

**REGISTERED NUMBER: 05024723 (England and Wales)**

**Report of the Directors and  
Financial Statements for the Year Ended 31 March 2016  
for  
Perachem Limited**



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*for the year ended 31 March 2016*

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**Perachem Limited**

**Company Information**  
*for the year ended 31 March 2016*

**DIRECTORS:**

Professor D M Lewis  
S M Winston  
Dr A M Fielding  
N J K Wood

**SECRETARY:**

S M Winston

**REGISTERED OFFICE:**

First Floor  
55 Drury Lane  
London  
WC2B 5RZ

**REGISTERED NUMBER:**

05024723 (England and Wales)

**AUDITOR:**

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP)  
Chartered Accountants  
Statutory Auditor  
2 Whitehall Quay  
Leeds  
West Yorkshire  
LS1 4HG

**Report of the Directors**  
*for the year ended 31 March 2016*

The directors present their report with the financial statements of the company for the year ended 31 March 2016.

**REVIEW OF BUSINESS**

The business continues to research and develop its range of technology for commercial exploitation. A fuller review of the progress made in the year is contained within the Chairman's Statement in the annual financial statements of the company's parent, Green Chemicals plc.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 March 2016.

**RESEARCH AND DEVELOPMENT**

During the year the company incurred expenditure on research and development activities amounting to £45,389 (2015: £113,363). This has been charged to the profit and loss account as incurred.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 April 2015 to the date of this report.

Professor D M Lewis  
S M Winston  
Dr A M Fielding

Other changes in directors holding office are as follows:

Dr J Hawkes - resigned 4 June 2015  
N J K Wood - appointed 15 December 2015

**GOING CONCERN**

The group is reliant on ongoing financial support from its parent company. The directors are required to be satisfied that the company has adequate resources to continue in business for the foreseeable future. The Directors have prepared cash flow forecasts for a 12 month period from the date of approval of these financial statements and the ability of the group to generate sufficient cash depends on the group's ability to achieve these forecasts. The cash flow forecasts contain assumptions and estimates regarding the timing and magnitude of predicted revenues which are uncertain. The Directors are confident that they can control the group's cash resources, through careful management of costs whilst the group builds up its revenue streams. Additionally, the Directors are exploring further opportunities to raise new investment funding for the group. Consequently, the Directors have a reasonable expectation that the company has adequate resources to continue to operate for the foreseeable future and that it remains appropriate for the financial statements to be prepared on a going concern basis.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Report of the Directors 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), 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 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.

**Report of the Directors**  
*for the year ended 31 March 2016*

**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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.

**STRATEGIC REPORT**

The company has taken advantage of the exemptions available to it as a small company from the requirement to prepare a Strategic Report.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR**

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

**AUDITOR**

The auditor, RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Chartered Accountants, has indicated its willingness to continue in office.

**ON BEHALF OF THE BOARD:**



.....  
S M Winston - Director

Date: 11. 8. 2016 .....

## **Report of the Independent Auditor to the Members of Perachem Limited**

We have audited the financial statements of Perachem Limited for the year ended 31 March 2016 on pages six to eighteen. 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 a Report of the Auditor 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 Statement of Directors' Responsibilities set out on pages three and four, 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 (APB'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://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 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **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.

RSM UK Audit LLP

Andrew Allchin (Senior Statutory Auditor)  
for and on behalf of RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP)  
Statutory Auditor  
Chartered Accountants  
2 Whitehall Quay  
Leeds  
West Yorkshire  
LS1 4HG

Date: 12 August 2016

**Perachem Limited (Registered number: 05024723)**

**Statement of Comprehensive Income**  
*for the year ended 31 March 2016*

	Notes	31/3/16 £	31/3/15 £
<b>REVENUE</b>	3	<b>5,218</b>	12,956
Operating expenses		<u>(275,055)</u>	<u>(318,220)</u>
		<b>(269,837)</b>	<b>(305,264)</b>
Other operating income		<u>2,005</u>	<u>-</u>
<b>OPERATING LOSS and LOSS BEFORE TAXATION</b>	5	<b>(267,832)</b>	<b>(305,264)</b>
Tax on loss	6	<u>40,208</u>	<u>34,282</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<b>(227,624)</b>	<b>(270,982)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>(227,624)</u></b>	<b><u>(270,982)</u></b>

**Statement of Financial Position**  
31 March 2016

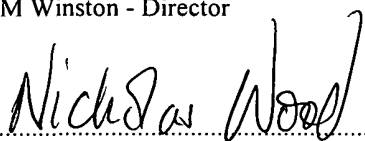
	Notes	31/3/16 £	£	31/3/15 £	£
<b>FIXED ASSETS</b>					
Property, plant and equipment	7		11,178		6,816
<b>CURRENT ASSETS</b>					
Stocks	8	-		472	
Debtors: amounts falling due within one year	9	35,557		21,433	
Cash at bank		<u>49,341</u>		<u>27,541</u>	
		84,898		49,446	
<b>CREDITORS</b>					
Amounts falling due within one year	10	<u>(2,464,184)</u>		<u>(2,196,746)</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(2,379,286)</u>		<u>(2,147,300)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>(2,368,108)</u>		<u>(2,140,484)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		111		111
Share premium	13		281,932		281,932
Capital contribution	13		20,041		20,041
Retained earnings	13		<u>(2,670,192)</u>		<u>(2,442,568)</u>
<b>TOTAL EQUITY</b>			<u>(2,368,108)</u>		<u>(2,140,484)</u>

The financial statements were approved by the Board of Directors on its behalf by:

11.8.2016 and were signed on



S M Winston - Director



N J K Wood - Director



**Perachem Limited (Registered number: 05024723)**

**Statement of Changes in Equity**  
*for the year ended 31 March 2016*

	Called up share capital £	Retained earnings £	Share premium £	Capital contribution £	Total equity £
<b>Balance at 1 April 2014</b>	111	(2,171,586)	281,932	9,572	(1,879,971)
<b>Changes in equity</b>					
Total comprehensive income	-	(270,982)	-	-	(270,982)
Capital contribution	-	-	-	10,469	10,469
<b>Balance at 31 March 2015</b>	<u>111</u>	<u>(2,442,568)</u>	<u>281,932</u>	<u>20,041</u>	<u>(2,140,484)</u>
<b>Changes in equity</b>					
Total comprehensive income	-	(227,624)	-	-	(227,624)
<b>Balance at 31 March 2016</b>	<u>111</u>	<u>(2,670,192)</u>	<u>281,932</u>	<u>20,041</u>	<u>(2,368,108)</u>

**Notes to the Financial Statements**  
*for the year ended 31 March 2016*

**1. STATEMENT OF COMPLIANCE**

Perachem Limited is a limited liability company incorporated in England. The Registered Office is First Floor, 55 Drury Lane, London, WC2B 5RZ.

**Basis of preparation**

The financial statements of Perachem Limited were approved for issue by the Board of Directors on 11 August 2016. The financial statements have been prepared in accordance with applicable accounting standards. The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £.

**First time adoption of FRS 102**

These financial statements are the first financial statements of Perachem Limited prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102). The financial statements of Perachem Limited for the year ended 31 March 2015 were prepared in accordance with previously extant UK GAAP.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently the directors have amended certain accounting policies to comply with FRS 102. The directors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 "Transition to this FRS".

**Notes to the Financial Statements - continued**  
*for the year ended 31 March 2016*

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements - going concern**

These financial statements have been prepared in accordance with 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.

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Review of the Business on page 3.

The financial statements are prepared on a going concern basis which assumes that the group will have sufficient funding to enable it to continue to operate for the foreseeable future. The company is engaged in the development of new technologies and is dependent on the continued support of its parent company, Green Chemicals plc, to enable the completion of its projects through to commercial viability.

The Financial Reporting Council issued "Guidance on the Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risk" in April 2016 and the Directors have considered this when preparing the financial statements. The financial statements have been prepared on a going concern basis, notwithstanding the loss for the year ended 31 March 2016. This basis assumes that the parent company will have sufficient funding to enable it to continue to provide financial support to Perachem Limited for the foreseeable future and the Directors have taken steps to ensure that they believe that the going concern basis of preparation remains appropriate.

The company made a loss of £227,624 and had net current liabilities of £2,879,286, which included sums due to the parent of £2,432,378. The group made a loss for the year of £456,868 after taxation. At 31 March 2016 the group had net current liabilities of £475,958 and cash at bank of £130,466. Funding to date has been achieved from the issue of equity shares and loans. The Directors have prepared cash flow forecasts for a 12 month period from the date of approval of these financial statements and the ability of the group to generate sufficient cash depends on the group's ability to achieve these forecasts.

One of the parent company's largest shareholders has committed to providing a further £950,000, which can be drawn down as required to provide ongoing working capital. Draw down of this facility has been included in the cash flow forecasts noted below.

The cash flow forecasts contain assumptions and estimates regarding the timing and magnitude of predicted revenues which are uncertain. The Directors are confident that they can control the group's cash resources, through careful management of costs whilst the group builds up its revenue streams. Sales revenues are expected to be generated from royalties and from licensing the group's products and technologies. However, these are early stage revenue streams and there can be no certainty over either the timing or magnitude of sales revenues during the forecast period.

The forecasts also contain assumptions in respect of the group's anticipated operating costs during the next 12 months. The Directors consider some of these costs to be discretionary and the board intends to monitor and control costs carefully with regard to the levels of sales revenues actually achieved to ensure that cash resources are preserved.

After making enquiries, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Notes to the Financial Statements - continued**  
*for the year ended 31 March 2016*

**2. ACCOUNTING POLICIES- continued**

**Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- ò the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- ò the requirements of Section 7 Statement of Cash Flows;
- ò the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- ò the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- ò the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- ò the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- ò the requirement of Section 33 Related Party Disclosures paragraph 33.7.

**Revenue**

Revenue represents the value of services provided, excluding value added tax. Certain revenues are generated from licensing and exclusivity agreements under which the group grants third parties rights to certain products or technologies.

Upfront payments and other similar non-refundable payments received under these agreements are recorded as deferred revenue and are recognised in the consolidated profit and loss account over the performance period stipulated in the agreement.

Non-refundable royalty or exclusivity payments of fixed amounts received under such agreements are recognised in the consolidated profit and loss account as they fall due for payment.

**Property, plant and equipment**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 33% on cost

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Notes to the Financial Statements - continued**  
*for the year ended 31 March 2016*

**2. ACCOUNTING POLICIES - continued**

**Taxation**

The tax credit represents the sum of the tax currently recoverable and the movement in deferred tax assets and liabilities.

Current tax is based upon taxable loss for the year. Taxable loss differs from net loss as reported in the statement of profit or loss 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 by using tax rates that are effective for the relevant period.

Credit is taken in the accounting period for research and development tax credits, which have been claimed from HM Revenue and Customs, in respect of qualifying research and development costs incurred. Research and development tax credits have been accounted for on either a cash receipts basis or an accruals basis depending on the level of certainty regarding repayments of the claims made.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based upon tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited in the statement of profit or loss, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the profit nor the accounting period.

The carrying amount of deferred tax assets is reviewed at each reporting 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.

**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 criteria being as follows:

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

Such intangible assets are amortised on a straight-line basis from the point at which the assets are ready for use over the period of the expected benefit, and are reviewed for an indication of impairment at each reporting date. Other development costs are charged against profit or loss as incurred since the criteria for their recognition as an asset are not met.

The costs of an internally generated intangible asset comprise all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Directly attributable costs include employee costs incurred on technical development, testing and certification, materials consumed and any relevant third party cost. The costs of internally generated developments are recognised as intangible assets and are subsequently measured in the same way as externally acquired intangible assets. However, until completion of the development project, the assets are subject to impairment testing only.

No development costs to date have been capitalised as intangible assets.

**Notes to the Financial Statements - continued**  
*for the year ended 31 March 2016*

**2. ACCOUNTING POLICIES - continued**

**Foreign currencies**

The financial statements are presented in Sterling, which is the currency of the primary economic environment in which the company operates (its functional currency).

In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated on foreign currencies are retranslated at the rates prevailing at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates as at the date when the fair value was determined.

**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.

**Share-based payments**

Equity settled and cash settled share-based payments are issued to certain employees. Equity settled share-based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity settled share-based payments is expensed on a straight line basis over the vesting period, based on the estimate of shares that will eventually vest. The fair value is measured by use of the Black-Scholes option pricing model. The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

**Financial assets and liabilities**

Financial assets and financial liabilities are recognised in the statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

**(i) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

**(ii) Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

**(iii) Trade creditors**

Trade creditors are initially measured at their fair value and are subsequently measured at their amortised cost using the effective interest rate method; this method allocates interest expense over the relevant period by applying the "effective interest rate" to the carrying amount of the liability.

**Notes to the Financial Statements - continued**  
*for the year ended 31 March 2016*

**3. REVENUE**

Revenue represents the value of services provided, excluding value added tax. Certain revenues are generated from licensing and exclusivity agreements under which the group grants third parties rights to certain products or technologies. Upfront payments and other similar non-refundable payments received under these agreements are recorded as deferred revenue and are recognised in the consolidated profit and loss account over the performance period stipulated in the agreement. Non-refundable royalty or exclusivity payments of fixed amounts received under such agreements are recognised in the consolidated profit and loss account as they fall due for payment.

An analysis of revenue by geographical market is given below:

	31/3/16	31/3/15
	£	£
United Kingdom	1,725	-
Europe	<u>3,493</u>	<u>12,956</u>
	<u>5,218</u>	<u>12,956</u>

**4. EMPLOYEES AND DIRECTORS**

	31/3/16	31/3/15
	£	£
Wages and salaries	73,834	109,984
Social security costs	<u>6,736</u>	<u>8,606</u>
	<u>80,570</u>	<u>118,590</u>

The average monthly number of employees, including directors, during the year was as follows:

	31/3/16	31/3/15
Research and administration	<u>5</u>	<u>7</u>

	31/3/16	31/3/15
	£	£
Directors' remuneration	<u>18,533</u>	<u>60,066</u>

**5. LOSS BEFORE TAX**

The operating loss is stated after charging/(crediting):

	31/3/16	31/3/15
	£	£
Operating lease payments - Rent	18,100	18,816
Operating lease rentals - Hire of plant and machinery	-	4,260
Depreciation - owned assets	3,071	4,026
Cost of stocks charged as an expense	3,646	-
Foreign exchange differences	(5)	725
Research and development costs	45,389	113,363
Auditor's remuneration - RSM	<u>2,500</u>	<u>4,500</u>

**Notes to the Financial Statements - continued**  
*for the year ended 31 March 2016*

**6. TAXATION**

**Analysis of the tax credit**

The tax credit on the loss for the year was as follows:

	31/3/16 £	31/3/15 £
Current tax:		
UK corporation tax	<u>(40,208)</u>	<u>(34,282)</u>
Tax on loss	<u>(40,208)</u>	<u>(34,282)</u>

UK corporation tax has been charged at 20% (2015 - 20%).

**Reconciliation of total tax credit included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31/3/16 £	31/3/15 £
Loss before tax	<u>(267,832)</u>	<u>(305,264)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	(53,566)	(61,053)
Effects of:		
Expenses not deductible for tax purposes	69	2,094
Capital allowances in excess of depreciation	(873)	-
Depreciation in excess of capital allowances	-	688
R & D Tax Credits received in respect of earlier years	(40,208)	(34,282)
Tax losses carried forward	<u>54,370</u>	<u>58,271</u>
Total tax credit	<u>(40,208)</u>	<u>(34,282)</u>



**Notes to the Financial Statements - continued**  
*for the year ended 31 March 2016*

**7. PROPERTY, PLANT AND EQUIPMENT**

	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>				
At 1 April 2015	33,817	964	3,751	38,532
Additions	-	936	6,497	7,433
At 31 March 2016	<u>33,817</u>	<u>1,900</u>	<u>10,248</u>	<u>45,965</u>
<b>DEPRECIATION</b>				
At 1 April 2015	27,186	964	3,566	31,716
Charge for year	2,413	31	627	3,071
At 31 March 2016	<u>29,599</u>	<u>995</u>	<u>4,193</u>	<u>34,787</u>
<b>NET BOOK VALUE</b>				
At 31 March 2016	<u>4,218</u>	<u>905</u>	<u>6,055</u>	<u>11,178</u>
At 31 March 2015	<u>6,631</u>	-	185	<u>6,816</u>

**8. STOCKS**

	<b>31/3/16 £</b>	<b>31/3/15 £</b>
Finished goods	-	472

**9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31/3/16 £</b>	<b>31/3/15 £</b>
Other debtors	5,391	5,116
VAT	13,059	4,366
Prepayments	<u>17,107</u>	<u>11,951</u>
	<u>35,557</u>	<u>21,433</u>

**10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31/3/16 £</b>	<b>31/3/15 £</b>
Trade creditors	22,868	24,317
Amounts owed to group undertakings	2,432,378	2,165,500
Taxation and social security	3,468	1,744
Accruals and deferred income	<u>5,470</u>	<u>5,185</u>
	<u>2,464,184</u>	<u>2,196,746</u>

**Notes to the Financial Statements - continued**  
*for the year ended 31 March 2016*

**11. LEASING AGREEMENTS**

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

	<b>31/3/16</b>	<b>31/3/15</b>
	<b>£</b>	<b>£</b>
Within one year	<b>16,465</b>	16,465
Between one and five years	<b><u>4,929</u></b>	<u>20,119</u>
	<b><u>21,394</u></b>	<u>36,584</u>

On 21 June 2012, the company entered into a 5 year lease for new premises with annual rent of £16,465.

On 1 January 2016, the company entered into a 5 year lease for additional premises with an annual rent of £5,100. The lease contains a break clause provision whereby it can be terminated on 30 June 2017 by the company giving 6 months' notice.

**12. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	<b>31/3/16</b>	<b>31/3/15</b>
			<b>£</b>	<b>£</b>
110,990	Ordinary	£0.001	<b><u>111</u></b>	<u>111</u>

**Notes to the Financial Statements - continued**  
*for the year ended 31 March 2016*

**13. RESERVES**

Reserves of the Company represent the following:

**Share premium**

Consideration received for share issued above their nominal value net of transaction costs.

**Capital contribution**

The company received capital contributions in previous years from its parent company in respect of share-based payment awards granted by the parent company to a former director of Perachem Limited. The share options relating to this have all lapsed during the current year and consequently the balance outstanding on the capital contribution reserve has been transferred to the profit and loss reserve.

**Retained earnings**

Cumulative profit and loss net of distributions to owners.

**14. ULTIMATE PARENT COMPANY**

The ultimate parent company is Green Chemicals plc. Copies of the consolidated accounts for the group can be obtained from First Floor, 55 Drury Lane, London, WC2B 5RZ. There is no overall controlling party.

**15. RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with its parent as it is a wholly owned subsidiary.

**16. EQUITY SETTLED SHARE OPTIONS**

The company has taken advantage of the exemptions under paragraph 1.12(d) to not disclose information relating to share options granted to directors and employees of the company on the basis that these relate to equity instruments of the parent company, Green Chemicals plc and the relevant disclosures have been made in the consolidated financial statements of that company.

**17. FIRST YEAR ADOPTION OF FRS 102**

There are no transitional adjustments required in respect of the transition from previously extant UK GAAP to FRS 102.