

PERACHEM HOLDINGS PLC

Registered number 05425236

Annual Report and Consolidated Financial Statements

For the year ended 31 March 2018

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PERACHEM HOLDINGS PLC

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PERACHEM HOLDINGS PLC

Company Information

Directors, Registered Office and Advisers

Directors	Dr A M Fielding (representing IP2IPO Services Ltd) R B Farleigh G C Hammer Professor D M Lewis S M Winston N J K Wood
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Registration number	05425236 (England and Wales)
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Registered office	First Floor, 55 Drury Lane London England WC2B 5RZ
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Independent Auditor	RSM UK Audit LLP Chartered Accountants Central Square 5 th Floor, 29 Wellington Street Leeds West Yorkshire LS1 4DL
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Bankers	HSBC Bank plc 33 Park Row Leeds LS1 1LD
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PERACHEM HOLDINGS PLC

Chairman's Report

I am pleased to present Perachem Holdings plc audited results for the financial year ended 31 March 2018, which have been prepared in accordance with the Group's accounting policies and the relevant financial reporting rules and conventions.

Financial results

The loss for the year was £1,196,313 (2017: £1,121,217) and shareholders' funds at the end of the year stood at £1,183,838 (2017: deficit of £1,475,541). The pre-tax loss was made up of research and development costs, branding and marketing costs, costs related to the equity fund raise, general overhead and professional costs in connection with commercial business, and the protection and maintenance of the Group's intellectual property.

Review of progress

Since my last report we have made some progress with the appointment of overseas distributors for the existing product range, but it has proved slower than expected and we remain in discussion with a number of additional potential distributors.

We continue to pursue both high street chains and the international conglomerates, which if successful, could lead to significant sales.

In the current year we have developed a brow tint for both the high street and the professional salon market, which is a valuable addition to our portfolio of products.

I wish to express my appreciation to my colleagues for their commitment to the Group and to the shareholders for their continued support.

Alison M Fielding Ph.D.
Chairman

Group Strategic Report

The directors present their strategic report of the company and the group for the year ended 31 March 2018.

Principal activities

The principal activities of the group during the period continued to be the research and development of its range of intellectual property in hair and beauty products and the sale of those products to both the professional salon market and the retail sector.

The principal activity of the company in the period under review continued to be that of a holding company and to provide business consultancy.

Fair review of the business

Loss for the year increased to £1,196,313 (2017: £1,121,217) reflecting the continued expenditure on developing, launching and marketing the group's products.

During the year, the Group has incurred a share-based payment charge of £56,056 (2017: £56,056) in relation to share options issued to certain employees and Directors vesting in this financial year.

The value of stocks at 31 March 2018 was £202,776 (2017: £98,691). Stocks were purchased throughout the year for sale as finished product to the consumer and professional market; cost of sales expensed in the year was £17,565 (2017: £2,528).

Cash and cash equivalents at 31 March 2018 were £998,366 (2017: £63,913). In April 2017 the Group also raised gross proceeds of £2,275,000 (2017: £54,400) by an issue of the Company's Ordinary Shares, as part of the same fund raise £1,547,135 of loans were converted into Ordinary Shares, along with 1,308,209 Preference Shares.

Key performance indicators (KPI's)

The KPI's we use to monitor business performance, which given the nature of our business are primarily financial measures are:

	2018	2017
	£	£
Turnover	55,107	10,345
Cash position	998,366	63,913
Loss on ordinary activities before taxation	(1,227,527)	(1,136,238)

Employees

Our priority is to attract and retain talented employees and to harness their creativity to drive growth through development and delivery of services that bring value to our customers' business operations.

We continue to focus on ensuring that the performance of staff is measured against clear, business focused objectives and behavioural criteria through continuous appraisals.

Reward

The group benchmark employee salaries against the market and reviews salaries annually to ensure that we are paying at a level to attract and retain high quality employees

Equal opportunities

We are committed to ensuring equal opportunities for our staff. We have introduced training which covers equal opportunities legislation and best practice. Our policy in respect of employment of disabled persons is the same as that relating to all other employees in matters of training, career development and promotion. Where employees become disabled during the course of their employment, we make every effort to make reasonable adjustments to their working environment to enable their continued employment.

PERACHEM HOLDINGS PLC

Group Strategic Report (continued)

Health, safety and environment

The commitment and participation of all employees is vital to efficient and effective occupational risk control. In order to meet our responsibility to protect the environment, staff and the business, the group continues to focus on maintaining a risk aware culture. We believe the group continues to have a low environmental impact. We continue to work on the potential environmental impacts of energy consumption, waste and travel.

Principal risks and uncertainties

There is an on-going process for identifying, evaluating and managing the significant risks faced by the business. Risk reviews are undertaken regularly throughout the year to identify and assess the key risks associated with the achievement of our business objectives.

Specific business risks and steps taken to mitigate them are summarised below.

Research and development risk

The group develops 'cleaner, greener, safer' solutions for use in industrial processes or in the manufacture of health and beauty and household consumer products. The group intends to continue to develop chemical based technologies which reduce or eliminate the use of substances which are subject to international legislation and regulations. Projects of any nature can experience delays and/or increased costs due to many internal and external factors but it is in the nature of research that, in addition to these factors, the fundamental achievability of the target may not be established until the project is complete. Additionally, there is a risk that projects cannot be completed if the group is unable to raise sufficient working capital funding.

To mitigate this risk the Directors maintain a policy of ensuring that all research projects are constantly reviewed to ensure that those projects no longer deemed to be commercially viable are terminated immediately. In addition, the Directors keep under review the need for the group to raise further funding.

Intellectual property protection and regulatory approval

The commercial success of the group depends in part on its ability to protect its intellectual property and to preserve the confidentiality of its own and its collaborators' know-how. The group may not be able to protect and preserve all of its intellectual property rights or to exclude competitors with similar products.

To mitigate this risk the Directors maintain a policy of ensuring that patent and trademark applications and regulatory approval are sought on a timely basis for all projects once they are deemed to have become commercially viable.

Going Concern

The Directors are required to be satisfied that the group 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. Consequently, the Directors have a reasonable expectation that the group 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.

On behalf of the Board


Stephen M Winston, Director

25 July 2018

PERACHEM HOLDINGS PLC

Group Directors' Report

The directors present their report with the audited financial statements of the company and the group for the year ended 31 March 2018.

Results and dividends

The loss for the year after taxation amounted to £1,196,313 (2017: £1,121,217), which has been transferred to reserves.

The directors do not recommend the payment of a dividend for the year under review (2017: £nil).

Directors and their interests

The directors during the year under review were:

Dr A M Fielding (resigned 26 April 2018)

G C Hammer

Professor D M Lewis

R B Farleigh (appointed 28 April 2017)

S M Winston

N K J Wood

IP2IPO Services Limited, represented by Dr A M Fielding (appointed 26 April 2018)

The directors' beneficial interests in the share capital of the Company were as stated below.

	At 31 March 2018	At 31 March 2017
S M Winston	749,478	611,831
Professor D M Lewis	985,138	985,138
Dr A M Fielding	473,589	209,514
R B Farleigh	7,647,059	-
N J K Wood	219,496	-
G C Hammer	-	-
IP2IPO Services Limited, represented by Dr A M Fielding	-	-

Third party indemnity provision for Directors

The Company currently has in place, and had for the year ended 31 March 2018, Directors and officer's liability insurance for the benefit of all Directors of the group.

Charitable and political donations

No charitable or political donations have been made in either the current or the preceding financial year.

Financial instruments

Details of the group's financial instruments are given in note 17 of the accounts.

Corporate Governance

Although not required to do so, the group seeks, within practical confines, to act in compliance with the principles of good governance.

The Board

The aim of the Board is to function at the head of the group's management structures, leading and controlling its activities and setting a strategy for enhancing shareholder value.

The Board currently consists of three executive directors (S M Winston, D M Lewis and N J K Wood) and three non-executive directors (A M Fielding [representing IP2IPO Services Ltd], G C Hammer and R B Farleigh). The group does not have a Nomination Committee as such; the Board collectively undertakes the functions of such a committee.

PERACHEM HOLDINGS PLC

Group Directors' Report (continued)

Internal control

The Board has overall responsibility for ensuring that the group maintains systems and internal financial controls that provide them with reasonable assurance regarding the financial information both for use within the business and for the external publication and that the assets are safeguarded.

Audit Committee

There is an Audit Committee consisting of SM Winston and Dr AM Fielding. The terms of reference of the Audit Committee are to assist the Board in the discharge of its responsibilities for corporate governance, financial reporting and internal control. Its duties include maintaining an appropriate relationship with the group's auditor, keeping under review the scope and results of the audit and its effectiveness.

Remuneration Committee

There is a Remuneration Committee consisting of SM Winston and Dr AM Fielding. The terms of reference of the Remuneration Committee are to determine and review terms and conditions of service, including the remuneration of and grant of options to executive Directors and the grant of options or awards of shares to employees of the company under employees' share schemes.

Future Developments

The Directors aim to continue to seek overseas distributors for the existing product range and to pursue opportunities with both high street chains and international conglomerates.

Strategic Report

In accordance with Section 414C (11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 the Group has prepared a Strategic Report which includes information that would have been previously included in the Directors' Report.

Disclosure of information to auditor

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Group's auditor for the purposes of their audit and to establish that the auditor is aware of that information. The directors are not aware of any relevant audit information of which the auditor is unaware.

Auditor

A resolution proposing the reappointment of RSM UK Audit LLP will be put to the shareholders at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD



S M Winston
Director

25 July 2018

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report, 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), 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 group and the company and of the profit or loss of the group for that period.

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

- 1 select suitable accounting policies and then apply them consistently;
- 2 make judgements and accounting estimates that are reasonable and prudent;
- 3 state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 4 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 Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The directors are also responsible for safeguarding the assets of the Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PERACHEM HOLDINGS PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERACHEM HOLDINGS PLC

Opinion

We have audited the financial statements of Perachem Holdings plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise of the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and Company Statements of Changes in Equity and notes to the financial statements, including a summary of 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 group's and of the parent company's affairs as at 31 March 2018 and of the group's loss 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 group and parent 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 7, 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 group's and the parent 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 group or the parent 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.

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.

RSM UK Audit LLP

ANDREW ALLCHIN FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Central Square
5th Floor
29 Wellington Street
Leeds
LS1 4DL

30 July 2018

PERACHEM HOLDINGS PLC

Consolidated Statement of Comprehensive Income
for the year ended 31 March 2018

	Notes	31 Mar 2018 £	31 Mar 2017 £
Revenue	4	55,107	10,345
Cost of sales		<u>(17,565)</u>	<u>(2,528)</u>
Gross profit		<u>37,542</u>	<u>7,817</u>
Administrative expenses		(1,248,269)	(1,069,076)
Operating loss		<u>(1,210,727)</u>	<u>(1,061,259)</u>
Interest payable and similar expenses	7	<u>(16,800)</u>	<u>(74,979)</u>
LOSS BEFORE TAXATION		<u>(1,227,527)</u>	<u>(1,136,238)</u>
Tax on loss	8	<u>31,214</u>	<u>15,021</u>
TOTAL COMPREHENSIVE LOSS FOR THE FINANCIAL YEAR		<u>(1,196,313)</u>	<u>(1,121,217)</u>

The accompanying accounting policies and notes form part of these financial statements.


PERACHEM HOLDINGS PLC

Consolidated Statement of Financial Position
as at 31 March 2018

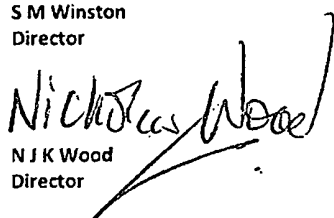
	Notes	2018 £	2017 £
ASSETS			
Non-current assets			
Intangible assets	9	-	-
Property, plant and equipment	10	8,434	9,994
Current assets			
Stocks	12	202,776	98,691
Trade and other receivables	13	48,606	84,041
Cash and cash equivalents	14	998,366	63,913
		<u>1,249,748</u>	<u>246,645</u>
Total assets		<u>1,258,182</u>	<u>256,639</u>
LIABILITIES			
Current liabilities			
Creditors: amounts falling due within one year	15	(74,344)	(1,732,180)
Total liabilities		<u>(74,344)</u>	<u>(1,732,180)</u>
Net current assets/(liabilities)		<u>1,175,404</u>	<u>(1,485,535)</u>
Net assets/(liabilities)		<u>1,183,838</u>	<u>(1,475,541)</u>
EQUITY			
Called up share capital	18	1,888,608	692,386
Share premium	19	8,737,160	6,111,246
Other reserves	19	112,112	56,056
Equity reserves	19	-	22,500
Retained earnings	19	(9,554,042)	(8,357,729)
Total equity		<u>1,183,838</u>	<u>(1,475,541)</u>

Registered number: 05425236

Approved for issue by the Board of Directors on 26 July 2018 and signed on its behalf by:



S M Winston
Director



N J K Wood
Director

The accompanying accounting policies and notes form part of these financial statements.

PERACHEM HOLDINGS PLC

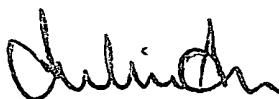
Company Statement of Financial Position
as at 31 March 2018

	Notes	2018 £	2017 £
ASSETS			
Non-current assets			
Investments	11	-	-
Current assets			
Trade and other receivables	13	348	47,745
Cash and cash equivalents	14	993,667	55,904
		<u>994,015</u>	<u>103,649</u>
Total assets		<u>994,015</u>	<u>103,649</u>
LIABILITIES			
Current liabilities			
Creditors: amounts falling due within one year	15	(37,134)	(1,659,232)
Total liabilities		<u>(37,134)</u>	<u>(1,659,232)</u>
Net current assets/(liabilities)		<u>956,881</u>	<u>(1,555,583)</u>
Net assets/(liabilities)		<u>956,881</u>	<u>(1,555,583)</u>
EQUITY			
Called up share capital	18	1,888,608	692,386
Share premium	19	8,737,160	6,111,246
Other reserves	19	112,112	56,056
Equity reserves	19	-	22,500
Retained earnings	19	(9,780,999)	(8,437,771)
Total equity		<u>956,881</u>	<u>(1,555,583)</u>

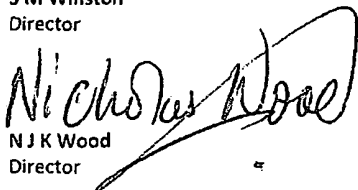
Registered number: 05425236

The company has taken advantage of the exemption under Section 408 of the Companies Act 2006 from presenting its own statement of comprehensive income. The company's total comprehensive loss for the year was £1,343,228 (2017: £1,140,367).

Approved for issue by the Board of Directors on 25 July 2018 and signed on its behalf by:



S M Winston
Director



N J K Wood
Director

The accompanying accounting policies and notes form part of these financial statements.

PERACHEM HOLDINGS PLC

Consolidated Statement of Cash Flows
for the year ended 31 March 2018

	Notes	31 Mar 2018 £	31 Mar 2017 £
Operating activities			
Loss after tax		(1,196,313)	(1,121,217)
Adjustments for:			
Tax credit		(31,214)	(15,021)
Depreciation charges		4,364	3,456
Share based payment charge		56,056	56,056
Finance costs		16,800	74,979
Increase in stocks		(104,085)	(98,691)
Decrease/(increase) in trade and other receivables		35,435	(47,517)
(Decrease)/increase in trade and other payables		(63,570)	64,252
Cash from operations		(1,282,527)	(1,083,703)
Taxation refund		31,214	15,021
Net cash flow used in operating activities		(1,251,313)	(1,068,682)
Investing activities			
Purchase of tangible fixed assets		(2,804)	(2,271)
Net cash flow used in investing activities		(2,804)	(2,271)
Financing activities			
Issue of equity shares		3,822,135	54,400
New loans in the year		-	950,000
Repayment of convertible loans		(1,522,500)	-
Interest paid		(111,065)	-
Net cash flow from financing activities		2,188,570	1,004,400
 Net movement in cash and cash equivalents		 934,453	 (66,553)
Cash and cash equivalents at the beginning of the year		63,913	130,466
Cash and cash equivalents at the end of the year	14	998,366	63,913

The accompanying accounting policies and notes form part of these financial statements.

PERACHEM HOLDINGS PLC

Consolidated Statement of Changes in Equity
for the year ended 31 March 2018

	Share Capital	Retained Earnings	Share Premium
	£	£	£
At 1 April 2016	676,386	(7,236,512)	6,072,846
Total comprehensive loss	-	(1,121,217)	-
Share based payment charge	-	-	-
Issue of shares	16,000	-	38,400
At 31 March 2017	692,386	(8,357,729)	6,111,246
Total comprehensive loss	-	(1,196,313)	-
Share based payment charge	-	-	-
Conversion of equity reserve	-	-	-
Issue of shares	1,196,222	-	2,625,914
At 31 March 2018	1,888,608	(9,554,042)	8,737,160

	Other Reserves	Equity Reserve	Total
	£	£	£
At 1 April 2016	-	22,500	(464,780)
Total comprehensive loss	-	-	(1,121,217)
Share based payment charge	56,056	-	56,056
Issue of shares	-	-	54,400
At 31 March 2017	56,056	22,500	(1,475,541)
Total comprehensive loss	-	-	(1,196,313)
Share based payment charge	56,056	-	56,056
Conversion of equity reserve	-	(22,500)	(22,500)
Issue of shares	-	-	3,822,136
At 31 March 2018	112,112	-	1,183,838

The accompanying accounting policies and notes form part of these financial statements.

PERACHEM HOLDINGS PLC

Company Statement of Changes in Equity
for the year ended 31 March 2018

	Share Capital	Retained Earnings	Share Premium
	£	£	£
At 1 April 2016	676,386	(7,297,404)	6,072,846
Total comprehensive loss	-	(1,140,367)	-
Share based payment charge	-	-	-
Issue of shares	16,000	-	38,400
At 31 March 2017	692,386	(8,437,771)	6,111,246
Total comprehensive loss	-	(1,343,228)	-
Share based payment charge	-	-	-
Conversion of equity reserve	-	-	-
Issue of shares	1,196,222	-	2,625,914
At 31 March 2018	1,888,608	(9,780,999)	8,737,160

	Other Reserves	Equity Reserve	Total
	£	£	£
At 1 April 2016	-	22,500	(525,672)
Total comprehensive loss	-	-	(1,140,367)
Share based payment charge	56,056	-	56,056
Issue of shares	-	-	54,400
At 31 March 2017	56,056	22,500	(1,555,583)
Total comprehensive loss	-	-	(1,343,228)
Share based payment charge	56,056	-	56,056
Conversion of equity reserve	-	(22,500)	(22,500)
Issue of shares	-	-	3,822,136
At 31 March 2018	112,112	-	956,881

The accompanying accounting policies and notes form part of these financial statements.

PERACHEM HOLDINGS PLC

Notes to the Financial Statements For the year ended 31 March 2018

1 Corporate information

Perachem Holdings plc is a public limited company, registered, domiciled and incorporated in England and Wales. The address of the registered office is given on page 1. The nature of its operations is set out in the Strategic Report.

2 Accounting policies

(a) Basis of preparation

The Group's financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland ('FRS 102') as they apply to financial statements for the year ended 31 March 2018 and as applied in accordance with the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. The principal accounting policies adopted by the Group are set out in the following notes. These policies have been consistently applied to all periods presented unless otherwise stated.

The company has taken advantage of the exemption from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company cash flows. The company has also taken exemptions under sections 11 & 12 (financial instruments) and section 33 (compensation for key management personnel).

The financial statements have been prepared on a historical cost basis, except where otherwise indicated. The financial statements are presented in sterling and all values are rounded to the nearest pound (£) except where otherwise indicated.

(b) Going Concern

The group's business activities, together with factors likely to affect its future development, performance and position are set out in the Chairman's Report on page 2 and the Strategic Report on pages 3 to 4. In addition, note 17 to the financial statements includes the group's financial risk management objectives, details of its financial instruments and exposures to risks. As described in the Directors' policies for managing principal risks section of the Strategic Report on page 4, the group is engaged in the development and sale of new technologies and is dependent on having sufficient working capital funding.

The group incurred losses in the year of £1,196,313 (2017: £1,121,217), had net current assets of £1,175,404 (2017: net current liabilities of £1,485,535) and net assets of £1,183,838 (2017: net liabilities of £1,475,541) at the year end. The Board anticipated that losses would be incurred during the development of its new technologies and maintained regular dialogue with the shareholders and funders to assess the funding needs of the Group. The Company has had a successful equity fund raise in April 2017 which has provided significant additional cash resources whilst additionally improving the financial position of the business with the conversion of debt to equity. The Board have prepared detailed cash flow forecasts taking into account a range of sensitivities to take into account the unpredictability in the timing of significant revenues being generated and are able to conclude that the Group will have sufficient working capital to meet its cash flow requirements for a period of at least 12 months from the date of approval of these financial statements. Accordingly, they have been able to conclude that it remains appropriate to adopt the going concern basis of accounting in preparing the annual financial statements.

(c) Basic of consolidation

The Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position include the financial statements of the company and its subsidiary undertaking made up to 31 March 2018. Intra-group sales and profits are eliminated fully on consolidation.

(d) Revenue recognition and segmental reporting

Revenue represents the value of goods and 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.

Revenue is recognised at the fair value of the consideration received or receivable. 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 these agreements are recorded as deferred revenue and are recognised in the consolidated statement of comprehensive income as they fall due for payment.

The business is regarded as two segments; being the licensing and exclusivity of royalty agreements and that of sale of hair care products.

PERACHEM HOLDINGS PLC

Notes to the Financial Statements
For the year ended 31 March 2018

2 Accounting policies (continued)

(e) Goodwill

Goodwill arising on the purchase of subsidiaries is classified within fixed assets on the face of the statement of financial position. Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 10 years. Goodwill is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

(f) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

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

(g) Stocks

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

(h) Taxation

Current tax is recognised for the amount of income tax payable or tax credit receivable in respect to the taxable profit or loss for the current or past reporting periods using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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 profits (temporary differences) and is accounted for using the liability method.

A deferred tax asset or liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax asset or liability arises from (a) the initial recognition of goodwill or (b) the initial recognition of an asset or liability in a transaction which (i) is not a business combination and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). 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.

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 using tax rates and laws that have been enacted or substantively enacted by the reporting date.

(i) 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 assets;
- the probability of future economic benefits;
- the reliable measure 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.

PERACHEM HOLDINGS PLC

Notes to the Financial Statements For the year ended 31 March 2018

2 Accounting policies (continued)

(i) Foreign currencies

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 the Consolidated Statement of Comprehensive Income.

(j) 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.

(k) Investments

Fixed asset investments are stated at cost. Provision is made for any impairment in the value of fixed asset investments.

(l) Share-based payments

Equity-settled share-based payments are issued to certain employees. Equity-settled share-based payments are measured at fair value at the date of the grant. The fair value determined at the grant date of the 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.

(m) Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the group 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.

- Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and comprise trade and other receivables, and other financial assets.

- Trade receivables

Trade receivables are initially recognised at fair value which is normally the invoice value in short term receivables. Thereafter the receivables are carried at amortised cost. Provision is made where there is objective evidence that a balance will not be recovered in full in accordance with the instruments original terms. An impairment calculation is based on a comparison between the carrying amount and the net present value of expected future cash flows, discounted by the original effective rate.

- Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and short-term bank deposits.

- Financial liabilities

Financial liabilities, which comprise trade and other payables (including accruals), are initially recognised at fair value and are carried at amortised cost.

(n) Capital

The Company considers its capital to comprise its share capital and retained earnings.

3 Critical accounting judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Share-based payments

The Group has issued share-based payments to certain employees and Directors. The cost of such awards is measured at fair-value at the date of grant and this expense is recognised on a straight-line basis over the vesting period. The determined fair value is a source of management estimation based on cost of services and the cost of recent share issues.

PERACHEM HOLDINGS PLC

**Notes to the Financial Statements
For the year ended 31 March 2018**

4 Revenue

Revenue is attributable to the two principal activities of the group, which are the sale of hair care products and revenue generated from licensing and exclusivity agreements. Non-refundable royalty or exclusivity payments of fixed amounts received under such agreements are recognised in the consolidated statement of comprehensive income as they fall due for payment.

Revenue represents the value of goods and services provided net of VAT.

	31 Mar 2018	31 Mar 2017
	£	£
Sale of hair care products	55,107	8,941
Royalty licencing agreements	-	1,404
	<u>55,107</u>	<u>10,345</u>

An analysis of the revenue by geographical market is given below:

	31 Mar 2018	31 Mar 2017
	£	£
United Kingdom	10,796	10,151
Europe	25,015	194
Rest of World	19,296	-
	<u>55,107</u>	<u>10,345</u>

5 Employees and Directors

	31 Mar 2018	31 Mar 2017
	£	£
Wages and salaries	638,294	534,380
Social security costs	73,620	59,381
Pension costs	2,641	339
Share-based payments (Note 22)	56,056	56,056
	<u>770,611</u>	<u>650,156</u>

	31 Mar 2018	31 Mar 2017
	£	£
Directors' remuneration	<u>304,000</u>	<u>304,000</u>

The amounts set out above include remuneration in respect of the highest paid director as follows:

	31 Mar 2018	31 Mar 2017
	£	£
Wages and salaries	<u>150,000</u>	<u>150,000</u>

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

	Number	Number
Management, research and administration	<u>12</u>	<u>8</u>

6 Loss for the period

Loss for the period has been arrived at after charging:

	31 Mar 2018	31 Mar 2017
	£	£
Operating lease rent	44,413	36,187
Depreciation	4,364	3,356
Research and development costs	100,045	60,000
Stock – amounts expensed as cost of sales	17,565	2,528
Auditor fees	<u>15,000</u>	<u>15,000</u>

PERACHEM HOLDINGS PLC

Notes to the Financial Statements
For the year ended 31 March 2018

7 Interest payable and similar expenses

	31 Mar 2018	31 Mar 2017
	£	£
Loan interest	16,800	74,979

8 Tax on loss on ordinary activities

Analysis of the tax credit

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

	31 Mar 2018	31 Mar 2017
	£	£
Current tax:		
UK corporation tax	(31,214)	(15,021)
Tax on loss	(31,214)	(15,021)

UK corporation tax has been charged at 19% (2017: 20%)

Reconciliation of total tax credit included in profit and loss

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

	31 Mar 2018	31 Mar 2017
	£	£
Loss before tax	(1,227,527)	(1,136,238)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2017: 20%)	(233,230)	(227,248)
Effects of:		
Expenses not deductible for tax purposes	363	961
Capital allowances in excess of depreciation	266	-
Depreciation in excess of capital allowance	-	237
R&D tax credits received in respect of earlier years	(31,214)	(15,021)
Effect of share-based payments	10,651	11,211
Tax losses carried forward	221,950	214,839
Total tax credit	(31,214)	(15,021)

Deferred tax assets are not recognised due to the uncertainty over timing of future profit generation to utilise the tax losses carried forward of £5,542,775 (2017: £4,537,198)

9 Intangible Fixed Assets

Group

	Goodwill
	£
COST	
At 1 April 2017 and at 31 March 2018	3,082,413
AMORTISATION	
At 1 April 2017 and at 31 March 2018	3,082,413
NET BOOK VALUE	
At 31 March 2018	-
At 31 March 2017	-

PERACHEM HOLDINGS PLC

**Notes to the Financial Statements
For the year ended 31 March 2018**

9 Intangible fixed assets (continued)

Due to the continued losses made by Perachem Limited, the directors performed a review of the carrying value of the goodwill as at 31 March 2018. Despite progress in sales, developing the technologies owned and in negotiating licences to advance the commercial viability of the company's projects, there remains a high level of uncertainty over the timing of future revenue streams. The directors therefore considered it appropriate to fully impair the goodwill at that date. There have been no changes to this determination in the current financial year.

10 Property, plant and equipment

Group

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2017	33,817	1,900	12,519	48,236
Additions	2,804	-	-	2,804
At 31 March 2018	36,621	1,900	12,519	51,040
DEPRECIATION				
At 1 April 2017	30,446	1,174	6,622	38,242
Charge of the year	1,408	179	2,777	4,364
At 31 March 2018	31,854	1,353	9,399	42,606
NET BOOK VALUE				
At 31 March 2018	4,767	547	3,120	8,434
At 31 March 2017	3,371	726	5,897	9,994

There is no property, plant and equipment held in the company financial statements for Perachem Holdings plc.

11 Fixed Asset Investments

Company

	Investment in group undertakings £
COST	
At 1 April 2017 and at 31 March 2018	3,085,166
PROVISIONS FOR IMPAIRMENT	
At 1 April 2017 and at 31 March 2018	3,085,166
NET BOOK VALUE	
At 31 March 2018	-
At 31 March 2017	-

PERACHEM HOLDINGS PLC

**Notes to the Financial Statements
For the year ended 31 March 2018**

11 Fixed Asset Investments (continued)

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiary
Perachem Limited
Nature of business: Development of speciality chemicals
Registered address: First Floor, 55 Drury Lane, London WC2B 5RZ

Class of shares: % Holding
Ordinary 100

	31 Mar 2018	31 Mar 2017
	£	£
Aggregate capital and reserves	(3,653,292)	(3,008,957)
Loss for the year	(644,335)	(640,849)

As detailed further in note 9 the directors have considered the carrying value of the investments in, and also the debtor due from, Perachem Limited and have determined that it is appropriate to provide against the majority of these balances as at 31 March 2018.

12 Stocks

	Group 31 Mar 2018	Group 31 Mar 2017	Company 31 Mar 2018	Company 31 Mar 2017
	£	£	£	£
Finished goods	202,776	98,691	-	-
	202,776	98,691	-	-

13 Trade and other receivables

	Group 31 Mar 2018	Group 31 Mar 2017	Company 31 Mar 2018	Company 31 Mar 2017
	£	£	£	£
Trade receivables	4,410	4,701	-	-
Amounts owed by group undertakings	-	-	-	-
Other debtors	-	-	-	-
VAT receivable	20,100	14,717	348	5,245
Prepayments	24,096	64,623	-	42,500
	48,606	84,041	348	47,745

The directors consider the trade receivables carrying amounts to approximate their fair value.

14 Cash and cash equivalents

	31 Mar 2018	31 Mar 2017
	£	£
Group		
Cash at bank and on hand	998,366	63,913
Company		
Cash at bank and on hand	993,667	55,904

Cash balances are held with the HSBC Bank plc.

PERACHEM HOLDINGS PLC

**Notes to the Financial Statements
For the year ended 31 March 2018**

15 Creditors: Amounts falling due within one year

	Group	Group	Company	Company
	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017
	£	£	£	£
Other loans	-	1,594,266	-	1,599,615
Trade creditors	19,208	85,416	3,644	30,918
Tax and social security	24,219	23,418	11,873	12,427
Pension	418	305	117	121
Accruals and deferred income	30,499	28,775	21,500	16,151
	74,344	1,732,180	37,134	1,659,232

Included in creditors in 2017 are convertible shareholder loans comprising principal amounts of £1,500,000 along with accrued interest of £94,266. These loans were converted to ordinary shares as part of the fund raise in April 2017.

An analysis of the maturity of the loans is given below:

	Group	Group	Company	Company
	31 Mar 2018	31 Mar 2017	31 Mar 2018	31 Mar 2017
	£	£	£	£
Amounts falling due within one year or on demand:				
Other loans	-	1,594,266	-	1,594,266

16 Leasing agreements

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

Group	31 Mar 2018	31 Mar 2017
	£	£
Within one year	23,700	20,316
Between one and five years	47,250	4,050
	70,950	24,366

On 21 June 2012, the company's subsidiary, Perachem Limited, entered into a 5 year lease for new premises with annual rent of £16,465. On 22 June 2017, the company's subsidiary Perachem Limited, renewed this lease on a 10 year basis with an annual rent of £21,000. The lease contains a break clause provision whereby it can be terminated on 21 June 2022 by the company giving 6 months' notice.

On 1 January 2016, the company's subsidiary, Perachem Limited, 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. Perachem Limited exercised the break clause in December 2016 in order to enter into another lease with the same landlord for larger premises.

On 8 December 2016, the company's subsidiary Perachem Limited, entered into a 10 year lease for larger premises, with an annual rent of £16,200. The lease contains a break clause provision whereby it can be terminated on 7 June 2018 or 7 December 2019 by the company giving 6 months' notice. This break clause was exercised prior to 7 June 2018 and the company has negotiated a move to different premises with the same landlord.

PERACHEM HOLDINGS PLC

**Notes to the Financial Statements
For the year ended 31 March 2018**

17 Financial risk management objectives and policies

The Group's financial instruments comprise cash and various items such as trade and other receivables, and trade and other payables, all of which arise directly from its normal operations.

The carrying values of all of the Group's financial instruments approximate their fair values at 31 March 2018 and 31 March 2017. The Accounting Policies described in note 2 outlines how the financial instruments are measured.

An analysis of the consolidated statement of financial position, relevant to an analysis of risk management, is as follows:

	Debt instruments measured at amortised cost £	Total £
2018		
Trade and other receivables	4,410	4,410
	<u>4,410</u>	<u>4,410</u>

2017		
Trade and other receivables	4,701	4,701
	<u>4,701</u>	<u>4,701</u>

	Financial liabilities measured at amortised cost £	Total £
2018		
Convertible loan	-	-
Trade creditors	19,208	19,208
Other creditors	418	418
Accruals	30,499	30,499
	<u>50,125</u>	<u>50,125</u>

2017		
Convertible loan	1,594,266	1,594,266
Trade creditors	85,146	85,146
Other creditors	305	305
Accruals	28,775	28,775
	<u>1,708,492</u>	<u>1,708,492</u>

The Board reviews and agrees policies for managing risk and they are summarised below.

Interest rate risk

In order to optimise the income received on money market deposits, the group reviews the terms of these deposits to take advantage of the best market rates.

Interest rate profile

Floating rate financial assets comprise sterling cash deposits in bank accounts at short term or immediate maturity. Interest accrues at market rates. The group did not receive any bank interest during the year (2017: nil) and none is accrued at 31 March 2018.

Liquidity risk

Liquidity risk arises from the group's management of working capital. It is the risk that the group will encounter difficulty in meeting its financial obligations as they fall due. The group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The Directors monitor funding requirements on a monthly basis during the periods when revenue streams are low and the board keeps various funding options under review.

PERACHEM HOLDINGS PLC

**Notes to the Financial Statements
For the year ended 31 March 2018**

18 Share capital

Group and Company

Authorised, issued and fully paid

	31 Mar 2018	31 Mar 2018	31 Mar 2017	31 Mar 2017
	Number	£	Number	£
Ordinary shares of £0.05	37,772,156	1,888,608	12,539,915	626,976
Convertible preference	-	-	1,308,209	65,410
	37,772,156	1,888,608	13,847,728	692,386

Each ordinary share has a voting right, a right to receive a dividend, the right to participate in a distribution (including on a winding up) and is not redeemable. Each convertible preference share is non-voting, has the right to receive a dividend (pari-passu with the ordinary shares), has the preferred right to receive an amount equal to the aggregate of the capital paid up (or credited as paid up) and any premium paid on each share on a distribution of winding up (or other return of capital) and is not redeemable.

A holder of convertible preference shares shall be entitled at any time to serve a notice in writing ('conversion notice') on the company not less than one month prior to the conversion date specified therein to convert all or any of the convertible preference shares held by such holder into fully paid ordinary shares at the conversion ratio of one ordinary share for each convertible preference share. Any conversion notice shall be irrevocable. All outstanding convertible preference shares shall convert automatically upon a change of control of the company.

Ordinary Shares

	Number	£
At 1 April 2016	12,219,519	610,976
Share issue	320,000	16,000
At 1 April 2017	12,539,519	626,976
Share issue (cash)	13,382,353	669,118
Share issue (conversion)	11,850,284	592,514
At 31 March 2018	37,772,156	1,888,608

During April 2017, the Company completed a successful fund raise of £2.275m before costs, through a placing of 13,382,353 new ordinary shares of £0.05 at a price of £0.17 each. At the same time as the placing the existing convertible loan and the preference shares were also converted into ordinary shares in the company.

19 Reserves

Reserves of the Group represent the follows:

Share premium

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

Other reserves

The cumulative share-based payment expense

Equity reserves

The equity element of convertible loan notes.

Retained earnings

Cumulative profit and loss net of distributions to owners

PERACHEM HOLDINGS PLC

**Notes to the Financial Statements
For the year ended 31 March 2018**

20 Related party disclosures

The company has taken advantage of the exemption to not disclose related party transactions with wholly owned subsidiaries within the group. Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

At 1 April 2017 the company had convertible loan agreements for £1,500,000 (2017: £1,500,000) with one of its significant shareholders, IP2IPO Limited. The loans were undertaken on an open market value basis on the terms set out in note 15. During April 2017 the loan was converted into 10,381,362 ordinary shares.

In addition, at 1 April 2017, the company has an EIS Capital Facility agreement for a total amount of £22,500. This was advance subscription monies in anticipation of the issue of shares and was also converted into ordinary shares in April 2017. Dr Alison Fielding, one of the company's former Directors, provided £20,500 of this facility.

In May 2016 some of the Directors were issued with share options over the company's shares:

Name	Total number of options granted
NJK Wood	676,387
SM Winston	338,193
D Lewis	67,639
G Hammer	33,819
A Fielding	135,276

These options were outstanding and carried forward at 31 March 2018.

The total remuneration of the directors who are considered to be key management personnel of the Group was £406,349 (2017: £395,312).

21 Controlling party

There is no overall controlling party.

22 Share-Based payment transactions

The company operates both EMI and unapproved share option schemes for certain directors and employees. Under the schemes, options have been granted with an exercise price of £0.05, the nominal share price. If options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options lapse if the employee leaves the Group before the options vest.

	2018 Options number	2018 Weighted average exercise price £	2017 Options number	2017 Weighted average exercise price £
Outstanding at 1 April	1,318,953	0.05	-	-
Cancelled during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Granted during the year	-	-	1,318,953	0.05
Outstanding at 31 March	1,318,953	0.05	1,318,953	0.05
Exercisable at 31 March	659,476	0.05	329,738	0.05

There were 1,318,953 outstanding options in issue at 31 March 2018, with a further 304,374 unallocated.

In the year ended 31 March 2018 the company recognised total share-based payment expenses of £56,056 (2017: £56,056) which related to equity-settled share-based payment transactions.

These share options are equity-settled arrangements, which FRS102 requires an expense based on 'grant date fair value'. Perachem Holdings plc have elected not to use a pricing model to value these options, given that obtaining the inputs for a pricing model would be difficult to obtain. The company is not listed and there is no readily available market for the shares. The valuation was prepared using the Directors' best estimate of fair value based on judgements and estimations.