REGISTERED NUMBER: 06229820 (England and Wales)

Financial Statements for the Year Ended 31 July 2018

for

Crysalin Limited

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Contents of the Financial Statements
for the year ended 31 July 2018

Crysalin Limited

Company Information
for the year ended 31 July 2018

DIRECTORS:	Professor M Noble Dr. J Sinclair D J Brister Dr M G W Frohn
SECRETARY:	Mrs B C Harraway
REGISTERED OFFICE:	The Walbrook Building 25 Walbrook London EC4N 8AF
REGISTERED NUMBER:	06229820 (England and Wales)
ACCOUNTANTS:	Atraxa Consulting Limited Brooke's Mill Armitage Bridge Huddersfield West Yorkshire HD4 7NR

Crysalin Limited (Registered number: 06229820)

Balance Sheet
31 July 2018

	Notes	31/7/18 £	31/7/18 £	31/7/17 £	31/7/17 £
FIXED ASSETS					
Tangible assets	5		**5,403**		45,322
CURRENT ASSETS					
Debtors	6	**23,592**		31,605	
Cash at bank		**95,099**		176,321	
		118,691		207,926	
CREDITORS					
Amounts falling due within one year	7	**528,104**		479,799	
NET CURRENT LIABILITIES			**(409,413)**		(271,873)
TOTAL ASSETS LESS CURRENT LIABILITIES			**(404,010)**		(226,551)
CAPITAL AND RESERVES					
Called up share capital			**115**		115
Share premium			**4,534,967**		4,534,967
Retained earnings			**(4,939,092)**		(4,761,633)
SHAREHOLDERS' FUNDS			**(404,010)**		(226,551)

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2018 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:
(a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
(b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

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

The financial statements were approved by the Board of Directors on 29/4/2019 and were signed on its behalf by:

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Dr. J Sinclair - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the year ended 31 July 2018

1. STATUTORY INFORMATION

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

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis which assumes that the company will have sufficient funding available to enable it to continue to operate for the foreseeable future.

The directors have been in discussion with its creditors and investors to make arrangements that allow for the company to continue to trade. They have considered the trading prospects and cash flow requirements of the company for a period of at least 12 months from the date of approval of these financial statements and they believe that there are sufficient financial resources available for the foreseeable future.

Consequently the directors consider it appropriate to prepare the financial statements on a going concern basis.

Significant judgements and estimates
There are no material judgements made by the directors, in the application of these accounting policies that are expected to have a significant effect on the financial statements or any estimates with a significant risk of material adjustment in the next year.

Turnover
Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Revenues are principally generated by the provision of consultancy services. Revenues from the provision of services are recognised upon completion of the contract.

The difference between the amount of income recognised and the amount invoiced on a particular contract is included in the balance sheet as deferred income. Amounts included in deferred income are expected to be recognised within one year and are included within current liabilities.

Tangible fixed assets
Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

- Plant and machinery - over 5 years
- Computer equipment - over 3 years
- Fixtures and fittings - over 5 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

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3. **ACCOUNTING POLICIES - continued**

Financial instruments

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Interest-bearing loans and borrowings

All interest-bearing loans and borrowings which are basic financial instruments are initially recognised at the transaction price. After initial recognition, they are measured at amortised cost using the effective interest rate method, less impairment. The effective interest rate amortisation is included in finance revenue in the income statement. Loans that are repayable within one year continue to be measured at the transaction price. Loans that are repayable on demand are measured at the undiscounted cash amount repayable.

Taxation

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

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

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised evenly over the period of expected future benefit. During the period of development the asset is tested for impairment annually.

Foreign currencies

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

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.

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3. **ACCOUNTING POLICIES - continued**

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

4. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 1 (2017 - 8).

5. **TANGIBLE FIXED ASSETS**

	Plant and machinery etc
	£
COST	
At 1 August 2017	313,491
Disposals	(208,783)
At 31 July 2018	104,708
DEPRECIATION	
At 1 August 2017	268,169
Charge for year	5,914
Eliminated on disposal	(174,778)
At 31 July 2018	99,305
NET BOOK VALUE	
At 31 July 2018	5,403
At 31 July 2017	45,322

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

	31/7/18	31/7/17
	£	£
Other debtors	23,592	31,605

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

	31/7/18	31/7/17
	£	£
Trade creditors	30,311	17,340
Taxation and social security	-	8,698
Other creditors	497,793	453,761
	528,104	479,799

Included within other creditors is £400,000 (2017: £400,000) in relation to loans received from shareholders. Also within other creditors is £63,333 (2017: £21,945) of accrued interest on the loans. The loans bear interest at a fixed rate of 10.0% per annum. The loans are unsecured and are repayable on demand. The loan agreement also includes various provisions for the loans to be converted into share capital in the event of a company sale, fundraise or listing.

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8. LEASING AGREEMENTS

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

	31/7/18	31/7/17
	£	£
Within one year	-	14,388

9. RELATED PARTY DISCLOSURES

In the prior year the company received loans from various shareholders totalling £400,000. During the year interest of £41,388 has accrued on those loans. The rate of interest is fixed at 10% per annum.

10. SHARE-BASED PAYMENT TRANSACTIONS

Share options

The company operates an EMI share option plans under which it grants options over ordinary shares to certain directors and employees of the company. Options under these plans are exercisable at a range of exercise prices ranging from the nominal value of the company's shares to the market price of the company's shares on the date of the grant. The options are settled in equity once exercised. If the options remain unexercised for a period after 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the company before the options vest.

The number and weighted average exercise prices of share options are as follows:

	EMI options	Weighted average exercise price per share (p)
At 1 August 2017	53,337	70.40
Lapsed during the period	(53,337)	(70.40)
At 31 July 2018	-	-

Options had a range of exercise prices from 0.01 pence per share to 255 pence per share.

Option values (for options issued during the prior year) were calculated using a Black-Scholes pricing model with the following assumptions:

	Options granted in the prior year
Dividend yield	0%
Expected volatility	40%
Option maturity period	10 years
Risk free interest rate	1.50%
Weighted average market price of a share	0.011p

No share-based payment charge has been recognised in these financial statements on the grounds of materiality. The company has taken advantage of the exemptions under FRS 102 Section 1A to not include a share-based payment charge in respect of options which had been granted prior to the date of transition.