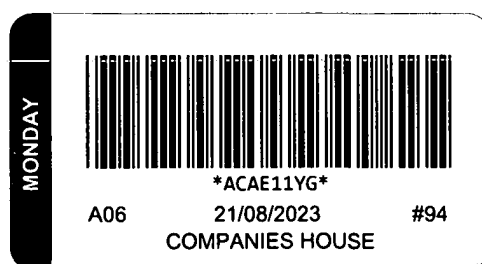


Chemostrat Ltd
REPORT AND FINANCIAL STATEMENTS
for the year ended
31 December 2022



Chemostrat Ltd

COMPANY INFORMATION

DIRECTORS

E W Merrick
T J Pearce
V Ridge

SECRETARY

V Ridge

COMPANY NUMBER

03760548

REGISTERED OFFICE

Unit 1 Ravenscroft Court
Buttington Cross Enterprise Park
Welshpool
Powys
SY21 8SL

AUDITOR

Pritchett & Co Business Advisers Limited
16 Wynnstay Road
Colwyn Bay
Conwy
LL29 8NB

Chemostrat Ltd

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activity of the company during the period was that of chemostratigraphy consultants.

DIRECTORS

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

E W Merrick
T J Pearce
V Ridge

RESULTS AND DIVIDENDS

The profit for the period after taxation amounted to £163,872 (2021: £28,386).

No ordinary dividends were paid. The directors do not recommended a dividend.

POST REPORTING DATE EVENTS

There are no significant post reporting date events to note.

AUDITOR

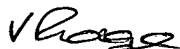
The auditor, Pritchett & Co Business Advisers Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

STATEMENT OF DISCLOSURE TO AUDITOR

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors 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.

By order of the board



V Ridge

Company Secretary



Chemostrat Ltd

DIRECTORS' RESPONSIBILITIES STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 of the profit or loss of the company for that period. In preparing those 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHEMOSTRAT LTD

Opinion

We have audited the financial statements of Chemostrat Limited (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, 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 directors' report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHEMOSTRAT LTD

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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks that the company operates in and how the company is complying with the legal and regulatory frameworks;
 - inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
 - discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.
-

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHEMOSTRAT LTD

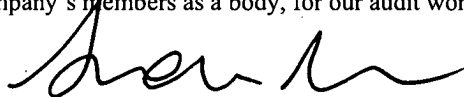
As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, tax compliance and government grant income regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities, evaluating advice received from tax advisors and obtaining an understanding of the nature and quantum of grant income receivable in the period, inquiry of management on how the entity has complied with the associated regulatory framework and testing a sample of entries included on the associated claims.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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

Use of our report

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



Andrew Morris

For and on behalf of Pritchett & Co Business Advisers Limited, Senior Statutory Auditor
Chartered Accountants
16 Wynnstay Road
Colwyn Bay
Conwy
LL29 8NB

Date 2/8/23

Chemostrat Ltd

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

| | | 2022 | 2021 |
|--|--------------|-----------|-----------|
| | <i>Notes</i> | £ | £ |
| TURNOVER | 1 | 1,487,954 | 1,141,423 |
| Cost of sales | | (838,912) | (853,123) |
| Gross profit | | 649,042 | 288,300 |
| Administrative expenses | | (528,151) | (542,201) |
| Other operating income | 2 | 5,960 | 128,218 |
| OPERATING PROFIT/(LOSS) | 3 | 126,851 | (125,683) |
| Interest receivable and similar income | | - | - |
| Interest payable and similar charges | | (21) | (1) |
| PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION | | 126,830 | (125,684) |
| Taxation | 5 | 37,042 | 154,070 |
| PROFIT FOR THE FINANCIAL YEAR | 15 | 163,872 | 28,386 |

Chemostrat Ltd
STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

| | | 31 December 2022 | 31 December 2021 |
|--|-------|---------------------|---------------------|
| | Notes | £ | £ |
| FIXED ASSETS | | | |
| Intangible assets | 6 | - | - |
| Tangible assets | 7 | 110,742 | 152,985 |
| | | <u>110,742</u> | <u>152,985</u> |
| CURRENT ASSETS | | | |
| Debtors | 8 | 1,106,363 | 735,903 |
| Cash at bank and in hand | | 47,394 | 76,130 |
| | | <u>1,153,757</u> | <u>812,033</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 9 | (1,772,047) | (1,626,550) |
| NET CURRENT LIABILITIES | | <u>(618,290)</u> | <u>(814,517)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>(507,548)</u> | <u>(661,532)</u> |
| PROVISIONS FOR LIABILITIES | 10 | - | - |
| ACCRUALS AND DEFERRED INCOME | 11 | (23,053) | (32,941) |
| | | <u>(530,601)</u> | <u>(694,473)</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 14 | 100 | 100 |
| Profit and loss account | 15 | (530,701) | (694,573) |
| SHAREHOLDER'S (DEFICIT) | | <u>(530,601)</u> | <u>(694,473)</u> |

These financial statements have been prepared in accordance with the provisions applicable to Companies subject to the Small Companies regime.

The financial statements on pages 7 to 17 were approved by the board of directors and authorised for issue on ~~01.08.23~~ and are signed on their behalf by:



T J Pearce
Director

Chemostrat Ltd

ACCOUNTING POLICIES

COMPANY INFORMATION

Chemostrat Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Unit 1, Ravenscroft Court, Buttington Cross Enterprise Park, Welshpool, Powys, SY21 8SL.

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.

REDUCED DISCLOSURE EXEMPTIONS

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements;

- Section 7 ‘Statement of Cash Flows’
- Section 26 ‘Share-based Payment’
- Section 33 ‘Related Party Disclosures’

CONSOLIDATED ACCOUNTS

The financial statements of the Company are consolidated in the financial statements of Hafren Scientific Ltd. The consolidated financial statements of Hafren Scientific Ltd are available from its registered office, Unit 1, Ravenscroft Court, Buttington Cross Enterprise Park, Welshpool, Powys, SY21 8SL.

GOING CONCERN

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The directors have reviewed and approved detailed cash flow forecasts for the period to December 2024. The directors have considered cash flow sensitivities and the cross guarantee that is in place. The forecasts demonstrate that the company has an operational business generating positive cash flows for the foreseeable future. On this basis the directors believe that it is appropriate to prepare the financial statements on a going concern basis. There is a letter of support from the parent undertaking due to losses and net current liabilities.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services in the ordinary nature of the business. Turnover is shown net of Value Added Tax, of goods and services provided to customers and, in the case of long term contracts, credit is taken appropriate to the stage of completion when the outcome of the contract can be ascertained with reasonable certainty.

INTERNALLY GENERATED INTANGIBLE ASSET - RESEARCH AND DEVELOPMENT

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Development costs are only capitalised when the related products meet the recognition criteria of an internally generated intangible asset, the key criterion being as follows:

- technical feasibility of the completed intangible asset;
- the probability of future economic benefits;
- the reliable measurement of costs; and
- the ability and intention of the company to use or sell the intangible asset.

Chemostrat Ltd

ACCOUNTING POLICIES

INTERNALLY GENERATED INTANGIBLE ASSET - RESEARCH AND DEVELOPMENT (continued)

Expenses for research and development include associated material preparation and analysis costs and other directly attributable overheads. The identifiable expenditure is then amortised over the period during which the benefit is expected to occur. Provision is made for any impairment. All research and other development costs are written off as incurred.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

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

| | | |
|----------------------|---|----------------------------|
| Tenants Improvements | - | over the term of the lease |
| Fixtures & Fittings | - | 20% reducing balance |
| Office Equipment | - | 25% straight line |

AMORTISATION

Amortisation is calculated on development expenditure to write off the cost of the asset over the period during which benefit is expected to occur, this is currently 3 to 5 years.

LEASING AND HIRE PURCHASE

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor. Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the profit and loss account on a straight line basis over the lease term.

PENSION COSTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

TAXATION

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

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

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

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

Chemostrat Ltd

ACCOUNTING POLICIES

TAXATION (continued)

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future that occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which that are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

FOREIGN CURRENCIES

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.

FINANCIAL INSTRUMENTS

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

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

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

Basic financial assets

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

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been effected. If the asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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 subsequently all the risks and rewards of ownership to another entity, or if some significant risk 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.

Chemostrat Ltd

ACCOUNTING POLICIES

FINANCIAL INSTRUMENTS (continued)

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 deduction all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, 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 payment discounted at a market rate of interest.

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

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled or they expire.

DEFERRED GOVERNMENT GRANTS

Deferred government grants in respect of capital expenditure are treated as deferred income and are credited to the profit and loss account over the estimated useful life of the assets to which they relate.

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 group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

GOVERNMENT GRANTS

The company has received funding from the UK Government in relation to Covid-19.

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 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.

Chemostrat Ltd

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

1 TURNOVER

Overseas turnover amounted to 26% (2021 - 25%) of the total turnover for the period.

2 OTHER OPERATING INCOME

| | 2022 | 2021 |
|-------------------------|--------------|----------------|
| | £ | £ |
| Government grant income | 5,960 | 128,218 |
| | <u>5,960</u> | <u>128,218</u> |

3 OPERATING PROFIT/LOSS

Operating profit/loss is stated after charging/(crediting):

| | 2022 | 2021 |
|---|----------|-----------|
| | £ | £ |
| Directors' remuneration | - | - |
| Pension contributions | 13,452 | 1,885 |
| Depreciation of owned fixed assets | 39,780 | 45,694 |
| Amortisation of development costs | - | 18,797 |
| Impairment of development costs | - | - |
| Other operating income | (5,960) | (128,218) |
| Net loss/(profit) on foreign currency translation | (14,095) | 10,319 |
| Auditor's Remuneration | - | - |
| Operating Lease Costs | - | - |
| | <u>-</u> | <u>-</u> |

Directors and Auditors Remuneration and Operating Lease Costs covered by the parent company.

4 EMPLOYEES

The average number of persons employed in the reporting period was:

| | 2022 | 2021 |
|--|-----------|-----------|
| | No. | No. |
| | <u>10</u> | <u>15</u> |

5 TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the period

| | 2022 | 2021 |
|--|------------------|------------------|
| | £ | £ |
| Current tax: | | |
| Under / (Over) provision in prior year | 62,958 | (4,070) |
| Current year credit | <u>(100,000)</u> | <u>(150,000)</u> |
| Total current tax | <u>(37,042)</u> | <u>(154,070)</u> |
| Deferred tax: | | |
| Origination and reversal of timing differences | - | - |
| Tax on profit on ordinary activities | <u>(37,042)</u> | <u>(154,070)</u> |

Chemostrat Ltd
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022

6 INTANGIBLE FIXED ASSETS

| | Development Costs £ |
|-----------------------|---------------------------|
| Cost | |
| At 1 January 2022 | 2,425,146 |
| Additions | - |
| At 31 December 2022 | <u>2,425,146</u> |
| Amortisation | |
| At 1 January 2022 | 2,425,146 |
| Charge for the period | - |
| At 31 December 2022 | <u>2,425,146</u> |
| Net book value | |
| At 31 December 2022 | - |
| At 31 December 2021 | - |

7 TANGIBLE FIXED ASSETS

| | Tenants Improvements £ | Fixtures & Fittings £ | Office Equipment £ | Total £ |
|-----------------------|------------------------------|-----------------------------|--------------------------|----------------|
| Cost | | | | |
| At 1 January 2022 | 185,781 | 64,059 | 270,129 | 519,969 |
| Additions | - | - | 2,852 | 2,852 |
| Disposals | - | - | (6,643) | (6,643) |
| At 31 December 2022 | <u>185,781</u> | <u>64,059</u> | <u>266,338</u> | <u>516,178</u> |
| Depreciation | | | | |
| At 1 January 2022 | 141,120 | 52,186 | 173,678 | 366,984 |
| Charge for the period | 16,748 | 2,375 | 20,657 | 39,780 |
| Disposals | - | - | (1,328) | (1,328) |
| At 31 December 2022 | <u>157,868</u> | <u>54,561</u> | <u>193,007</u> | <u>405,436</u> |
| Net book value | | | | |
| At 31 December 2022 | <u>27,913</u> | <u>9,498</u> | <u>73,331</u> | <u>110,742</u> |
| At 31 December 2021 | <u>44,661</u> | <u>11,873</u> | <u>96,451</u> | <u>152,985</u> |

Chemostrat Ltd

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

8 DEBTORS

| | 2022 | 2021 |
|------------------------------------|------------------|----------------|
| | £ | £ |
| Trade debtors | 833,686 | 364,529 |
| Amounts owed by group undertakings | 20,865 | 70,085 |
| Other debtors | - | 12,005 |
| Corporation tax | 189,936 | 150,000 |
| VAT | - | - |
| Deferred Tax Asset | 25,000 | 25,000 |
| Prepayments and accrued income | 36,876 | 114,284 |
| | <u>1,106,363</u> | <u>735,903</u> |

9 CREDITORS: Amounts falling due within one year

| | 2022 | 2021 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade creditors | 44,545 | 77,572 |
| VAT | 88,502 | 26,682 |
| Accruals and deferred income | 104,929 | 94,774 |
| Amounts owed to group undertakings | 1,534,071 | 1,427,522 |
| | <u>1,772,047</u> | <u>1,626,550</u> |

In the accounts of the parent company, Hafren Scientific Limited, there are 2 loans with the Development Bank of Wales. All of these loans are secured by a fixed and floating charge over the assets and undertakings of Chemostrat Limited, Origin Analytical Limited and Hafren Scientific Limited.

10 PROVISIONS FOR LIABILITIES

| | Deferred taxation £ |
|--|---------------------------|
| Balance brought forward | (25,000) |
| Profit and Loss Account movement arising during the period | - |
| Balance carried forward (net position of assets / liabilities) | <u>(25,000)</u> |

The provision for deferred taxation consists of the tax effect of timing differences in respect of:

| | 2022 | 2021 |
|---|-----------------|-----------------|
| | £ | £ |
| Losses and other deductions | (25,000) | (25,000) |
| Excess of taxation allowances over depreciation on fixed assets | - | - |
| | <u>(25,000)</u> | <u>(25,000)</u> |

Chemostrat Ltd

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

11 GOVERNMENT GRANTS

| | 2022 £ | 2021 £ |
|-----------------------------------|----------------|----------------|
| Received and receivable: | | |
| At 1 January 2022 | 137,181 | 137,181 |
| Additions | - | - |
| At 31 December 2022 | <u>137,181</u> | <u>137,181</u> |
| Amortisation: | | |
| At 1 January 2022 | 104,240 | 93,942 |
| Credit to profit and loss account | 9,888 | 10,298 |
| At 31 December 2022 | <u>114,128</u> | <u>104,240</u> |
| Net balance at 31 December | <u>23,053</u> | <u>32,941</u> |

12 COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases as set out below.

| Land and Buildings - | 2022 £ | 2021 £ |
|---|---------------|----------------|
| Amounts due within one year | 41,201 | 41,201 |
| Amounts due between one and five years | 51,501 | 92,702 |
| Amounts due after more than five years | - | - |
| Total liability to the end of the lease | <u>92,702</u> | <u>133,903</u> |

13 CONTINGENT LIABILITIES

The company has an unlimited multilateral guarantee relating to any monies owing to HSBC by Hafren Scientific Limited and Origin Analytical Limited. At 31st December 2022 the liability across the Group was £Nil (2021: £Nil).

The government grants are repayable to the Welsh Assembly Government if the conditions of the grant as described in the agreement are not complied with.

14 SHARE CAPITAL

| | 2022 £ | 2021 £ |
|--------------------------------|------------|------------|
| Allotted and called up: | | |
| 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at the general meeting of the company.

Chemostrat Ltd

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2022

15 PROFIT AND LOSS ACCOUNT

| | 2022 | 2021 |
|-------------------------------|------------------|------------------|
| | £ | £ |
| At the beginning of the year | (694,573) | (722,959) |
| Profit for the financial year | 163,872 | 28,386 |
| At the end of the year | <u>(530,701)</u> | <u>(694,573)</u> |

Cumulative profit and loss net of distribution to owners.

16 ULTIMATE PARENT COMPANY AND CONTROLLING PARTIES

The immediate and ultimate parent company is Hafren Scientific Limited, a company incorporated in England and Wales.

The ultimate controlling party is Dr T J Pearce, being the majority of shareholders of Hafren Scientific Ltd.

Hafren Scientific Ltd is the smallest and largest company for which consolidated accounts including Chemostrat Ltd are prepared. The consolidated accounts of Hafren Scientific Ltd are available from its registered office Unit 1 Ravenscroft Court, Buttington Cross Enterprise Park, Welshpool, Powys, SY21 8SL.

17 RELATED PARTY TRANSACTIONS

Future Geoscience Ltd, a Joint Venture with Hafren Scientific Ltd, has amounts owed of £347,385 (2021: £125,313) included within trade debtors as a result of transactions during the year.

Future Geoscience Ltd owes £Nil (2021: £12,005), this is included in other debtors.

Chemostrat Ltd owes Future Geoscience Ltd £4,320 (2021: £61,178), this is included within trade creditors as a result of transactions during the year.

Sales from Future Geoscience Ltd to Chemostrat Ltd totalled £8,075 (2021: £35,666) in the year.

Purchases by Future Geoscience Ltd from Chemostrat Ltd totalled £491,484 (2021: £51,429) in the year.