounting policies

Company information
Futurenova Limited is a private company limited by shares incorporated in England and Wales. The registered office is Innovation House, Innovation Way, Discovery Park, Sandwich, Kent, CT13 9FF.

1.1 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 a mounts 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.

These financial statements for the year ended 30 April 2017 are the first financial statements of Futurenova Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 May 2016. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 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.

1.3 Turnover
Turnover is recognised at the fair value of the consideration received or receivable for goods and 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 the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

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 & licences	10 years straight line

1.5 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.

1 Accounting policies **(Continued)**

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

Plant and equipment	33% straight line
Fixtures and fittings	25 - 33% straight line

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

1.6 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).

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 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 in the company's balance sheet 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.

Basic financial assets

Basic financial assets, which include 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

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

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

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

Basic financial liabilities
Basic financial liabilities, including 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

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

1.11 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.

1.12 Leases
Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1 Accounting policies **(Continued)**

1.13 Government grants

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

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

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 4 (2016 - 3).

3 Intangible fixed assets

	Other
	£
Cost	
At 1 May 2016 and 30 April 2017	40,100
Amortisation and impairment	
At 1 May 2016	2,982
Amortisation charged for the year	4,010
At 30 April 2017	6,992
Carrying amount	
At 30 April 2017	33,108
At 30 April 2016	37,118

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 May 2016	120,094
Additions	6,138
At 30 April 2017	126,232
Depreciation and impairment	
At 1 May 2016	30,578
Depreciation charged in the year	10,068
At 30 April 2017	40,646
Carrying amount	
At 30 April 2017	85,586
At 30 April 2016	89,517

5 Debtors

	2017	2016
Amounts falling due within one year:	£	£
Trade debtors	263	-
Other debtors	132,921	14,815
	133,184	14,815

6 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	37,674	13,407
Other taxation and social security	9,163	4,111
Other creditors	99,645	96,342
	146,482	113,860

7 Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Kent County Council Loan	80,378	98,571
Low Carbon Investment Fund loan	70,000	70,000
	150,378	168,571

The £70,000 Low Carbon Investment Fund convertible loan was secured by fixed and floating charges over all the property or undertakings of the company. The floating charge was removed in October 2017 as planned and the loan converted to equity.

8 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
1,600,000 ordinary shares of 0.1p each	1,600	1,350
	1,600	1,350

9 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2017	2016
	£	£
Within one year	4,872	-
Between two and five years	2,030	-
	6,902	-

10 Related party transactions

At the balance sheet date, the company owed £63.581 (2016: £66,581) to M.Casey, Director. There are no terms for repayment and no interest is being charged.

REGISTERED NUMBER: 04645054 (England and Wales)

Unaudited Financial Statements

for the Year Ended 31 July 2017

for

ANCON TECHNOLOGIES LIMITED

Contents of the Financial Statements for the Year Ended 31 July 2017

ANCON TECHNOLOGIES LIMITED

Company Information
for the Year Ended 31 July 2017

DIRECTORS:	Dr B Gorbunov Dr R B Muir Mr W J Baker Ms S C Wild
REGISTERED OFFICE:	Canterbury Innovation Centre University Road Canterbury Kent CT2 7FG
REGISTERED NUMBER:	04645054 (England and Wales)
ACCOUNTANTS:	Michael Martin Partnership Limited Chartered Certified Accountants 18 Canterbury Road Whitstable Kent CT5 4EY
BANKERS:	Nat West 11 The Parade Canterbury Kent CT1 2SQ

Balance Sheet
31 July 2017

	Notes	31.7.17 £	£	31.7.16 £	£
FIXED ASSETS					
Intangible assets	4		4,000,000		-
Tangible assets	5		56,621		78,251
			4,056,621		78,251
CURRENT ASSETS					
Stocks		97,595		-	
Debtors	6	669,673		386,018	
Cash at bank and in hand		8,304		621,703	
		775,572		1,007,721	
CREDITORS					
Amounts falling due within one year	7	238,459		230,862	
NET CURRENT ASSETS			537,113		776,859
TOTAL ASSETS LESS CURRENT LIABILITIES			4,593,734		855,110
CREDITORS					
Amounts falling due after more than one year	8		50,700		117,500
NET ASSETS			4,543,034		737,610
CAPITAL AND RESERVES					
Called up share capital	10		245		243
Share premium	11		1,004,955		964,957
Revaluation reserve	11		4,000,000		-
Retained earnings	11		(462,166)		(227,590)
SHAREHOLDERS' FUNDS			4,543,034		737,610

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

continued...

Balance Sheet - continued
31 July 2017

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 20 October 2017 and were signed on its behalf by:

Dr R B Muir - Director

Notes to the Financial Statements
for the Year Ended 31 July 2017

1. STATUTORY INFORMATION

Ancon Technologies Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover
Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intellectual property
Intellectual property has been valued by the directors on an open market bases.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 25% on cost
Computer equipment	- 25% on reducing balance

Stocks
Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

continued...

2. **ACCOUNTING POLICIES - continued**

Pension costs and other post-retirement benefits
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 13 .

4. **INTANGIBLE FIXED ASSETS**

	Intellectual property £
COST	
Additions	4,000,000
At 31 July 2017	4,000,000
NET BOOK VALUE	
At 31 July 2017	4,000,000

5. **TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 August 2016	95,284	575	7,313	103,172
Additions	76	1,636	1,816	3,528
Disposals	(3,447)	-	-	(3,447)
At 31 July 2017	91,913	2,211	9,129	103,253
DEPRECIATION				
At 1 August 2016	21,715	252	2,954	24,921
Charge for year	19,679	489	1,543	21,711
At 31 July 2017	41,394	741	4,497	46,632
NET BOOK VALUE				
At 31 July 2017	50,519	1,470	4,632	56,621
At 31 July 2016	73,569	323	4,359	78,251

continued...

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.17	31.7.16
	£	£
Trade debtors	47,460	-
Other debtors	162,781	1,898
Deferred tax asset	443,806	375,495
Amount due from related party	138	138
Prepayments	15,488	8,487
	669,673	386,018

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.17	31.7.16
	£	£
Other loans	94,000	87,500
Hire purchase contracts	6,800	-
Trade creditors	38,565	81,031
Social security and other taxes	35,123	11,213
VAT	10,115	19,360
Other creditors	31,356	-
Amount due to related party	20,000	-
Accrued expenses	2,500	31,758
	238,459	230,862

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.7.17	31.7.16
	£	£
Other loans - 1-2 years	23,500	94,000
Other loans - 2-5 years	-	23,500
Hire purchase contracts	27,200	-
	50,700	117,500

9. DEFERRED TAX

	£
Balance at 1 August 2016	(375,495)
Provided during year	(68,311)
Balance at 31 July 2017	(443,806)

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.7.17	31.7.16
			£	£
2,446,666	Ordinary	1	245	243

17,778 Ordinary shares of 1 were issued during the year for cash of £ 40,001 .

continued...

Notes to the Financial Statements - continued
for the Year Ended 31 July 2017

11. RESERVES

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 August 2016	(227,590)	964,957	-	737,367
Deficit for the year	(234,576)			(234,576)
Cash share issue	-	39,998	-	39,998
Intellectual property	-	-	4,000,000	4,000,000
At 31 July 2017	(462,166)	1,004,955	4,000,000	4,542,789

COMPANY REGISTRATION NUMBER: 08561309

Creabilis Holdings Limited (formerly Creabilis PLC)

Financial Statements

31 December 2016

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A23 30/06/2017 #156
COMPANIES HOUSE

BURGESS HODGSON LLP
Chartered accountant & statutory auditor
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

Creabilis Holdings Limited (formerly Creabilis PLC)

Financial Statements

Year ended 31 December 2016

Creabilis Holdings Limited (formerly Creabilis PLC)

Strategic Report

Year ended 31 December 2016

Creabilis Holdings Limited is the holding company of the Creabilis Group. The Group is engaged in pharmaceutical development activities in relation to inflammatory skin conditions.

On the 6th December 2016 Creabilis Holdings Limited was acquired by Sienna Biopharmaceuticals Inc - a U.S based medical dermatology and aesthetics company.

The accounts presented here are the accounts of the holding company alone and do not include the consolidated results of subsidiary companies. The exemption from the preparation of consolidated accounts is as set out under S399 (a)(ii) Companies Act 2006.

Business review

The financial performance of the company reflects the activity in the company leading up to the sale of the company in December 2016. The accounts include finance charges on the financial instruments and loans used to fund the activities of the group. These loans and financial instruments were redeemed when the company was sold in December 2016. The accounts also include a significant foreign exchange loss in the year due to the presence of Euro denominated loans and the significant Sterling / Euro exchange rate variances during the year.

Risks and uncertainties

The fundamental risks and uncertainties to which the company is exposed relate to the ongoing scientific research conducted by the company on the pharmaceutical products under development. The outcome of this work is, by its nature, highly uncertain. The directors have attempted to minimise these risks by utilising robust scientific practices and utilising an experienced management team.

Future developments

The expectation is that the scientific development work undertaken by the group will continue throughout 2017 and beyond.

This report was approved by the board of directors on 27/6/2017 and signed on behalf of the board by:

T Andrews
Director

Registered office:
Camburgh House
27 New Dover Road
Canterbury
Kent
UK
CT1 3DN

Creabilis Holdings Limited (formerly Creabilis PLC)

Directors' Report

Year ended 31 December 2016

The directors present their report and the financial statements of the company for the year ended 31 December 2016.

Directors

The directors who served the company during the year were as follows:

T Andrews	(Appointed 6 December 2016)
F Beddingfield III	(Appointed 6 December 2016)
C Moukheibir	(Resigned 6 December 2016)
C Nessi	(Resigned 6 December 2016)
G Seghezzi	(Resigned 6 December 2016)
A Boni	(Resigned 6 December 2016)
A Leech	(Resigned 6 December 2016)

Dividends

The directors do not recommend the payment of a dividend.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' 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. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Creabilis Holdings Limited (formerly Creabilis PLC)

Directors' Report *(continued)*

Year ended 31 December 2016

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 27/6/2017...... and signed on behalf of the board by:

T Andrews
Director

Registered office:
Camburgh House
27 New Dover Road
Canterbury
Kent
UK
CT1 3DN

Creabilis Holdings Limited (formerly Creabilis PLC)

Independent Auditor's Report to the Members of Creabilis Holdings Limited (formerly Creabilis PLC)

Year ended 31 December 2016

We have audited the financial statements of Creabilis Holdings Limited (formerly Creabilis PLC) for the year ended 31 December 2016 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

Independent Auditor's Report to the Members of Creabilis Holdings Limited (formerly Creabilis PLC) *(continued)*

Year ended 31 December 2016

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Burgess Hodgson LLP

Thomas Saltmer (Senior Statutory Auditor)

For and on behalf of
Burgess Hodgson LLP
Chartered accountant & statutory auditor

Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

29 June 2017

Creabilis Holdings Limited (formerly Creabilis PLC)

Statement of Comprehensive Income

Year ended 31 December 2016

	Note	2016 £	Unaudited 2015 £
Turnover	**4**	**–**	1,155,299
Gross profit		**–**	1,155,299
Administrative expenses		**715,885**	61,077
Operating (loss)/profit	**4**	**(715,885)**	1,094,222
Interest payable and similar expenses	**7**	**3,264,655**	5,445,159
Loss before taxation		**(3,980,540)**	(4,350,937)
Tax on loss		**–**	–
Loss for the financial year and total comprehensive income		**(3,980,540)**	(4,350,937)

All the activities of the company are from continuing operations.

The notes on pages 10 to 16 form part of these financial statements.

Creabilis Holdings Limited (formerly Creabilis PLC)

Statement of Financial Position

31 December 2016

	Note	2016 £	2016 £	Unaudited 2015 £
Fixed assets				
Investments	8		43,603,526	41,009,319
Current assets				
Debtors	9	18,892,703		17,008,745
Cash at bank and in hand		46,500		622,081
		18,939,203		17,630,826
Creditors: amounts falling due within one year	10	5,400,316		47,465,066
Net current assets/(liabilities)			13,538,887	(29,834,240)
Total assets less current liabilities			57,142,413	11,175,079
Creditors: amounts falling due after more than one year	11		–	(2,573,505)
Net assets			57,142,413	8,601,574
Capital and reserves				
Called up share capital	12		291,298	100
Share premium account	13		20,573,059	–
Other reserves, including the fair value reserve	13		8,623,219	20,188,219
Profit and loss account	13		27,654,837	(11,586,745)
Members funds			57,142,413	8,601,574

These financial statements were approved by the board of directors and authorised for issue on 27/6/2017 and are signed on behalf of the board by:

T Andrews
Director

Company registration number: 08561309

The notes on pages 10 to 16 form part of these financial statements.

Creabilis Holdings Limited (formerly Creabilis PLC)

Statement of Changes in Equity

Year ended 31 December 2016

	Note	Called up share capital £	Share premium account £	Other reserves, including the fair value reserve £	Profit and loss account £	Total £
At 1 January 2015 (as previously reported and unaudited)		100	–	20,129,219	(174,550)	19,954,769
Prior period adjustments	**11**	–	–	–	(7,061,258)	(7,061,258)
At 1 January 2015 (restated and unaudited)		100	–	20,129,219	(7,235,808)	12,893,511
Loss for the year					(4,350,937)	(4,350,937)
Total comprehensive income for the year		–	–	–	(4,350,937)	(4,350,937)
Equity-settled share-based payments		–	–	59,000	–	59,000
Total investments by and distributions to owners		–	–	59,000	–	59,000
At 31 December 2015 (unaudited)		100	–	20,188,219	(11,586,745)	**8,601,574**
Loss for the year					(3,980,540)	**(3,980,540)**
Total comprehensive income for the year		–	–	–	(3,980,540)	**(3,980,540)**
Issue of shares		149,012	20,573,059	–	–	**20,722,071**
Issue of bonus shares		142,186	–	(142,186)	–	**-**
Gain on modification of preference shares		–	–	–	31,388,625	**31,388,625**
Adjustment on modification of terms of convertible loans		–	–	(233,317)	644,000	**410,683**
Transfer of convertible instrument reserve to profit and loss reserve		–	–	(11,189,497)	11,189,497	**-**
Total investments by and distributions to owners		291,198	20,573,059	(11,565,000)	43,222,122	**52,521,379**
At 31 December 2016		291,298	20,573,059	8,623,219	27,654,837	**57,142,413**

The notes on pages 10 to 16 form part of these financial statements.

Creabilis Holdings Limited (formerly Creabilis PLC)

Statement of Cash Flows

Year ended 31 December 2016

	2016	Unaudited 2015
	£	£
Cash flows from operating activities		
Loss for the financial year	**(3,980,540)**	(4,350,937)
Adjustments for:		
Interest payable and similar expenses	**3,264,655**	5,445,159
Changes in:		
Trade and other debtors	**8,077**	24,924
Trade and other creditors	**20,000**	–
Cash generated from operations	**(687,808)**	1,119,146
Interest paid	**-**	(347,159)
Net cash used in operating activities	**(687,808)**	771,987
Cash flows from investing activities		
Acquisition of subsidiaries	**(2,594,207)**	–
Net cash used in investing activities	**(2,594,207)**	–
Cash flows from financing activities		
Proceeds from issue of ordinary shares	**20,722,171**	–
Proceeds from issue of shares classed as financial liabilities	**-**	-
Proceeds from borrowings	**948,000**	3,433,876
Repayment of borrowings	**(22,625,018)**	-
Proceeds from loans from group undertakings	**5,380,316**	–
Loans to group undertakings	**(1,719,035)**	(3,649,248)
Net cash from financing activities	**2,706,434**	(215,372)
Net increase/(decrease) in cash and cash equivalents	**(575,581)**	556,615
Cash and cash equivalents at beginning of year	**622,081**	65,466
Cash and cash equivalents at end of year	**46,500**	622,081

The notes on pages 10 to 16 form part of these financial statements.

Creabilis Holdings Limited (formerly Creabilis PLC)

Notes to the Financial Statements

Year ended 31 December 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Camburgh House, 27 New Dover Road, Canterbury, Kent, CT1 3DN, UK. The company registered as a plc on the 8 March 2016 and subsequently re-registered as a private company on the 17 January 2017.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 January 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 15.

Consolidation

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 399 of the Companies Act 2006.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

3. Accounting policies *(continued)*

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Financial instruments

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 entity after deducting all of its financial liabilities.

The company had issued convertible preference shares and convertible loans. Under the guidance set out in FRS 102 these convertible financial instruments have been presented in the financial statements as being a hybrid financial instrument in that part of the instrument is recognised as equity and part recognised as a liability.

4. Operating profit

Operating profit or loss is stated after charging/(crediting):

	2016	2015
	£	£
Foreign exchange differences	**566,103**	(112,005)

5. Critical estimates and judgement

Convertible preference shares and convertible loans

The company had issued convertible preference shares and convertible loans. Under the guidance set out in FRS 102 these convertible financial instruments have been presented in the financial statements as being a hybrid financial instrument in that part of the instrument is recognised as equity and part recognised as a liability. In order to calculate how the financial instruments are allocated between equity and liability various assumptions have been made including of the appropriate discount rate.

During the period ended 31 December 2016, the rights of the preference shares were amended such that they fell to be accounted for as equity instruments rather than liabilities. It was determined that this was a transaction with the holders within their capacity as shareholders of the preference shares rather than lenders, resulting in a credit to retained losses of £31,388,625, which equates to the carrying value of the liability at the date the rights were amended. The judgement that the transaction was with the holders in their capacity as shareholders was a key judgement, as if it was deemed to have been in their capacity as lenders, the gain would have been included in the income statement.

On 17 March 2016, a number of the convertible loans that were beyond their original maturity date were given a revised maturity date of 31 December 2016. The directors have also applied judgement, within the context of FRS 102, in determining that this gave rise to an extinguishment of the existing loan instruments, followed by an immediate issue of new loan instruments. As above, this was deemed to have been a transaction with the lenders within their capacity as shareholders and the resulting credit of £644,000 was also taken directly to equity.

6. Employees and directors

The directors were the only employees of the company during the year.

7. Interest payable and similar expenses

	2016	2015
	£	£
Interest on bank loans	**733,655**	453,159
Interest on convertible preference shares	**713,000**	4,002,000
Interest on convertible loan notes	**1,818,000**	990,000
	3,264,655	5,445,159

8. Investments

	Shares in group undertakings £
Cost	
At 1 January 2016	**41,009,319**
Additions	**2,594,207**
At 31 December 2016	**43,603,526**
Impairment	
At 1 Jan 2016 and 31 Dec 2016	**–**
Carrying amount	
At 31 December 2016	**43,603,526**
At 31 December 2015	41,009,319

The company owns directly or indirectly the whole of the issued and fully paid ordinary share capital of its subsidiary undertakings.

Subsidiary undertakings of the group at 31 December 2016 are presented below:

		Proportion of ordinary shares owned by company (%)	Proportion of ordinary shares owned by group (%)
Creabilis S.A	- Luxembourg	100	100
Creabilis Therapeutics S.r.l	- Italy	–	100
Creabilis UK Limited	- UK	–	100

On 5 July 2013, the Company acquired the whole of the issued ordinary and preference share capital of Creabilis S.A. for consideration of £41,009,319, settled by way of a share-for-share exchange. During the year a further investment of £2,594,207 was made in the shares of Creabilis S.A.

9. Debtors

	2016 **£**	2015 £
Amounts owed by group undertakings	**18,892,703**	17,000,668
Prepayments and accrued income	**–**	5,257
Other debtors	**–**	2,820
	18,892,703	17,008,745

10. Creditors: amounts falling due within one year

	2016	2015
	£	£
Convertible loan notes	–	14,571,000
Bank loans and overdrafts	–	2,218,066
Amounts owed to group undertakings	**5,380,316**	–
Social security and other taxes	**20,000**	–
Shares classed as financial liabilities	–	30,676,000
	5,400,316	47,465,066

All bank borrowings were repaid during the year. At the year end the company owed £5,380,316 to Sienna Biopharmaceuticals Inc. As at 31 December 2016 this amount was repayable on demand but was subsequently converted to share capital in June 2017.

Convertible loans

The Company previously had in issue various convertible loan notes. The loan notes paid the holder interest at 8% per annum and were convertible into ordinary shares in the Company to be issued on any date after September 2014.

On 17 March 2016 the terms of outstanding convertible loans were amended to extend the maturity of these loans to 31 December 2016 and provide that interest on the loans will accrue only up to 29 February 2016 conditional on the occurrence of an IPO by 30 June 2016. Under the amended terms of these agreements, the outstanding balance was to be converted into ordinary shares of the Company subject to and conditional on the occurrence of an IPO. No IPO occurred during the period ended 31 December 2016, meaning that interest was due on these loans up to the revised maturity date.

All convertible loan notes in issue were redeemed by the company on the 6 December 2016 in exchange for the issue of new Class B shares.

Convertible preference shares

The Company had issued 2,750,000 0.01p Class A shares and 1,005,378 0.01p Class B shares. These shares carried rights to conversion into Ordinary Shares at the option of the holder at any time.

On 25 February 2016, the company amended the rights of the shares such that they were subsequently classified as equity instruments. This resulted in a gain on extinguishment of £31,388,625 that has been taken directly to equity. This was calculated by reference to the fair value of the shares following the amendment of rights compared to their previous carrying value.

11. Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Bank loans and overdrafts	–	2,573,505

All bank borrowings were repaid during the year.

12. Called up share capital

Issued, called up and fully paid

	2016		2015	
	No.	**£**	No.	£
Amounts presented in equity:				
Ordinary shares of £0.01 (2015 - £0.0001) each	**3,000,000**	**30,000**	1,000,000	100
Class A shares of £0.01 each	**8,250,000**	**82,500**	–	–
Class B shares of £0.01 each	**17,879,785**	**178,798**	–	–
	29,129,785	**291,298**	1,000,000	100
Amounts presented in liabilities:				
Preference Class A shares of £0.01 (2015 - £0.0001) each	–	–	2,750,000	275
Preference Class B shares of £0.01 (2015 - £0.0001) each	–	–	1,005,378	101
	–	–	3,755,378	376

Creabilis Holdings Limited was incorporated with 100 issued Ordinary shares with a nominal value of £0.0001 each.

On 5 July 2013, in consideration for the acquisition of Creabilis S.A., Creabilis Holdings Limited issued 999,900 Ordinary shares, 2,750,000 A Preference shares and 1,005,378 B Preference shares (all with a nominal value of £0.0001 each) to the holders of equivalent shares in Creabilis S.A..

The acquisition of Creabilis S.A. was effected through a share-for-share exchange with each holder of shares in Creabilis S.A. receiving the same number of Ordinary, A Preference and B Preference shares in Creabilis Holdings Limited with the same rights and accumulated dividend rights as they held in shares in Creabilis S.A..

On 25 February 2016, the company amended the rights of the preference shares such that they were subsequently classified as equity instruments.

On 2 March 2016 the Company undertook a 299:1 bonus issue of shares creating additional paid up share capital of £142,186. Immediately following this bonus issue the Company consolidated, on a 100:1 basis, the Ordinary, Class A and Class B shares resulting in a nominal value for each share of £0.01. Bonus shares issued by the Company on 2 March 2016 utilised £142,186 of the Company's merger reserve.

On 6 December 2016 the Company issued 14,863,651 Class B shares each with a nominal value of £0.01 creating total paid up share capital of £291,298.

The Ordinary shares have attached to them full voting, dividend and capital distribution rights (including on winding up). They do not confer rights of redemption. The Class A and B shares have a preferential right to dividends.

13. Reserves

Merger reserve
On 5 July 2013 the Company acquired the entire issued share capital of Creabilis SA via a share for share exchange. As the shareholders and their respective rights were the same before and after the transaction, this did not qualify as a business combination under IFRS3, and predecessor accounting has therefore been applied. The merger reserve represents the difference between the nominal value of the ordinary issued share capital of Creabilis SA at the date of the transaction and the ordinary share capital of Creabilis Holdings Limited issued to facilitate the transaction.

Convertible instrument reserve
The convertible instrument reserve represents the equity component of convertible loans and convertible preference shares issued by the Company. The balance of this reserve has been transferred to the profit and loss reserve as all convertible loan notes have been redeemed.

14. Parent company

The company is a subsidiary of Sienna Biopharmaceuticals Inc.

15. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 January 2015.

No transitional adjustments were required in equity or profit or loss for the year.

Registered number: 08715069

Quvium UK Ltd

Directors' report and financial statements

For the year ended 31 December 2016

Quvium UK Ltd

Company Information

Directors	S Schmidt D Bell C Hare R Kittler M Murcko G Galt (appointed 22 June 2016) G Inman (appointed 22 June 2016)
Registered number	08715069
Registered office	Innovation House Discovery Park Ramsgate Road Sandwich Kent CT13 9FF
Independent auditor	Kreston Reeves LLP Chartered Accountants & Statutory Auditor Innovation House Ramsgate Road Sandwich Kent CT13 9FF

Quvium UK Ltd

Contents

Quvium UK Ltd

Directors' report
For the year ended 31 December 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Directors

The directors who served during the year were:

S Schmidt
D Bell
C Hare
R Kittler
M Murcko
G Galt (appointed 22 June 2016)
G Inman (appointed 22 June 2016)

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, Kreston Reeves LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Small companies note

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

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

S Schmidt
Director

Date: 7-Apr-2017

Quvium UK Ltd

Directors' responsibilities statement
For the year ended 31 December 2016

The directors are responsible for preparing the directors' 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. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in directors' reports may differ from legislation in other jurisdictions.

Quvium UK Ltd

Independent auditor's report to the shareholders of Quvium UK Ltd

We have audited the financial statements of Quvium UK Ltd for the year ended 31 December 2016, set out on pages 5 to 17. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of Directors and Auditor

As explained more fully in the directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has been prepared in accordance with applicable legal requirements.

Independent auditor's report to the shareholders of Quvium UK Ltd (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Kreston Reeves LLP

Scott Miles FCCA (senior statutory auditor)

for and on behalf of
Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Discovery Park
Date: 07/04/2017

Quvium UK Ltd

Statement of comprehensive income
For the year ended 31 December 2016

	Note	31 December 2016 £	6 months ended 31 December 2015 £
Administrative expenses		**(1,045,189)**	(467,484)
Operating loss		**(1,045,189)**	(467,484)
Tax on loss		**190,571**	284,543
Loss for the year		**(854,618)**	(182,941)

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 8 to 17 form part of these financial statements.

Quvium UK Ltd
Registered number: 08715069

Balance sheet
As at 31 December 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Intangible assets	5		**418,626**		182,465
Tangible assets	6		**5,130**		8,482
			423,756		190,947
Current assets					
Debtors: amounts falling due within one year	7	**342,238**		250,563	
Cash at bank and in hand		**14,295**		38,528	
		356,533		289,091	
Creditors: amounts falling due within one year	8	**(820,786)**		(534,175)	
Net current liabilities			**(464,253)**		(245,084)
Total assets less current liabilities			**(40,497)**		(54,137)
Creditors: amounts falling due after more than one year	9		**-**		(515,854)
Net liabilities			**(40,497)**		(569,991)
Capital and reserves					
Called up share capital			**1**		1
Share premium account			**1,353,062**		250,000
Profit and loss account			**(1,393,560)**		(819,992)
			(40,497)		(569,991)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

S Schmidt

S Schmidt
Director

Date: 7-Apr-2017

The notes on pages 8 to 17 form part of these financial statements.

Statement of changes in equity
For the year ended 31 December 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2015	1	-	(637,051)	(637,050)
Comprehensive income for the period				
Loss for the period	-	-	(182,941)	(182,941)
Contributions by and distributions to owners				
Shares issued during the period	-	250,000	-	250,000
At 1 January 2016	1	250,000	(819,992)	(569,991)
Comprehensive income for the year				
Loss for the year	-	-	(854,618)	(854,618)
Contributions by and distributions to owners				
Shares issued during the year	-	1,103,062	-	1,103,062
Share based payments	-	-	281,050	281,050
At 31 December 2016	1	1,353,062	(1,393,560)	(40,497)

The notes on pages 8 to 17 form part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2016

1. General information

Quvium UK Ltd is a limited liability company incorporated in England. The registered office is Innovation Way, Discovery Park, Sandwich, Kent, CT13 9FF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors have considered the going concern of the company and expect the company to be able to finance its debts as they fall due. The company is expected to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

No amortisation has been charged in the year for product development costs which have been capitalised. Amortisation will be charged when the product provides a revenue stream to the company.

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	-	33%
Motor vehicles	-	33%
Office equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.5 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Accounting policies (continued)

2.8 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.10 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is pounds sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other operating income'.

2.11 Share based payments

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

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

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

Where equity instruments are granted to persons other than employees, the statement of comprehensive income is charged with fair value of goods and services received.

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.13 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the directors to make judgements, estimates and assumptions that can affect the amounts reported for assets and liabilities, and the results for the year. The nature of estimation is such though that actual outcomes could differ significantly from those estimates.

The following judgements have had the most significant impact on amounts recognised in the financial statements:

Development expenditure

The company has adopted a policy of capitalising development expenditure, as permitted by FRS102. This approach is dependent upon the directors' judgement that the project's technical and economic feasibility is assured. In doing so the directors make assumptions regarding the future cash flows that the project is expected to generate, the discount rates to be applied and the expected period over which the project to expected to generate benefits.

Going concern

In the judgement of the directors it is appropriate to prepare the financial statements in accordance with the going concern basis of accounting. See note 2.2 for further details.

Share-based payments

The company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The estimation of fair value requires determination of the most appropriate valuation model, which is dependant on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield. See note 10 for further details.

Taxation

Provision has been made in the financial statements for deferred tax amounting to £112,875 (2015 - £112,875) at the reporting date (see note). This provision is based upon estimates of the availability of future taxable profits, the timing of the reversal of timing differences upon which the provision is based and the tax rates that will be in force at that time together with an assessment of the impact of future tax planning strategies.

4. Employees

The average monthly number of employees, including directors, during the year was 6 (2015 - 6).

5. Intangible assets

	Development £
Cost	
At 1 January 2016	**182,465**
Additions	**236,161**
At 31 December 2016	**418,626**
Net book value	
At 31 December 2016	**418,626**
At 31 December 2015	182,465

6. Tangible fixed assets

	Short-term leasehold property £	Motor vehicles £	Office equipment £	Total £
Cost or valuation				
At 1 January 2016	**3,376**	**2,165**	**5,136**	**10,677**
At 31 December 2016	**3,376**	**2,165**	**5,136**	**10,677**
Depreciation				
At 1 January 2016	**567**	**357**	**1,271**	**2,195**
Charge for the period on owned assets	**1,128**	**507**	**1,717**	**3,352**
At 31 December 2016	**1,695**	**864**	**2,988**	**5,547**
Net book value				
At 31 December 2016	**1,681**	**1,301**	**2,148**	**5,130**
At 31 December 2015	2,809	1,808	3,865	8,482

7. Debtors

	2016 £	2015 £
Other debtors	**199,998**	131,852
Prepayments and accrued income	**29,365**	5,836
Deferred taxation	**112,875**	112,875
	342,238	250,563

8. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	**603,650**	400,106
Other taxation and social security	**9,871**	3,638
Other creditors	**169,270**	80,581
Accruals and deferred income	**37,995**	49,850
	820,786	534,175

9. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Other creditors	**-**	515,854

Notes to the financial statements
For the year ended 31 December 2016

10. Share based payments

Options have been granted to directors, key employees, consultants of the company under the terms of an unapproved share options scheme. As at 31 December 2016 Quvium UK Limited had granted 1,852 options at an exercise price of £313.68 and a further 621 options at an exercise price of £368.69, being the fair values of the options at the grant date.

The charge recognised in the profit and loss account in respect of options vested during the year was £281,050 (2015: £Nil). This charge was based upon the directors' estimate of the fair value of the options granted, which utilised estimates of the timing and value of future amounts receivable on the exercise of the options.

The options granted during the period vest at various stages over the next 36 months.

	2016	2015
	£	£
Outstanding at start of period	**1,183**	1,183
Options granted during the year	**1,290**	-
	2,473	1,183

11. Commitments under operating leases

At 31 December 2016 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2016	2015
	£	£
Not later than 1 year	**21,189**	23,115
Later than 1 year and not later than 5 years	**-**	21,189
	21,189	44,304

12. Related party transactions

During the period, the director S Schmidt deposited £7,560 (2015 - £6,271), £6,400 (2015 - £112) was repaid from the company and £NIL (2015 - £125,000) was used to acquire share capital in the company at fair market value. At 31 December 2016, the amount owed to the director totalled £27,811 (2015 - £30,581).

During the period, the director M Murko deposited £80,710 (2015 - £50,000) and £NIL (2015 - £100,000) was used to acquire share capital in the company at fair market value. At 31 December 2016, the amount owed to the director totalled £130,710 (2015 - £50,000).

During the period, the director R Kittler deposited £NIL (2015 - £NIL) and £NIL (2015 - £25,000) was used to acquire share capital in the company at fair market value. At 31 December 2016, the amount owed to the director totalled £NIL (2015 - £NIL).

All other related party transactions during the current and prior periods, including key management personnel compensation, were made under normal market conditions.

Registered Number 08188033

Flute Office Limited

Abbreviated Accounts

31 December 2016

Flute Office Limited **Registered Number 08188033**

Balance Sheet as at 31 December 2016

	Notes	2016		2015	
	2	£	£	£	£
Fixed assets	3				
Intangible			441,175		165,895
Tangible			340,210		12,609
			781,385		178,504
Current assets					
Stocks		43,800		52,161	
Debtors		238,304		21,947	
Cash at bank and in hand		35,246		98,416	
Total current assets		317,350		172,524	
Creditors: amounts falling due within one year		(531,281)		(699,696)	
Net current assets (liabilities)			(213,931)		(527,172)
Total assets less current liabilities			567,454		(348,668)
Creditors: amounts falling due after more than one year	4		(86,264)		0
Total net assets (liabilities)			481,190		(348,668)

Capital and reserves			
Called up share capital	5	2,089	1,474
Share premium account		2,339,399	647,322
Profit and loss account		(1,860,298)	(997,464)
Shareholders funds		481,190	(348,668)

a. For the year ending 31 December 2016 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.
b. The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
c. The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
d. These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

Approved by the board on 11 October 2017

And signed on their behalf by:
Mr R A Irvine, Director

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1068 of the Companies Act 2006.

Notes to the Abbreviated Accounts

For the year ending 31 December 2016

1 **Accounting policies**

Basis of accounting
The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Turnover
The turnover shown in the profit and loss account represents amounts invoiced during the Period, exclusive of Value Added Tax.

Research and development
Intangible assets acquired separately from a business are capitalised at cost. Intangible assets acquired as part of an acquisition of a business are capitalised separately from goodwill if the fair value can be measured reliably on initial recognition, subject to the constraint that, unless the asset has a readily ascertainable market value, the fair value is limited to an amount that does not create or increase any negative goodwill arising on the acquisition. Intangible assets, excluding development costs, created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred. Intangible assets are amortised on a straight line basis over their estimated useful lives up to a maximum of 20 years. The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Finance lease agreements
Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Fixed Assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Plant & Machinery	25%	Straight Line
Fixtures & Fittings	15%	Straight Line
Office & Computer Equipment	33.33%	Straight Line
Leasehold Property	5%	Straight Line

2 **Exchange rate**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

3 **Fixed Assets**

	Intangible Assets	Tangible Assets	Total
Cost or valuation	**£**	**£**	**£**
At 01 September 2015	165,895	22,480	188,375
Additions	275,280	378,815	654,095
At 31 December 2016	441,175	401,295	842,470
Depreciation			
At 01 September 2015		9,871	9,871
Charge for year		51,214	51,214
At 31 December 2016		61,085	61,085
Net Book Value			
At 31 December 2016	441,175	340,210	781,385

At 31 August 2015	165,895	12,609	178,504

4 **Creditors: amounts falling due after more than one year**

5 **Share capital**

	2016	2015
	£	**£**
Authorised share capital:		
20891 Ordinary of £0.10 each	2,089	1,474
Allotted, called up and fully paid:		
20891 Ordinary of £0.10 each	2,089	1,474

Ordinary shares issued in the year:

615 Ordinary Shares of £0.10 each were issued in the year with a nominal value of £615, for a consideration of £62

The company issued a further:- 5246 Ordinary 10p shares on 7th March 2016 for £275 per share and 905 Ordinary 10p shares on 8th November 2016 for £275 per share.

Company Registration No. SC453579 (Scotland)

TC BIOPHARM LIMITED

UNAUDITED ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

TC BIOPHARM LIMITED

CONTENTS

TC BIOPHARM LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 JULY 2016

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	2		672,004		532,634
Current assets					
Debtors		195,759		104,514	
Cash at bank and in hand		596		640,970	
		196,355		745,484	
Creditors: amounts falling due within one year		(584,526)		(363,019)	
Net current liabilities/(assets)			(388,171)		382,465
Total assets less current liabilities			283,833		915,099
Creditors: amounts falling due after more than one year			(17,741)		(329,853)
Accruals and deferred income			(66,000)		(77,000)
			200,092		508,246
Capital and reserves					
Called up share capital	3		1,293,388		981,522
Share premium account			2,214,551		694,004
Profit and loss account			(3,307,847)		(1,167,280)
Shareholders' funds			200,092		508,246

TC BIOPHARM LIMITED

ABBREVIATED BALANCE SHEET (CONTINUED)

AS AT 31 JULY 2016

For the financial year ended 31 July 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

Approved by the Board for issue on 20 April 2017

Dr Michael David Leek
Director

Company Registration No. SC453579

TC BIOPHARM LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2016

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Subsequent to the year end there were further allotments of shares as follows:

08/08/2016 70,237 ordinary shares of £1 each issued at £7.13 per share
23/09/2016 347,116 ordinary shares of £1 each issued at £10.33 per share

The directors are therefore of the opinion that the company has adequate resources to continue in operational existence for the foreseeable future.

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Plant and machinery	10% straight line
Computer equipment	20%/50% straight line
Fixtures, fittings & equipment	25% straight line

1.5 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Fixed assets

	Tangible assets
	£
Cost	
At 1 August 2015	626,055
Additions	296,214
At 31 July 2016	922,269
Depreciation	
At 1 August 2015	93,421
Charge for the year	156,844
At 31 July 2016	250,265
Net book value	
At 31 July 2016	672,004
At 31 July 2015	532,634

3 Share capital

	2016	2015
	£	£
Allotted, called up and fully paid		
1,293,388 Ordinary Shares of £1 each	1,293,388	981,522

During the year ordinary shares of £1 each were issued as follows - 48,773 at £4.08 per share, 92,296 at £5.30 per share, 100,560 at £7.13 per share and 70,237 at £7.13 per share.

Company Registration No. 08485006 (England and Wales)

VIRAMAL LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2017

VIRAMAL LIMITED

COMPANY INFORMATION

Directors	Mr O S Bates	
	Mr P Fitzwilliam	
	Dr F Larsen	
	Mrs M Pardo	
	Mr J Synett	
	Mr J N Thorniley	
	Ms A Rossetti	(Appointed 1 May 2016)
Company number	08485006	
Registered office	22 South Molton Street London W1K 5RB	
Accountants	Mercer & Hole Fleet Place House 2 Fleet Place London EC4M 7RF	

VIRAMAL LIMITED

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VIRAMAL LIMITED

BALANCE SHEET

AS AT 30 APRIL 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	3		379,043		560,368
Tangible assets	4		2,262		1,472
Investments	5		499,738		-
			881,043		561,840
Current assets					
Debtors	7	321,262		184,464	
Cash at bank and in hand		240,192		707,306	
		561,454		891,770	
Creditors: amounts falling due within one year	8	(396,450)		(424,533)	
Net current assets			165,004		467,237
Total assets less current liabilities			1,046,047		1,029,077
Capital and reserves					
Called up share capital	9		28,681		26,989
Share premium account			4,686,125		3,081,347
Profit and loss reserves			(3,668,759)		(2,079,259)
Total equity			1,046,047		1,029,077

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 April 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

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.

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

VIRAMAL LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 APRIL 2017

The financial statements were approved by the board of directors and authorised for issue on 4/8/2017 and are signed on its behalf by:

....

Mr P Fitzwilliam
Director

Company Registration No. 08485006

VIRAMAL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2017

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 May 2015		25,135	1,321,654	(939,768)	407,021
Year ended 30 April 2016:					
Loss and total comprehensive income for the year		-	-	(1,139,491)	(1,139,491)
Issue of share capital	9	1,854	1,759,693	-	1,761,547
Balance at 30 April 2016		26,989	3,081,347	(2,079,259)	1,029,077
Year ended 30 April 2017:					
Loss and total comprehensive income for the year		-	-	(1,589,500)	(1,589,500)
Issue of share capital	9	1,692	1,604,778	-	1,606,470
Balance at 30 April 2017		28,681	4,686,125	(3,668,759)	1,046,047

1 Accounting policies

Company information
Viramal Limited is a private company limited by shares incorporated in England and Wales. The registered office is 22 South Molton Street, London, W1K 5RB.

1.1 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.

These financial statements for the year ended 30 April 2017 are the first financial statements of Viramal Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 May 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern
No material uncertainties that cast significant doubt about the ability of the company to continue as a going concern have been identified by the directors.

1.3 Research and development expenditure
Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial an financial viability of the individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company's expected to benefit.

1.4 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.

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:

Intellectual Property	Over the period of the patent

1.5 Tangible fixed assets
Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation.

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:

Computer equipment	33.33% straight line

1 Accounting policies **(Continued)**

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.

1.6 Impairment of fixed assets

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

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

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

1.7 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 in the company's balance sheet 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.

Basic financial assets

Basic financial assets, which include 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 transaction 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.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

1.9 Taxation

Any tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Any tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

The company has claimed a research and development tax credit in the year.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 11 (2016 - 7).

3 Intangible fixed assets

	Intellectual Property
	£
Cost	
At 1 May 2016 and 30 April 2017	840,794
Amortisation and impairment	
At 1 May 2016	280,426
Amortisation charged for the year	181,325
At 30 April 2017	461,751
Carrying amount	
At 30 April 2017	379,043
At 30 April 2016	560,368

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 May 2016	3,056
Additions	2,146
At 30 April 2017	5,202
Depreciation and impairment	
At 1 May 2016	1,584
Depreciation charged in the year	1,356
At 30 April 2017	2,940
Carrying amount	
At 30 April 2017	2,262
At 30 April 2016	1,472

5 Fixed asset investments

	2017	2016
	£	£
Investments	499,738	-

5 Fixed asset investments **(Continued)**

Movements in fixed asset investments

	Investments other than loans
	£
Cost or valuation	
At 1 May 2016	-
Additions	499,738
At 30 April 2017	499,738
Carrying amount	
At 30 April 2017	499,738
At 30 April 2016	-

6 Associates

Details of the company's associates at 30 April 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
BiGel Limited	England and Wales	Research and experimental development of biotechnology	Ordinary	20.00	

7 Debtors

	2017	2016
Amounts falling due within one year:	£	£
Corporation tax recoverable	268,149	146,342
Other debtors	53,113	38,122
	321,262	184,464

8 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	10,681	51,291
Amounts due to group undertakings and undertakings in which the company has a participating interest	75,000	75,000
Other taxation and social security	7,195	30,418
Other creditors	303,574	267,824
	396,450	424,533

9 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
2,868,071 (2016: 2,698,968) Ordinary shares of 1p each	28,681	26,989

During the year 169,103 ordinary shares of £0.01 per share were allotted and fully paid for a premium of £9.49 per share.

Reconciliation of movements during the year:

	Number
At 1 May 2016	2,698,968
Issue of fully paid shares	169,103
At 30 April 2017	2,868,071

10 Related party transactions

Transactions with related parties

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

	Services provided	
	2017	2016
	£	£
Key management personnel	292,823	154,141
Other related parties	65,279	114,388

The following amounts were outstanding at the reporting end date:

	2017	2016
Amounts owed to related parties	£	£
Key management personnel	92,550	3,028
Other related parties	75,000	78,440

The following amounts were outstanding at the reporting end date:

	2017	2016
Amounts owed by related parties	£	£
Other related parties	13,837	2,170

Company Registration No. 08879741 (England and Wales)

CENTAURI THERAPEUTICS LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

PAGES FOR FILING WITH REGISTRAR

CENTAURI THERAPEUTICS LIMITED

COMPANY INFORMATION

Directors	M Westby	
	S J Lawson	
	Dr C Dix	
	J S Synett	(Appointed 1 February 2017)
Company number	08879741	
Registered office	First Floor Thavies Inn House 3-4 Holborn Circus London EC1N 2HA	
Accountants	Wilson Wright LLP Chartered Accountants Thavies Inn House 3-4 Holborn Circus London EC1N 2HA	

CENTAURI THERAPEUTICS LIMITED

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CENTAURI THERAPEUTICS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Goodwill	3		1		1
Other intangible assets	3		108,569		126,664
Total intangible assets			108,570		126,665
Property, plant and equipment	4		66,712		49,679
Investments	5		500		501
			175,782		176,845
Current assets					
Trade and other receivables	7	297,999		525,007	
Cash at bank		753,409		190,980	
		1,051,408		715,987	
Current liabilities	8	(196,149)		(202,029)	
Net current assets			855,259		513,958
Total assets less current liabilities			1,031,041		690,803
Non-current liabilities	9		(23,147)		-
Net assets			1,007,894		690,803
Equity					
Called up share capital	11		130		121
Share premium account			2,933,371		2,028,380
Retained earnings			(1,925,607)		(1,337,698)
Total equity			1,007,894		690,803

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 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

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.

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

CENTAURI THERAPEUTICS LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2017

The financial statements were approved by the board of directors and authorised for issue on 2/8/17 and are signed on its behalf by:

....

S J Lawson
Director

Company Registration No. 08879741

CENTAURI THERAPEUTICS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	Share capital	Share premium account	Retained earnings	Total
		£	£	£	£
Balance at 1 April 2015		100	-	(156,603)	(156,503)
Year ended 31 March 2016:					
Loss and total comprehensive income for the year		-	-	(1,181,095)	(1,181,095)
Issue of share capital	**11**	21	2,028,380	-	2,028,401
Balance at 31 March 2016		121	2,028,380	(1,337,698)	690,803
Year ended 31 March 2017:					
Loss and total comprehensive income for the year		-	-	(587,909)	(587,909)
Issue of share capital	**11**	7	904,991	-	904,998
Balance at 31 March 2017		130	2,933,371	(1,925,607)	1,007,894

1 Accounting policies

Company information

Centauri Therapeutics Limited is a private company limited by shares incorporated in England and Wales. The registered office is First Floor, Thavies Inn House, 3-4 Holborn Circus, London, EC1N 2HA.

1.1 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.

These financial statements for the year ended 31 March 2017 are the first financial statements of Centauri Therapeutics Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Going concern

During the year the company made losses of £587,909 and at the statement of financial position date had accumulated losses of £1,925,607. The company funds its trade through the issue of share capital at a premium and at the date of signing of these financial statements had raised sufficient finance to meet its working capital requirements for the foreseeable future. On this basis the directors believe it appropriate to prepare the financial statements on a going concern basis.

1.3 Revenue

Revenue is recognised when the service is performed to the extent that it is probable that economic benefits will flow into the Company, excludes value added tax and arises solely in the United Kingdom.

1.4 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.

1.5 Intangible fixed assets - goodwill

Goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life.

1.6 Intangible fixed assets other than goodwill

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

1 Accounting policies (Continued)

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

Patents	12.5%

1.7 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Plant and machinery	25%
Fixtures, fittings & equipment	25%

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 the income statement.

1.8 Non-current 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 the income statement.

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.

1.9 Impairment of non-current 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.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include deposits held at call with banks.

1.11 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 in the company's statement of financial position 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.

1 Accounting policies **(Continued)**

Basic financial assets
Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Financial assets classified as receivable within one year are not amortised.

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 payables, and loans from fellow group companies, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost.

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

1.13 Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax
Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.14 Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense.

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.

1.15 Retirement benefits
Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1 Accounting policies (Continued)

1.16 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 the income statement 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 income 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 lease asset are consumed.

1.17 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.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 14 (2016 - 7).

3 Intangible fixed assets

	Goodwill	Patents	Total
	£	£	£
Cost			
At 1 April 2016 and 31 March 2017	1	144,759	144,760
Amortisation and impairment			
At 1 April 2016	-	18,095	18,095
Amortisation charged for the year	-	18,095	18,095
At 31 March 2017	-	36,190	36,190
Carrying amount			
At 31 March 2017	1	108,569	108,570
At 31 March 2016	1	126,664	126,665

4 Property, plant and equipment

	Plant and machinery	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2016	46,233	13,018	59,251
Additions	33,297	668	33,965
At 31 March 2017	79,530	13,686	93,216
Depreciation and impairment			
At 1 April 2016	7,036	2,536	9,572
Depreciation charged in the year	13,549	3,383	16,932
At 31 March 2017	20,585	5,919	26,504
Carrying amount			
At 31 March 2017	58,945	7,767	66,712
At 31 March 2016	39,197	10,482	49,679

5 Fixed asset investments

	2017	2016
	£	£
Investments	500	501

Movements in non-current investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 April 2016	501
Disposals	(1)
At 31 March 2017	500
Carrying amount	
At 31 March 2017	500
At 31 March 2016	501

6 Subsidiaries

Details of the company's subsidiary at 31 March 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Avvinity Therapeutics Limited	England and Wales	Development of therapeutics	A Ordinary	66.67	-

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
Avvinity Therapeutics Limited	(1,026,386)	1,474,114

The results in respect of Avvinity Therapeutics Limited are for the period to 31 December 2016.

7 Trade and other receivables

Amounts falling due within one year:	2017 £	2016 £
Trade receivables	12,552	-
Corporation tax recoverable	207,659	302,500
Other receivables	77,788	222,507
	297,999	525,007

8 Current liabilities

	2017 £	2016 £
Trade payables	113,832	96,722
Other taxation and social security	24,998	17,468
Other payables	57,319	87,839
	196,149	202,029

9 Non-current liabilities

	2017 £	2016 £
Other payables	23,147	-

10 Retirement benefit schemes

Defined contribution schemes	2017 £	2016 £
Charge to profit or loss in respect of defined contribution schemes	28,408	12,409

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

11 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
53,790 Ordinary shares of 0.2411p each	130	121

During the year the company issued 9 Ordinary shares of 0.2411p each for a total consideration of £905,000.

12 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2017 £	2016 £
	45,473	79,578

13 Events after the reporting date

Subsequent to the reporting date the company issued 3 Ordinary shares of 0.2411p for a total consideration of £300,000.

14 Related party transactions

At the statement of financial position date £nil (2016 - £64,185) was due from Avvinity Therapeutics Limited.

At the statement of financial position date £nil (2016 - £37,985) was due from Centauri, RX Inc.

15 Transition to FRS 102

This is the first period that the company has presented its results under FRS 102. The last financial statements under previous UK GAAP were for the year ended 31 March 2016 and the date of transition to FRS 102 was 1 April 2016. Set out below are the changes effected by the transition to FRS 102.

Operating lease commitments
As a consequence of adopting FRS 102, the company's financial commitments are now disclosed as the total amounts due over the full term of the operating leases, as disclosed in note 13.

REGISTERED NUMBER: 07514422 (England and Wales)

Abridged Financial Statements for the Year Ended 28 February 2017

for

Coomtech Limited

Contents of the Financial Statements
for the Year Ended 28 February 2017

Coomtech Limited

Company Information
for the Year Ended 28 February 2017

DIRECTORS:	Mr P I F Anderson Mr J R Biggs Mr C G Every Mr M G Jones Mr J P Scott-Maxwell
REGISTERED OFFICE:	Rivendell Venney Farm Hundred Foot Bank Welney Norfolk PE14 9TW
REGISTERED NUMBER:	07514422 (England and Wales)

Abridged Balance Sheet
28 February 2017

		28.2.17		29.2.16 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	4		95,322		61,862
CURRENT ASSETS					
Debtors		16,293		19,647	
Cash at bank		495,136		580,831	
		511,429		600,478	
CREDITORS					
Amounts falling due within one year		77,498		48,758	
NET CURRENT ASSETS			433,931		551,720
TOTAL ASSETS LESS CURRENT LIABILITIES			529,253		613,582
CREDITORS					
Amounts falling due after more than one year			414,920		402,600
NET ASSETS			114,333		210,982
CAPITAL AND RESERVES					
Called up share capital	5		85,757		70,675
Share premium			1,186,352		716,434
Retained earnings			(1,157,776)		(576,127)
SHAREHOLDERS' FUNDS			114,333		210,982

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 28 February 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 28 February 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

(a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and

(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

continued...

Abridged Balance Sheet - continued
28 February 2017

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

All the members have consented to the preparation of an abridged Balance Sheet for the year ended 28 February 2017 in accordance with Section 444(2A) of the Companies Act 2006.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 20 June 2017 and were signed on its behalf by:

Mr P I F Anderson - Director

Mr C G Every - Director

1. STATUTORY INFORMATION

Coomtech Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of twenty years.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 5 .

continued...

4. INTANGIBLE FIXED ASSETS

	Totals
	£
COST	
At 1 March 2016	65,769
Additions	37,698
At 28 February 2017	103,467
AMORTISATION	
At 1 March 2016	3,907
Amortisation for year	4,238
At 28 February 2017	8,145
NET BOOK VALUE	
At 28 February 2017	95,322
At 29 February 2016	61,862

5. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	28.2.17	29.2.16 as restated
			£	£
85,757	Ordinary	£1	85,757	70,675

15,082 Ordinary shares of £1 each were allotted as fully paid at a premium of 32.16 per share during the year.

6. FIRST YEAR ADOPTION

The Company transitioned to FRS 102 Section 1A from previously UK GAAP as at 1st January 2015.
As a result of the transition the following adjustments were made to comparative figures :
1. Other creditors - this consisted of an interest free loan to the company as such has been appropriately discounted at a commercial rate of interest being 3% with the loan being repaid over 3 years.
The effect on the comparative figures as a result of transition to FRS102 is as follows:

Account Description	Previous	Post Adjustment
Other creditors > 1 year	440,000	402,600
Other interest receivable	0	37,400
Loss for the year	522,232	484,832

Registered number: 05547923

ALERT TECHNOLOGY LTD

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2016

These financial statements have not been audited as the company is exempt under s477 of the Companies Act 2006 from the requirement to obtain an audit of its financial statements.

ALERT TECHNOLOGY LTD
REGISTERED NUMBER: 05547923

ABBREVIATED BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	2016 £	2016 £	2015 £	2015 £
CURRENT ASSETS					
Debtors		**100**		100	
Cash at bank		**189**		-	
		289		100	
CREDITORS: amounts falling due within one year		**(800)**		-	
NET CURRENT (LIABILITIES)/ASSETS			**(511)**		100
TOTAL ASSETS LESS CURRENT LIABILITIES			**(511)**		100
CAPITAL AND RESERVES					
Called up share capital	2		**100**		100
Profit and loss account			**(611)**		-
SHAREHOLDERS' (DEFICIT)/FUNDS			**(511)**		100

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 ("the Act") and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Act.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 August 2016 and of its loss for the year in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The abbreviated accounts, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006, were approved and authorised for issue by the board and were signed on its behalf by:

Mr A R Archer
Director

Date: 24 May 2017

The notes on page 2 form part of these financial statements.

NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The full financial statements, from which these abbreviated accounts have been extracted, have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

2. SHARE CAPITAL

	2016	2015
	£	£
ALLOTTED, CALLED UP AND FULLY PAID		
100 Ordinary shares of £1 each	**100**	100

PEPTINNOVATE LIMITED

Financial Statements
for the year ended

31 March 2017

Company registration number 07828414

CONTENTS

Directors, Officers and Advisers

Directors:

A.F. Martin (Chairman, appointed 25 April 2016)
M. Albisser
D. Beadle (appointed 22 June 2017)
A.P. Lightfoot (resigned 11 February 2017)
R. Nagle
C. Page
T. Plouvier (resigned 31 August 2017)

Company Secretary:

BCS Cosec Limited
Windsor House
Station Court
Station Road
Great Shelford
Cambridge
CB22 5NE
UK

Auditor:

Grant Thornton UK LLP
101 Cambridge Science Park
Milton Road
Cambridge
CB4 0FY
UK

Registered office:

Stevenage Bioscience Catalyst
Gunnels Wood Road
Stevenage
Hertfordshire
SG1 2FX
UK

Company registration number:

07828414

Bankers:

HSBC
36 Fore Street
Hertford
Hertfordshire
SG14 1BS
UK

PEPTINNOVATE LIMITED

Strategic Report

Principal activity

The principal activity of the Company in the year under review was that of research and experimental development of biotechnology.

Business review

2016/7 was a transformative year for Peptinnovate. A number of important milestones were reached, as summarised below.

Overview of field of activities

Peptinnovate is a drug discovery and development company focusing on the treatment of immuno-inflammatory diseases. The Company's research is based on numerous scientific publications that have shown a clear reduction in asthma and allergy in individuals carrying Mycobacterium tuberculosis bacteria (mTB) due to modification of the host's immune system.

Peptinnovate's patented biotechnology is based on the natural phenomenon utilised by mTB bacteria to evade the host's immune system and suppress the body's inflammatory responses. To do this the mTB bacteria secrete proteins which have been shown to modify the immunological and inflammatory responses. Our discovery and development activities have identified the specific agents responsible for the reduction of the immuno-inflammatory response, and we have optimised proprietary peptides which we are developing as first in class, disease-modifying medicines. PIN201104 is the lead molecule focusing on the disease modification of asthma.

The Company is progressing PIN201104 in clinical studies in 2017-18 to demonstrate safety and efficacy in humans. The core objectives of the Company for the year were:

- to deliver PIN201104 to the clinic in early 2017; and
- to determine the mechanism of action of PIN201104.

Research and development

Preclinical efficacy
During the 2016-17 year Peptinnovate has pivoted on key data on the lead asset, PIN201104. The Company has generated compelling data in a gold standard preclinical model of disease modification of asthma. This approach indicates that PIN201104 would represent a potential first in class medicine to attack the underlying cause of asthma rather than just to treat the symptoms.

Safety/toxicology
In keeping with the Company's key objective of delivering PIN201104 into the clinic, four Good Laboratory Practice ("GLP") safety studies have been completed during the year and confirmed that PIN201104 has suitable characteristics to be progressed to man. The results show PIN201104 has a clean toxicological profile with multiple-fold cover over the anticipated clinical doses.

Manufacturing
Manufacturing has also been undertaken and shows that PIN201104 can be synthesised on a scale and purity that is appropriate for clinical applications. The Good Manufacturing Practice ("GMP") manufacturing campaign of both the Active Pharmaceutical Ingredient ("API") and the drug product occurred during the year and two batches of different strengths plus placebo have been delivered to support the phase 1 clinical study. The GMP manufacturing process is robust and the drug substance and drug product show excellent stability using the developed analytical methods.

Clinical trials

The clinical trials application (CTA) to the regulatory authority (MHRA) was completed during the year, with supporting data from the preclinical efficacy, safety and manufacturing activities. Ethics approvals for the clinical protocols was also approved. The first dose of PIN201104 in the phase 1 clinical study was given to a human volunteer on 31 January 2017. This study will complete during the 2017-18 year.

Fundamental research

The Company is at the cutting edge of research into the disease modification of asthma and has uncovered unique modes of action for the lead molecule, PIN201104. The Company continues to explore the complex biology and immunology of tuberculosis ("TB") derived molecules with human cells. During the year, following a 15 year search, the molecular target of TB derived molecules has been identified. This breakthrough research will enable further interest from funders and potential pharma partners.

People

The core operations team was strengthened in the financial period 2016-17 with two appointments: Dr. Jeannette Watson (Head of Development) and Dr. Donata Federici Canova (Group Leader Discovery). Dr Watson and Dr Federici Canova have integrated into the team and have provided outstanding work in the preparations for the clinic and the identification of the molecular mechanism respectively.

Dr Lightfoot resigned from the Board on 11 February 2017 and left the Company at the end of April 2017. We are extremely grateful for his significant contribution over the years. Following his departure Richard Nagle has taken over the role of CEO.

We are delighted to welcome David Beadle to the Board. He brings a very valuable contribution to the development and corporate programme as chief business officer. In addition Dr Ann Simon has joined as director of corporate affairs.

Pharmaceutical partnering

The Company has continued to hold discussions with potential pharmaceutical partners and made presentations and attendance at the core partnering conferences, with the aim of securing a deal for the lead asset, PIN201104.

Competition

The Company is a world leader in the area of TB molecules and their disease modification properties and through environmental scanning there are no directly competing companies. The area of asthma therapeutics however, is an area of intense competition with the biologics beginning to come to the markets for the poorly controlled patients. However as the majority of these treatments are symptomatic relief, then PIN201104's disease-modifying potential sets it apart.

Risks

The Company is a biotech R&D business and has inherent risks primarily that the safety and efficacy profile may not translate from preclinical to human clinical trials. The whole hypothesis of the Company is built around the idea that TB bacteria have spent at least 40,000 years co-evolving with man to safely and efficiently manipulate the human immune system potentially minimising the translational risk. The ongoing phase 1 clinical study will mitigate the safety risk.

Future developments and outlook

The Company has progressed PIN201104 to the clinic in 2017 which defines the Company as a clinical stage biotechnology business. It is anticipated that a pharmaceutical partner would be best suited to take on late stage development which would provide a potential return for investors. The Company is exploring related molecules and discovery in order to build further value.

PEPTINNOVATE LIMITED

Grant awards

The Company has been working on three separate grants during the year, totalling £613K. The Innovate UK SMART grant (August 2015 – July 2016, £100K) is focused on confirming the disease-modifying potential of the lead asset PIN201104. The Innovate UK Biomedical Catalyst, Feasibility award (September 2015 – August 2016, £140K) is focused on target identification. The Wellcome Trust Pathfinder award (February 2016 – July 2016, £233K) is focused on characterisation of cellular activities. A new grant was awarded and has been started in January 2017; Innovate UK Biomedical Catalyst, Feasibility award (£140K) to continue to explore the mechanism of action of TB derived molecules. Together these grants have directly funded the two major objectives of the Company.

Funding

The Company was successful in raising additional funding during the year of £1,947K in the form of equity (FY16: £1,709K). This included the investment of £500K in March 2017 by NAREC. The Company is actively fundraising in the current financial year in the form of equity. Since the year end the Company has continued to make presentations to prospective investors and a further £646K has been received including £263K through the Syndicate Room platform. The Directors strongly believe that the response will result in subscriptions being made during calendar 2017 to support the achievement of the Company's strategy for at least 12 months after the date of these financial statements.

Results and position of the business

The Company remains pre-revenue. Other income received from grants was £ 330,082 (2016: £ 380,811).

Research and development expenses increased by 82% to £1,743,102 (2016: £955,453) due to increased expenditure on GLP safety and toxicology studies and on pilot manufacturing of PIN201104 and the initiation of clinical trials.

Administrative expenses increased during the year to £1,054,804 (2016: £598,505) mainly due to fees associated with the increase in employment and consultancy costs.

Staff costs increased to £344,385 (2016: £211,147) due mainly to an increase in the number of staff; the Company has increased the R&D headcount from 4 to 6 employees.

Loss after taxation increased to £ 2,404,110 (2016: £1,097,167).

Net assets at 31 March 2017 were £ 494,881 (2016: 627,692).

The Company manages its cash reserves carefully to ensure that research and administrative activities were adequately funded. The Company's going concern statement is set out in the Directors' Report.

On behalf of the Board

.... R. Nagle .... M. Albisser

5 October 2017

PEPTINNOVATE LIMITED

Directors' Report for the year ended 31 March 2017

The Directors present their report and the financial statements of the Company for the year ended 31 March 2017.

The Directors who served during the year were:

Anthony Francis Martin (appointed 25 April 2016)
Andrew Lightfoot (resigned 11 February 2017)
Michael Albisser
Richard Nagle
Clive Page
Thierry Plouvier (resigned 31 August 2017)

Since the year end David Beadle has joined the Board.

Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the Company may continue. It is the policy of the Company that training, career development and promotion opportunities should be available to all employees.

Going Concern

The Directors have adopted the going concern basis in preparing the financial statements. In assessing whether the going concern assumption is appropriate, the Directors have taken into account all relevant available information about the future.

During the review of the forecasts the Directors do not believe that the Company's development programme will become sufficiently progressed in the next 12 months that it is able to generate revenues from its products or activities. In carrying out their review the Directors have also had to make assumptions about the likely costs of and timescales for research and development, including clinical trials that will be generated in the forecast period to the end of 2019. Although discussions with potential commercial partners have been held, there are no signed contracts or committed orders from any commercial partner.

The Company is also actively engaged in equity fund raising, both for interim funding and for the medium term. The cash flow forecasts assume raising another £3-5 million during the next 15 months.

Consequently there are uncertainties surrounding:

- the Company's ability to achieve any revenue,
- the Company raising the interim funding and any medium or longer term funding,
- the likely costs and timescales for the clinical trial program; and
- the fact that the trials may not succeed or may not result in significant progress.

The combination of these factors represent a material uncertainty which may cast significant doubt on the Company's ability to generate sufficient cash flows to continue as a going concern, and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the Directors consider that the assumptions made are appropriate and are satisfied that the Company is a going concern. The Directors monitor the cash position of the business regularly and consider the various sources of finance available to the Company including continuing support of the shareholders. The Directors would seek to access these sources of finance as necessary.

PEPTINNOVATE LIMITED

Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

Directors' Responsibilities Statement

The Directors are responsible for preparing the Strategic Report and Directors' 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. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 and profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that:

- so far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

.... R. Nagle .... M. Albisser

5 October 2017

Company registration number: 07828414

PEPTINNOVATE LIMITED

Independent auditor's report to the members of Peptinnovate Limited

We have audited the financial statements of Peptinnovate Limited for the year ended 31 March 2017 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and the related notes.

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.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement on page 8, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its 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.

Emphasis of matter - Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in the Statement of Significant Accounting Policies concerning the Company's ability to continue as a going concern. The Company incurred a net loss of £2,404,110 during the year ended 31 March 2017 and, at that date, the Company's net assets were £494,881 and its cash balance was £1,020,763. The Company will require further funding in order to progress its development program in accordance with its strategy.

These conditions, along with the other matters explained in note 4, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during 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 under the Companies Act 2006

In light of the knowledge and understanding of the 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Grant Thornton UK LLP

Alison Seekings
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cambridge

5 October 2017

PEPTINNOVATE LIMITED

Income Statement for the year ended 31 March 2017

	Notes	2017 £	2016 £
Revenue	6	-	-
Cost of sales		-	-
Gross profit		-	-
Research and development		**(1,743,102)**	(955,453)
Administrative expenses		**(1,054,804)**	(598,505)
Other operating income	7	**330,082**	380,811
Total expenses		**(2,467,824)**	(1,173,147)
Operating loss	8	**(2,467,824)**	(1,173,147)
Finance income		-	-
Finance costs		**(140)**	(10,217)
Loss before tax		**(2,467,964)**	(1,183,364)
Taxation	10	**63,854**	86,197
Loss for the year and total comprehensive income attributable to the Company's equity shareholders		**(2,404,110)**	(1,097,167)

The accompanying notes form an integral part of these financial statements.

PEPTINNOVATE LIMITED

Statement of financial position as at 31 March 2017

	Notes	2017	2016
Assets		£	£
Non-current assets			
Intangible assets		1	1
Property, plant and equipment	13	5,956	3,335
		5,957	3,336
Current assets			
Trade and other receivables	14	145,714	273,274
Cash and cash equivalents	15	1,020,763	1,231,788
		1,166,477	1,505,062
Trade and other payables : amounts due within one year	17	(677,553)	(880,706)
Net current assets		488,924	624,356
Total assets less current liabilities		494,881	627,692
Trade and other payables: amounts falling due after more than 1 year	19	-	-
Net assets / (liabilities)		494,881	627,692
Share capital	16	16	13
Share premium		5,002,378	3,055,168
Capital contribution reserve		11,999	11,999
Retained earnings		(4,843,598)	(2,439,488)
Share based payments reserve		59,016	-
Other reserve		265,070	-
Total equity		494,881	627,692

The financial statements were approved by the Board of Directors on ....S October................ 2017 and were signed on its behalf by:

R Nagle, Director

M. Albisser, Director

Company registration number: 07828414

The accompanying notes form an integral part of these financial statements.

PEPTINNOVATE LIMITED

Statement of Changes in Equity for the year ended 31 March 2017

	Share capital	Share premium account	Other reserve	Share based payments	Capital contribution reserve	Retained earnings	Total
	£	£	£	£	£	£	£
Balance at 1 April 2015	11	1,346,581	-	-	11,999	(1,342,321)	16,270
For the year ended 31 March 2016							
Transactions with owners:							
Issue of share capital	2	1,900,928	-	-	-	-	1,900,930
Share issue costs	-	(192,341)	-	-	-	-	(192,341)
Total transactions with owners	2	1,708,587	-	-	-	-	1,708,589
Comprehensive income:							
Loss for the year and total comprehensive income	-	-	-	-	-	(1,097,167)	(1,097,167)
Balance at 31 March 2016	13	3,055,168	-	-	11,999	(2,439,488)	627,692
Balance at 1 April 2016	13	3,055,168	-	-	11,999	(2,439,488)	627,692
For the year ended 31 March 2016							
Transactions with owners:							
Issue of share capital	**3**	**2,136,872**	-	-	-	-	**2,136,875**
Advance subscription	-	-	**265,070**	-	-	-	**265,070**
Share issue costs	-	**(189,662)**	-	-	-	-	**(189,662)**
Total transactions with owners	**3**	**1,947,210**	**265,070**	-	-	-	**2,212,283**
Comprehensive income:							
Loss for the year and total comprehensive income	-	-	-	-	-	**(2,404,110)**	**(2,404,110)**
Share based payments	-	-	-	**59,016**	-	-	**59,016**
Balance at 31 March 2017	**16**	**5,002,378**	**265,070**	**59,016**	**11,999**	**(4,843,598)**	**494,881**

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows for the year ended 31 March 2017

	2017	2016
	£	£
Loss before tax	**(2,467,964)**	(1,183,364)
Finance income	-	-
Finance costs	**140**	10,217
Operating loss for the year	**(2,467,824)**	(1,173,147)
Adjustments for:		
Depreciation of property, plant and equipment	**2,247**	1,578
Share based payment charge	**59,016**	
Operating cash flows before movements in working capital	**(2,406,561)**	(1,171,569)
(Increase) / decrease in receivables	**127,560**	(134,893)
Increase / (decrease) in payables	**(203,153)**	664,964
Tax credit	**63,854**	75,638
Cash used by operations / net cash outflow from operating activities	(2,418,300)	(565,860)
Investing activities		
Purchase of property, plant and equipment	**(4,868)**	(2,297)
Interest income	-	-
Net cash (used in)/from investing activities	**(4,868)**	(2,297)
Cash flow from financing activities		
Proceeds on issue of loans	-	100,000
Repayment of loans	-	(75,000)
Proceeds on issue of equity	**2,212,283**	1,533,587
Interest payable	**(140)**	-
Net cash from financing activities	**2,212,143**	1,558,587
Net (decrease) / increase in cash and cash equivalents	**(211,025)**	990,430
Cash and cash equivalents at beginning of year	**1,231,788**	241,358
Cash and cash equivalents at end of year	**1,020,763**	1,231,788

Notes to the Financial Statements

1. **Nature of operations**
   Peptinnovate Limited is involved in the research and experimental development of biotechnology.

2. **General information and statement of compliance with IFRSs**

   Peptinnovate is a private limited liability company incorporated and domiciled in the UK. Its registered and head office is at Stevenage Bioscience Catalyst, Gunnels Wood Road, Stevenage, Hertfordshire, SG1 2FX, UK.

   The Financial Statements of Peptinnovate Limited ("the Company") have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), as adopted by the EU, IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRSs. IFRSs is subject to amendment and interpretation by the IASB and the IFRSs Interpretations Committee, and there is an on-going process of review and endorsement by the European Commission. These accounting policies comply with each IFRSs that is mandatory for accounting periods ending on 31 March 2017.

   The principal accounting policies set out below have been consistently applied to all periods presented.

   The financial statements for the year ended 31 March 2017 (including comparatives) were approved and authorised for issue by the Board of Directors on ....5 October.................... 2017.

3. **Changes in accounting policies**

   New standards, amendments and interpretations adopted by the Company

   None.

   New standards, amendments and interpretations not yet adopted

   New standards and interpretations currently in issue but not effective, based on EU mandatory effective dates, for accounting periods commencing on 1 January 2015 are:

   - IFRS 9 Financial Instruments (effective 1 January 2018)
   - IFRS 15 Revenue from Contracts with Customers (effective 1 January 2018)
   - IFRS 16 Leases (effective 1 January 2019)^^

   ^^ Not adopted by the EU (as at 7 July 2017).

   The standards and interpretations above have not been applied in preparing these financial statements and the Directors do not expect that their adoption in future periods will have a material impact of the financial statements of the Company as the Company is pre-revenue and has no significant leases.

4. **Statement of significant accounting policies**

   Basis of accounting

   These financial statements are for the year ended 31 March 2017. They have been prepared in accordance with the accounting policies set out below which are based on the recognition and measurement principles of IFRSs as adopted by the European Union (EU) and are effective at 31 March 2017. These financial statements have been prepared under the historical cost convention.

   Going concern

The Directors have adopted the going concern basis in preparing the financial statements. In assessing whether the going concern assumption is appropriate, the Directors have taken into account all relevant available information about the future.

During the period under review the Company incurred a net loss of £2,404K and has met its working capital requirements by utilising cash from the introduction of capital via equity and from grant income. At the statement of financial position date the net cash was £1,020K. The Company will continue to invest in its development programme during 2017-18 and beyond. To enable the Company to continue these activities and to meet its liabilities as they fall due, it will rely on financial support from additional funding from existing and new shareholders and there remains an uncertainty over the likely cost, timescale and outcome of its development and clinical trial programme and the timing of receipt of future funds. The combination of these factors represents a material uncertainty which may cast significant doubt on the Company's ability to generate sufficient cash flows to continue as a going concern, and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business. However, the Directors consider that the assumptions made are appropriate and are satisfied that the Company is a going concern. The Directors monitor the cash position of the business on a regular basis and consider the various sources of finance available to the Company including continuing support of the shareholders. The Directors would seek to access these sources of finance as necessary.

Foreign currency

The presentation currency for the Financial Statements is Sterling, which is the Company's functional currency. Foreign currency transactions are translated into Sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities have been translated at rates in effect at the statement of financial position date, with any exchange adjustments being charged or credited to the Income Statement.

Foreign exchange gains and losses are presented in the Income Statement within 'administrative expenses'.

Revenue recognition

Revenue is derived from the sale of goods and services. The Company is pre-revenue however its policy would be for revenue to comprise the fair value of the consideration received or receivable for the sale of goods or services in the ordinary course of the Company's activities. Revenue is shown net of value added tax.

The Company recognises revenue when substantially all obligations are complete and the significant risk and reward of ownership have transferred to the customer i.e. the services have been accepted, there are no other terms in the contract that give the customer right to rescind, and it is probable that the economic benefits associated with the transaction will flow to the Company. Revenue from consultancy work is recognised in the period as the work is performed based on a daily rate.

Government grants

Government grants are recognised in profit or loss as other operating income on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. The related costs are included within research and development costs. Government grants are not recognised unless there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

Where the Company has not fulfilled its obligations under the terms of a grant, the income is deferred and recognised once the Company has complied with the conditions attached to the grant.

Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

Finance income

Interest is recognised using the effective interest method which calculates the amortised cost of a financial asset and allocates the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Employment benefits

Provision is made in the financial statements for all employee benefits. Liabilities for wages and salaries, including non-monetary benefit and annual leave obliged to be settled within 12 months of the statement of financial position date, are recognised in accruals.

The Company has not made any pension contributions in respect of its employees.

Taxation

Current tax is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the statement of financial position date and includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred taxation is provided in full on timing differences which result in an obligation at the statement of financial position date to pay more tax, or a right to pay less tax, at a future date, at rates which are expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the assets. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Share-based payments

The Company issues equity share-based payments in the form of share options and warrants to employees and to third parties providing services to the Company. In accordance with IFRS 2, the cost of those payments is measured at fair value at the date of grant. The fair value is appraised at the grant date and excludes the impact of non-market vesting conditions. That fair value is expensed on a straight-line basis over the vesting period based on the Company's estimate of the shares that will eventually vest, with a corresponding credit to the "share based payment reserves".

Fair value is measured using the Black-Scholes option pricing model. The expected life used in the model is the expiry date of the options or warrants.

Upon exercise of the options or warrants, the proceeds received net of any directly attributable transaction costs up to the value of the shares issued are allocated to share capital with any excess attributable to share premium.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets and financial liabilities are measured initially at fair value plus transactions costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets and financial liabilities are measured subsequently as described below.

Financial assets

The Company classifies its financial assets as 'loans and receivables'. The Company assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the statement of financial position date, which are classified as non-current assets. Loans and receivables are classified as 'trade and other receivables' in the Statement of Financial Position, and cash and cash equivalents.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method; less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulty, high probability of bankruptcy or a financial reorganisation and default are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The loss is recognised in the Income Statement. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in the Income Statement.

Financial liabilities

The Company's financial liabilities include trade and other payables and borrowings.

Trade payables

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

Finance costs

Interest is recognised using the effective interest method which calculates the amortised cost of a financial liability and allocates the interest cost over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount of the financial liability.

Leasing

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

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the periods in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Intangible assets other than goodwill

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development expenditure is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is expensed in the period in which it is incurred.

Amortisation is provided on all intangible assets on a straight line basis at the following rates and charged to administrative expenses in the Income Statement:

Intellectual Property	10%
Research and Development	20%

Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation less any recognised impairment losses. Cost includes expenditure that is directly attributable to the acquisition or construction of these items. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Company and the costs can be measured reliably. All other costs, including repairs and maintenance costs, are charged to the Income Statement in the period in which they are incurred.

Depreciation is provided on all property, plant and equipment and is calculated on a straight-line basis at 33.33%.

Depreciation is provided on cost less residual value. The residual value, depreciation methods and useful lives are annually reassessed.

Provisions

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised, unless the provision was assumed in the course of a business combination.

Equity

Equity comprises the following:

- "Share capital" represents amounts subscribed for shares at nominal value.
- "Share premium" represents amounts subscribed for share capital, net of issue costs, in excess of nominal value.
- "Retained earnings" represents the accumulated profits and losses attributable to equity shareholders.
- "Capital contribution reserve" represents the equity portion of financial instruments which make up part of the funding of the Company.
- "Other reserve" represents amounts received for equity subscriptions prior to the allotment of the related shares.
- "Share-based payments" represents equity-settled payments made to Directors, employees and others.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are the significant estimates used in applying the accounting policies of the Company that have the most significant effect on the financial statements:

Capitalisation of development expenditure

The Company applies judgement in determining whether internal research and development projects meet the qualifying criteria set out in IAS 38 for the capitalisation of development expenditure as internally generated intangible assets.

Currently, no such internally generated intangible assets have been recognised by the Company due to the uncertainty surrounding the Company's ability to progress projects to deliver commercial returns, which in turn gives rise to uncertainty around the sufficiency of adequate resources to complete such research and development projects.

Share options and warrants

The fair value of share options and warrants is determined using the Black Scholes model, which requires a number of estimates and assumptions. The significant inputs into the model are the share price at the date of grant, the exercise price, the expected option life, the expected volatility and the risk-free interest rate.

5. Segmental reporting

Operating segments

For the purposes of segmental reporting, the Company's Chief Operating Decision Maker is considered to be the Board of Directors. The Company has only one operating segment on which it reports to the Chief Operating Decision Maker, being the research and experimental development of biotechnology. Information is reported to the Chief Operating Decision Maker based on the monthly management accounts which include an Income Statement, a Statement of Financial Position and a Cash Flow Statement.

Geographical information

The Company is based in the UK and all its activities are within the UK. The Company currently does not earn revenue either within or outside the UK.

Analysis of property, plant and equipment:

All fixed assets are within the UK.

6. Revenue

The Company earned no revenue in 2017 (2016: £nil).

7. Other operating income

	2017	2016
	£	£
Grant income	**330,082**	380,811
	330,082	380,811

8. Operating loss

	2017	2016
Operating loss is stated after charging/(crediting):	£	£
Fees payable to the Company's auditors for the audit of the annual financial statements	**10,000**	11,200
Fees payable to the Company's auditors and its associates for other services to the Company:		
- Services relating to taxation	**5,675**	5,500
- Other services	**1,000**	1,000
Depreciation	**2,247**	1,578

9. Directors and employees

The aggregate payroll costs of the employees, including both management and Executive Directors, were:

	2017	2016
Staff costs	£	£
Wages and salaries	**311,109**	190,854
Social security costs	**33,276**	20,293
	344,385	211,147

No pension contributions were made by the Company during FY17 or FY16.

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

	2016	2015
	Number	Number
By activity:		
Research and development	**6**	4
Total	**6**	4

	2016	2015
	£	£
Remuneration of Directors		
Emoluments for qualifying services	**147,000**	110,000
Pension contributions	-	-
	147,000	110,000

During the financial year options were granted over 2,205 A Ordinary Shares, exercisable at £0.0001 per share over a period of ten years. Save for that, no share options were outstanding or exercised during any of the financial years.

During the financial year Anthony Martin Advisory, a company under the control of A Martin invoiced the company £11,000 for advisory services. As at 31 March 2017, the amount owed to Anthony Martin Advisory was £Nil.

Key management personnel are identified as the Executive Directors and other management personnel, and their remuneration cost was £229,820 (2016: £178,781).

10. Taxation

Analysis of credit/(charge) in year

	2017	2016
	£	£
UK corporation tax credits on losses for the year	**63,854**	86,197
Income tax credit/(charge)	**63,854**	86,197

The differences are explained as follows:

	2017	2016
	£	£
Loss before tax	**(2,467,964)**	(1,183,364)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016: 20%) – tax credit	**(493,593)**	(236,673)
Tax effects of:		
Expenses and gains not deductible for tax purposes	**12,587**	(27,238)
Adjustment in research and development	-	(29,594)
Deferred tax not recognised	**481,006**	179,818
Other short-term timing differences	-	27,490
Adjustment for prior period	**(63,854)**	-
Income tax (income) /charge	**(63,854)**	(86,197)

The Company intends to make a claim for an R&D tax credit in respect of the financial year to 31 March 2017; the amount of that claim has not yet been agreed with HMRC.

The Company has tax losses of approximately £4,286K (FY16: £1,859K) available to offset against future taxable profits. A deferred tax asset has not been recognised on these due to the uncertainty regarding recoverability.

11. Loss per share

	2017	2016
	£	£
Total basic loss per share	**16.80**	9.87
	Number	Number
Weighted average number of shares in issue (includes Ordinary Shares and A Ordinary Shares)	**143,063**	111,142
	£	£
(Loss)/Earnings used in the calculation of loss per share	**(2,404,110)**	(1,097,167)

The fully diluted loss per share would be based on the fully diluted number of shares, assuming exercise of share options and warrants to the extent that they are "in the money". However as the Company is reporting losses, the diluted loss per share is the same as the basic loss per share.

12. Subsidiaries

The Company has no subsidiaries.

13. Property, plant and equipment

	Fixtures and fittings £	Office equipment £	Total £
Cost			
At 1 April 2015	-	3,924	3,924
Additions	-	2,297	2,297
At 31 March 2016	-	6,221	6,221
Additions	942	3,926	4,868
At 31 March 2017	942	10,147	11,089
Accumulated Depreciation			
At 1 April 2015	-	1,308	1,308
Charge	-	1,578	1,578
At 31 March 2016	-	2,886	2,886
Charge	157	2,090	2,247
At 31 March 2017	157	4,976	5,133
Net book value			
At 31 March 2017	785	5,171	5,956
At 31 March 2016	-	3,335	3,335

Depreciation is included within administrative expenses.

14. Trade and other receivables

	2017 £	2016 £
Tax receivable	-	113,807
Other receivables	**74,196**	79,239
Prepayments and accrued income	**71,518**	80,228
	145,714	273,274

The Directors consider the carrying value of trade and other receivables is approximate to its fair value. All of the Company's trade and other receivables have been reviewed for indicators of impairment. There are no impaired trade receivables, nor have there been any credit losses or allowance for credit losses in 2017 or 2016.

15. Cash and cash equivalents

	2017 £	2016 £
Cash at bank (GBP)	**1,020,763**	1,231,788

At 31 March 2017 and 2016 all significant cash and cash equivalents were deposited with a major clearing bank in the UK with at least an 'A' rating.

16. Share capital

Allotted, issued and fully paid

	2017 Number	£	2016 Number	£
Ordinary Shares of £0.0001	**149,006**	**15**	130,530	13
A Ordinary Shares of £0.0001	**16,923**	**1**	-	-

Allotments during the year

During the year ended 31 March 2017 the Company issued:
16,437 Ordinary Shares (2016: 21,123) at a price per share of £130.00 and
16,923 A Ordinary Shares (2016: Nil) at a price per share of £0.0001.

Share classes
In setting out the rights of the share classes, a "Hurdle" is defined as £90 per share.
On liquidation or other return of assets, the surplus assets will be distributed:
- First to each Ordinary Share to the extent of 99.999% of the Hurdle
- Second to each A Ordinary Share to the extent of 0.001% of the Hurdle
- Thereafter to all Ordinary Shares and A Ordinary Shares equally on a per share basis.

On a share sale the proceeds will be divided:
- First to each Ordinary Share to the extent of the Hurdle
- Thereafter to all Ordinary Shares and A Ordinary Shares equally on a per share basis

The Ordinary Shares and the A Ordinary Shares otherwise rank equally.

17. Share options

The Company has granted options over 2,205 A Ordinary Shares. The exercise price is £0.0001, the option lifetime is ten years and the options vest over 36 months from the date of grant.

Grant date	Expiry date	Option exercise price (£)	2017 (number)	2016 (number)
21/06/2016	**20/06/2026**	**0.0001**	**2,205**	**-**

Fair value
The fair value of the options has been calculated as £40.00 per option and the corresponding charge to income for the financial year is £59,016 (2016: nil). Options were priced using the Black-Scholes option pricing model. Expected volatility was 70%, the expected life is the expected period from grant to exercise which is 3 years, the risk free return is the rate offered for UK gilt deposits at the time of the grant which was 0.8%.

Movements in share options during the period

	Number of share options	Weighted average exercise price per share (£)
Outstanding at the beginning of the period	-	-
Granted during the period	2,205	0.0001
Lapsed during the period	-	-
Exercised during the period	-	-
Outstanding at the end of the period	2,205	0.0001
Exercisable at the end of the period	882	0.0001

Warrants
At the end of the year the Company issued 167 warrants over Ordinary Shares exercisable at £90 each and 57 warrants over Ordinary Shares exercisable at £130 each. The warrants have a lifetime of 10 years following which they will lapse to the extent that they remain unexercised.
The corresponding charge to income for the financial year is £nil (2016: nil).

18. Trade and other payables

	2017 £	2016 £
Trade payables	**362,280**	289,099
Other payables including taxation and social security	-	215,150
Accruals	**315,273**	230,228
Deferred income	-	146,229
	677,553	880,706

19. Financial assets and liabilities

	2017 £	2016 £
Financial assets that are debt instruments measured at amortised cost	1,020,763	1,232,744
Financial liabilities measured at amortised cost	677,553	519,327

No material value has been attributed to the financial derivative attached to the convertible loan instruments.

Financial risk exposure and capital management

The Company's operations expose it to degrees of financial risk that include liquidity risk, credit risk and foreign currency risk. This note describes the Company's objectives, policies and process for managing those risks and the methods used to measure them.

Capital management

The Company's capital management objectives are:

- To ensure the Company's ability to continue as a going concern; and
- To provide long-term returns to shareholders

The Company defines and monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented on the face of the Statement of Financial Position.

The Board of Directors monitors the level of capital as compared to the Company's commitments and adjusts the level of capital as is determined to be necessary by issuing new shares. The Company is not subject to any externally imposed capital requirements. The Directors believe that they have been able to meet their objectives in managing the capital of the Company.

Credit risk

The Company's credit risk is primarily attributable to its cash balances and trade receivables. The Company does not have a significant concentration of risk, with exposure spread over a number of third parties.

The credit risk on liquid funds is limited because the third party is a large international bank with a credit rating of at least A.

The Company's total credit risk amounts to the total of the sum of the receivables and cash and cash equivalents. At the 2017 year end this amounts to £1,020,763 (2016: £1,232,744).

Interest rate risk

The Company's only exposure to interest rate risk is the interest received on the cash held on deposit, which is immaterial. The Company does not have any interest bearing borrowings.

Foreign exchange risk

The Company is able to manage its exchange rate risk through the natural matching of payments and receipts denominated in the same currencies. The Company does not hold any material non-domestic currency balances so minimal foreign exchange risk arises.

Liquidity risk

In managing liquidity risk, the main objective of the Company is to ensure that it has the ability to pay all of its liabilities as they fall due. The Company monitors its levels of working capital to ensure that it can meet its debt repayments as they fall due. The table below shows the undiscounted cash flows on the Company's financial liabilities excluding tax balances as at 31 March 2017 and 2016, on the basis of their earliest possible

20. Operating lease arrangements

Operating leases primarily relate to land and buildings. The Company does not have an option to purchase any of the operating leased assets at the expiry of the lease periods.

Payments recognised as an expense during the year	2017	2016
	£	£
Payments made	14,949	7,450

Non-cancellable operating lease commitments	2017	2016
	£	£
Not later than 1 year	11,041	16,562
Less than 1 year and not later than 5 years	-	11,041
	11,041	27,603

21. Financial commitments

There are no financial commitments at 31 March 2017 or 31 March 2016.

22. Related party transactions

There is an agreement in place between the Company and a Swiss advisory company based in Zurich under which that company provides strategic, legal and governance advisory services including the services of three directors of the Company (Michael Albisser, Richard Nagle and Clive Page). This Swiss advisory company also receives a fee of 7% of funds raised by it for the Company. Michael Albisser, Richard Nagle and Clive Page are all partners in this Swiss advisory company. During the year to 31 March 2017 the total payable to this Swiss advisory company under these arrangements was £239,133 and the amount outstanding at 31 March 2017 was £151,133. During the financial year to 31 March 2016 the total payable was £244,242 and the amount outstanding at 31 March 2016 was £293,742. At 31 March 2017 the Company had accrued fees of £268,500 payable to this company (2016: £205,500).

A company of which Andrew Lightfoot was previously a director owed £1,954 to the Company at 31 March 2017 and £954 to the Company at 31 March 2016. The Company has written this amount off.

23. Contingent liabilities

The Directors are not aware of any contingent liabilities within the Company at 31 March 2017 or 31 March 2016.

24. Ultimate controlling party

There is no controlling party of the Company.

25. Post reporting date events

Subsequent to the year end the Company is actively engaged in equity fund raising, both for interim funding and for the medium term. The cash flow forecasts assume raising another £3-5 million during the next 15 months, of which £646K has been raised to date.

REGISTERED NUMBER: 06523286 (England and Wales)

Directors' Report and

Financial Statements

for the Year Ended 31 March 2017

for

Kent PFI Holdings Company 1 Limited

Contents of the Financial Statements
for the year ended 31 March 2017

Kent PFI Holdings Company 1 Limited

Company Information
for the year ended 31 March 2017

DIRECTORS:	J A Hansen C M Head S R Shah A J Trow
REGISTERED OFFICE:	Two London Bridge London SE1 9RA
REGISTERED NUMBER:	06523286 (England and Wales)
AUDITOR:	KPMG LLP One Snowhill Snow Hill Queensway Birmingham B4 6GH

Kent PFI Holdings Company 1 Limited (Registered number: 06523286)

Report of the Directors
for the year ended 31 March 2017

The directors present their report with the financial statements of the company for the year ended 31 March 2017.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of a holding company. The Company has been established for the single purpose of holding shares in a subsidiary company and generating a pledge over such shares to a third party lender. The Company provides subordinated debt to its subsidiary undertaking, Kent PFI Company 1 Limited.

REVIEW OF BUSINESS
The profit for the financial year was £300,000 (2016: £200,000).

Both the level of business and the year end financial positions were in line with budgets and expectations.

FUTURE DEVELOPMENTS
The company will continue to act as holding company to Kent PFI Company 1 Limited.

PRINCIPAL RISKS AND UNCERTAINTIES
The principal risks facing the business are that the value of investment in the undertaking, which is dependent on the success of the underlying project, might be less than anticipated and the risk that Kent PFI Company 1 Limited might have to inject cash into the undertaking to maintain its value. The directors manage this risk through close involvement in the management of the underlying project and regular monitoring of its performance.

DIVIDENDS
The directors have recommended the payment of an interim dividend of £300,000 (2016: £200,000).

POST BALANCE SHEET EVENTS
There have been no material post balance sheet events which would require disclosure or adjustment to these financial statements.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2016 to the date of this report.

J A Hansen
C M Head
S R Shah

Other changes in directors holding office are as follows:

P Andrews - resigned 31 December 2016
A J Trow - appointed 1 January 2017
N R Henshaw - appointed 31 December 2016 - resigned 1 January 2017

DISCLOSURE OF INFORMATION TO THE AUDITOR
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the company's auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

ON BEHALF OF THE BOARD:

....
A J Trow - Director

Date: ....22/6/2017.........

Statement of Directors' Responsibilities
for the year ended 31 March 2017

The directors are responsible for preparing the Directors' 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. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of
Kent PFI Holdings Company 1 Limited

We have audited the financial statements of Kent PFI Holdings Company 1 Limited for the year ended 31 March 2017 on pages 5 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements
In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' Report:
- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

James Tracey (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

Date: 28 June 2017

Kent PFI Holdings Company 1 Limited (Registered number: 06523286)

Statement of Comprehensive Income
for the year ended 31 March 2017

	Notes	2017 £'000	2016 £'000
TURNOVER		-	-
OPERATING PROFIT	3	-	-
Income from shares in group undertakings	4	300	200
Interest receivable and similar income	5	880	893
Interest payable and similar expenses	6	(880)	(893)
PROFIT BEFORE TAXATION		300	200
Tax on profit	7	-	-
PROFIT FOR THE FINANCIAL YEAR BEING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		300	200

The notes form part of these financial statements

Kent PFI Holdings Company 1 Limited (Registered number: 06523286)

Balance Sheet
31 March 2017

	Notes	2017 £'000	2016 £'000
FIXED ASSETS			
Investments	9	**10**	10
CURRENT ASSETS			
Debtors: amounts falling due within one year	10	**541**	586
Debtors: amounts falling due after more than one year	10	**7,203**	7,260
		7,744	7,846
CREDITORS			
Amounts falling due within one year	11	**(541)**	(586)
NET CURRENT ASSETS		**7,203**	7,260
TOTAL ASSETS LESS CURRENT LIABILITIES		**7,213**	7,270
CREDITORS			
Amounts falling due after more than one year	12	**(7,203)**	(7,260)
NET ASSETS		**10**	10
CAPITAL AND RESERVES			
Called up share capital	13	**10**	10
SHAREHOLDERS' FUNDS		**10**	10

The financial statements were approved by the Board of Directors on ....22/6/2017........ and were signed on its behalf by:

....

A J Trow - Director

The notes form part of these financial statements

Statement of Changes in Equity
for the year ended 31 March 2017

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1 April 2015	10	-	10
Changes in equity			
Dividends Paid	-	(200)	(200)
Total comprehensive income	-	200	200
Balance at 31 March 2016	10	-	10
Changes in equity			
Dividends Paid	-	(300)	(300)
Total comprehensive income	-	300	300
Balance at 31 March 2017	10	-	10

The notes form part of these financial statements

Notes to the Financial Statements
for the year ended 31 March 2017

1. ACCOUNTING POLICIES

Basis of preparing the financial statements
These financial statements have been prepared under the historical cost convention and in accordance with UK Accounting Standards, and are presented in pound sterling which is the functional currency of the company. All amounts in the financial statements have been rounded to the nearest £1,000.

Statement of compliance
Kent PFI Holdings Company 1) Limited is a limited company incorporated in England. The Registered Office is Two London Bridge, London SE1 9RA. The financial statements have been prepared in compliance with FRS 102 and the Companies Act 2006 for the year ended 31 March 2017. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied.

Financial reporting standard 102 - reduced disclosure exemptions
The company is a qualifying entity as defined by FRS 102. Consequently, the company has taken advantage of the disclosure exemption set out in Section 1.12 not to prepare a statement of cashflows.

Preparation of consolidated financial statements
The financial statements contain information about Kent PFI Holdings Company 1 Limited, as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in consolidated financial statements of its International Public Partnerships Limited Partnership.

Going concern
The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The directors believe the going concern basis to be appropriate as Kent PFI Company 1 Limited has committed banking facilities to cover all projected expenditure during construction and is sufficiently cash generative thereafter to fully repay the debt and other expenses.

Investments
Investments are stated at cost less provision for any impairment in value.

Related party disclosures
The company has taken advantage of the exemption in Section 33.1 A Related Party Disclosures not to disclose related party transactions between two or more members of a group provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

Short term debtors and creditors
Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in the administrative expenses.

Interest receivable and similar income
Interest receivable is credited to the profit and loss account as it is earned.

Interest payable and similar charges
Interest payable is charged to the profit and loss account as it is incurred.

Judgements and key sources of estimation uncertainty
The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amount reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

There are no significant accounting estimates or judgements required in the preparation of these financial statements.

2. STAFF COSTS

The company has no employees and hence there were no staff costs for the year ended 31 March 2017 (2016: £nil).

3. OPERATING PROFIT

The directors received no salary, fees or other benefits in the performance of their duties in respect of their services to the company (2016: £nil).

The audit fee of £753 (2016: £753) for the company is borne by Kent PFI Company 1 Limited.

4. INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2017 £000	2016 £000
Dividends received from subsidiary undertaking	300	200

5. INTEREST RECEIVABLE AND SIMILAR INCOME

	2017 £000	2016 £000
Interest receivable from subsidiary undertaking	880	893

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017 £000	2016 £000
Interest payable to parent undertaking	880	893
	880	893

7. TAXATION

Analysis of the tax charge
No liability to UK corporation tax arose for the year ended 31 March 2017 nor for the year ended 31 March 2016.

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK. The difference is explained below:

	2017 £'000	2016 £'000
Profit before tax	300	200
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	60	40
Effects of:		
Income not taxable for tax purposes	(60)	(40)
Total tax charge	-	-

Factors that may affect future tax charges
A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. There is no recognised or unrecognised deferred tax asset (2016: £nil).

8. DIVIDENDS

	2017 £'000	2016 £'000
Ordinary shares of 1 each		
Interim	300	200

9. FIXED ASSET INVESTMENTS

	Interest in subsidiary undertakings £'000
COST	
At 1 April 2016	
and 31 March 2017	10
NET BOOK VALUE	
At 31 March 2017	10
At 31 March 2016	10

Shares in subsidiary undertaking represent a holding of 100% of the ordinary share capital of Kent PFI Company 1 Limited. This company is incorporated in the United Kingdom, registered at Two London Bridge, London, SE1 9RA and its sole purpose is the design, build, maintenance and operation of a series of schools in the Kent area.

10. DEBTORS

	2017 £'000	2016 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	541	586
Amounts falling due after more than one year:		
Amounts owed by group undertakings	7,203	7,260
Aggregate amounts	7,744	7,846

Amounts owed by group undertakings are repayable in instalments on or before September 2035. The loan is unsecured and bears interest at 12%.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £'000	2016 £'000
Amounts owed to group undertakings	314	340
Amounts owed to participating interests	227	246
	541	586

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017 £'000	2016 £'000
Amounts owed to group undertakings	4,178	4,211
Amounts owed to participating interests	3,025	3,049
	7,203	7,260

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR- continued

An analysis of the maturity of the group loan is given below:

	2017	2016
	£'000	£'000
Repayment schedule of the group loan:		
Wholly repayable within five years	713	651
Not wholly repayable within five years	6,593	6,750
	7,306	7,401

Amounts owed to group undertakings comprise loan stock of £4,238,000 (2016: £4,293,000) from Building Schools for the Future Investments LLP. Amounts owed to participating interests comprise of £3,068,000 (2016: £3,108,000) from Kent County Council. These borrowings bear interest at 12% per annum and are repayable in instalments on or before September 2035. There was £438,000 (2016: £445,000) of accrued interest on these loans outstanding at the year end.

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
10,000	Ordinary	1	10,000	10,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

14. RESERVES

	Retained earnings £'000
At 1 April 2016	-
Profit for the year	300
Dividends (Note 8)	(300)
At 31 March 2017	-

15. RELATED PARTY DISCLOSURES

During the year ended 31 March 2017, the company recognised interest of £370,000 (2016: £375,000) during the year payable to Kent County Council, which has significant influence in the company. The company owed Kent County Council £184,000 (2016: £187,000) at the year end.

16. ULTIMATE CONTROLLING PARTY

The directors regard Building Schools for the Future Investments LLP, an entity incorporated in England and Wales as the immediate parent undertaking and controlling party and International Public Partnerships Limited a company registered in Guernsey as the ultimate parent undertaking and controlling party. Copies of the consolidated financial statements of International Public Partnerships Limited Partnership (the smallest and largest group of which the company is a member and for which group financial statements are prepared) can be obtained from the registered address at Two London Bridge, London, SEA 9RA.