

Financial Statements

Cyclofluidic Limited

For the year ended 30 November 2017

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COMPANIES HOUSE

Registered number: 06670868

Cyclofluidic Limited

Company Information

Directors

Dr L Castro
Dr J M Treherne
Dr J J Eshelby

Company secretary

Aldwych Secretaries Limited

Registered number

06670868

Registered office

9400 Garsington Road
Oxford Business Park
Oxford
OX4 2HN

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
101 Cambridge Science Park
Milton Road
Cambridge
Cambridgeshire
CB4 0FY

Bankers

HSBC
65 Cornmarket Street
Oxford
OX1 3HY

Contents

	Page
Directors' report	1 - 3
Independent auditor's report	4 - 6
Consolidated statement of comprehensive income	7
Consolidated statement of financial position	8
Company statement of financial position	9
Consolidated statement of changes in equity	10
Company statement of changes in equity	11
Notes to the financial statements	12 - 22

Directors' report

For the year ended 30 November 2017

The directors present their report and the financial statements for the year ended 30 November 2017.

Principal activity

Cyclofluidic's principal activity is to undertake projects on behalf of third party clients to improve the efficiency and effectiveness of their early stage drug discovery operations leveraging the Cyclops TM platform to solve mechanical chemistry problems at speed. The group has been successful in securing paid contract assignments in the last two years as reflected in the annual accounts.

The group has continued to operate out of laboratory facilities at BioPark, Welwyn Garden City, UK with a highly qualified and experienced cross functional team. The group operates the Cyclops TM platform, an integrated and automated chemistry and biology platform for drug discovery. The Cyclops TM platform is based on groundbreaking research and was developed with the support of its shareholders and Innovate UK.

The directors are seeking to restructure the business and raise new equity funds to provide further working capital and to enhance the capabilities of the Cyclops TM platform. The directors are engaged in discussions with potential investors and are reasonably confident that additional funding will be raised to progress the transition of the business to focus on problem solving using the company's automated drug discovery platform.

Directors

The directors who served during the year were:

Dr L Castro
Dr D M Parry (resigned 24 May 2017)
Dr J M Treherne
Mr W J Matthews (resigned 28 September 2018)
Dr J J Eshelby

Directors' report (continued)

For the year ended 30 November 2017

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period.

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

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

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

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

Disclosure of information to auditor

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

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

Post balance sheet events

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

Cyclofluidic Limited

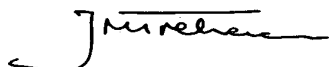
Directors' report (continued)

For the year ended 30 November 2017

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

A handwritten signature in black ink, appearing to read 'J M Treherne', with a stylized flourish at the end.

Dr J M Treherne
Director

Date: 5th March, 2018

Independent auditor's report to the shareholders of Cyclofluidic Limited

Opinion

We have audited the financial statements of Cyclofluidic Limited for the year ended 30 November 2017 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement 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 Financial Reporting Standard 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 30 November 2017 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Who we are reporting to

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.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which indicates that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. As stated in note 2.3, losses incurred in the year, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter. The financial statements do not include adjustments that would result if the group were unable to continue as a going concern.



Independent auditor's report to the shareholders of Cyclofluidic Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by the Companies Act 2006

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

Matters on which we are required to report by exception

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a group strategic report.



Independent auditor's report to the shareholders of Cyclofluidic Limited (continued)

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

Auditors' 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: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.

Grant Thornton UK LLP

Alison Seekings (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Cambridge

Date: 6 March 2018

Consolidated statement of comprehensive income

For the year ended 30 November 2017

	Note	2017 £	2016 £
Turnover		568,209	876,542
Gross profit		568,209	876,542
Administrative expenses		(796,806)	(1,009,676)
Other operating income	4	53,968	88,226
Operating loss		(174,629)	(44,908)
Interest receivable and similar income		-	272
Loss before taxation		(174,629)	(44,636)
Tax on loss	8	(8,679)	(12,659)
Loss for the financial year		(183,308)	(57,295)
Foreign currency differences		(834)	1,953
Other comprehensive income for the year		(834)	1,953
Total comprehensive income for the year		(184,142)	(55,342)

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

The notes on pages 12 to 22 form part of these financial statements.

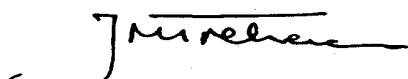
Consolidated statement of financial position

As at 30 November 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	9	21,165	43,792
		<u>21,165</u>	<u>43,792</u>
Current assets			
Debtors: amounts falling due within one year	11	96,094	229,166
Cash at bank and in hand	12	104,141	140,466
		<u>200,235</u>	<u>369,632</u>
Creditors: amounts falling due within one year	13	(45,804)	(52,968)
Net current assets		<u>154,431</u>	<u>316,664</u>
Total assets less current liabilities		<u>175,596</u>	<u>360,456</u>
Creditors: amounts falling due after more than one year	14	(1,051)	(1,769)
Net assets		<u><u>174,545</u></u>	<u><u>358,687</u></u>
Capital and reserves			
Called up share capital	16	1,280,000	1,280,000
Share premium account		720,000	720,000
Foreign exchange reserve		919	1,753
Profit and loss account		(1,826,374)	(1,643,066)
Equity attributable to owners of the parent company		<u><u>174,545</u></u>	<u><u>358,687</u></u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


Dr J M Treherne
Director

Date: 5th March, 2018

The notes on pages 12 to 22 form part of these financial statements.

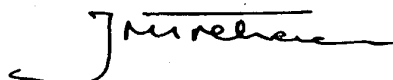
Company statement of financial position

As at 30 November 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	9	21,165	43,792
Investments	10	637	637
		<u>21,802</u>	<u>44,429</u>
Current assets			
Debtors: amounts falling due within one year	11	96,094	229,166
Cash at bank and in hand	12	95,248	129,843
		<u>191,342</u>	<u>359,009</u>
Creditors: amounts falling due within one year	13	(45,804)	(52,968)
Net current assets		<u>145,538</u>	<u>306,041</u>
Total assets less current liabilities		<u>167,340</u>	<u>350,470</u>
Creditors: amounts falling due after more than one year	14	(1,051)	(1,769)
Net assets		<u><u>166,289</u></u>	<u><u>348,701</u></u>
Capital and reserves			
Called up share capital		1,280,000	1,280,000
Share premium account		720,000	720,000
Profit and loss account brought forward	(1,651,299)	(1,593,843)	
Loss for the year	(182,412)	(57,456)	
Profit and loss account carried forward		<u>(1,833,711)</u>	<u>(1,651,299)</u>
		<u><u>166,289</u></u>	<u><u>348,701</u></u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5/3/18



Dr J M Treherne
Director

The notes on pages 12 to 22 form part of these financial statements.

Consolidated statement of changes in equity

For the year ended 30 November 2017

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 December 2016	1,280,000	720,000	1,753	(1,643,066)	358,687
Comprehensive income for the year					
Loss for the year	-	-	-	(183,308)	(183,308)
Movement on foreign exchange	-	-	(834)	-	(834)
Other comprehensive income for the year	-	-	(834)	-	(834)
Total comprehensive income for the year	-	-	(834)	(183,308)	(184,142)
At 30 November 2017	1,280,000	720,000	919	(1,826,374)	174,545

Consolidated statement of changes in equity

For the year ended 30 November 2016

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 December 2015	1,280,000	720,000	(200)	(1,585,771)	414,029
Comprehensive income for the year					
Loss for the year	-	-	-	(57,295)	(57,295)
Movement on foreign exchange	-	-	1,953	-	1,953
Other comprehensive income for the year	-	-	1,953	-	1,953
Total comprehensive income for the year	-	-	1,953	(57,295)	(55,342)
At 30 November 2016	1,280,000	720,000	1,753	(1,643,066)	358,687

The notes on pages 12 to 22 form part of these financial statements.

Company statement of changes in equity

For the year ended 30 November 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 December 2016	1,280,000	720,000	(1,651,299)	348,701
Comprehensive income for the year				
Loss for the year	-	-	(182,412)	(182,412)
Total comprehensive income for the year	-	-	(182,412)	(182,412)
At 30 November 2017	1,280,000	720,000	(1,833,711)	166,289

Company statement of changes in equity

For the year ended 30 November 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 December 2015	1,280,000	720,000	(1,593,843)	406,157
Comprehensive income for the year				
Loss for the year	-	-	(57,456)	(57,456)
Total comprehensive income for the year	-	-	(57,456)	(57,456)
At 30 November 2016	1,280,000	720,000	(1,651,299)	348,701

The notes on pages 12 to 22 form part of these financial statements.

Notes to the financial statements

For the year ended 30 November 2017

1. General information

Cyclofluidic Limited is a private company limited by shares and incorporated in England and Wales. Registered number: 06670868. Its registered head office is located at 9400 Garsington Road, Oxford Business Park, Oxford, OX4 2HN.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

2.3 Going concern

In determining the appropriate basis of presentation of the financial statements, the directors are required to consider whether the group can continue in operational existence for a period of not less than twelve months from the date of approval of the financial statements. The group is seeking to increase its revenues from pharmaceutical, biotechnology and research entities to exploit its CyclOps™ platform and transition to focus on problem solving using the company's automated drug discovery platform. The group has built a diverse customer base but does not yet have revenue to fully support the operations of the group and the ongoing investment in its research platform. The losses incurred to date and the current revenue base highlights the existence of uncertainty which cast some doubt over the group's ability to continue as a going concern.

The directors are closely monitoring the cost base of the business and availability of cash whilst the business is restructured and new funding is secured. Term sheets have been received from potential investors. Based on the assessment that revenue from trading operations and current cash reserves will be sufficient until a restructure and new funding is secured, the directors have continued to prepare the financial statements on a going concern basis. These financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern.

Notes to the financial statements

For the year ended 30 November 2017

2. Accounting policies (continued)

2.4 Revenue

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

Rendering of services

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

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

2.5 Research and development expenditure credit

Research and development expenditure credit (RDEC) is claimed on qualifying expenditure. This tax credit is accounted for 'above the line' and recognised as 'enhancement to research and expenditure credit' within other income.

2.6 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Plant & machinery	-	20% - 67% Straight Line
Fixtures & fittings	-	33% - 50% Straight Line

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

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

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Notes to the financial statements

For the year ended 30 November 2017

2. Accounting policies (continued)

2.8 Debtors

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

2.9 Cash and cash equivalents

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

2.10 Financial instruments

The group enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

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

2.11 Creditors

Short term creditors are measured at the transaction price.

2.12 Government grants

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

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

Notes to the financial statements

For the year ended 30 November 2017

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.14 Operating leases: the group as lessee

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

2.15 Pensions

Defined contribution pension plan

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

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

Notes to the financial statements

For the year ended 30 November 2017

2. Accounting policies (continued)

2.16 Taxation

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

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

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

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

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

2.17 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense in the year in which it is incurred.

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

Preparation of the financial statements requires management to make significant judgements and estimates. The company does not have any areas of significant judgements, however, there are areas where a level of judgement is applied and this includes income recognition on contracts in progress at the balance sheet date and provisions for bad debts.

4. Other operating income

	2017	2016
	£	£
Grant income receivable	9,071	24,930
Enhancement to research and expenditure credit	44,897	63,296
	<u>53,968</u>	<u>88,226</u>

Notes to the financial statements

For the year ended 30 November 2017

5. Auditor's remuneration

Fees payable to the group's auditor for the audit of the group's annual financial statements totalled £8,600 (2016 - £8,600).

Fees payable to the group's auditor in respect of taxation compliance services totalled £1,750 (2016 - £1,650) and R&D tax credit services totalled £1,600 (2016 - £1,600).

6. Employees

The average monthly number of employees during the year was 10 (2016: 11).

7. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	52,861	75,270
Company contributions to defined contribution pension schemes	6,186	12,124
	<u>59,047</u>	<u>87,394</u>

During the year retirement benefits were accruing to 1 director (2016 - 1) in respect of defined contribution pension schemes. Contributions payable by the company to the schemes amounted to £6,186 (2016 £12,124) and are included in the pension cost charge reported.

In respect of key management personnel, short term employee benefits totalled £64,306 (2016: £75,270), employers national insurance contributions totalled £5,260 (2016: £6,186) and post employment benefits totalled £6,186 (2016: £9,268).

Notes to the financial statements

For the year ended 30 November 2017

8. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	8,679	12,659
Total current tax	<u>8,679</u>	<u>12,659</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 19.33% (2016: 20%). The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	<u>(174,629)</u>	<u>(44,636)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	(33,756)	(8,927)
Effects of:		
Expenses not deductible for tax purposes	1,327	105
Research and development expenditure credit	8,679	12,659
Adjustment for impact on deferred tax of changes to tax rate	3,909	22,445
Deferred tax not recognised	28,520	(13,623)
Total tax charge for the year	<u>8,679</u>	<u>12,659</u>

The group has tax losses carried forward of £2.33m (2016: £2.13m).

Notes to the financial statements

For the year ended 30 November 2017

9. Tangible fixed assets

Group and Company

	Plant & machinery £	Fixtures & fittings £	Total £
Cost			
At 1 December 2016	935,199	146,810	1,082,009
Additions	-	1,511	1,511
At 30 November 2017	935,199	148,321	1,083,520
Depreciation			
At 1 December 2016	892,290	145,927	1,038,217
Charge for the year on owned assets	22,780	1,358	24,138
At 30 November 2017	915,070	147,285	1,062,355
Net book value			
At 30 November 2017	20,129	1,036	21,165
At 30 November 2016	42,909	883	43,792

Notes to the financial statements

For the year ended 30 November 2017

10. Fixed asset investments**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Cyclofluidic Inc	USA	Ordinary	100 %	Trading

CompanyInvestments
in subsidiary
companies
£**Cost**

At 1 December 2016

637

At 30 November 2017

637

Net book value

At 30 November 2017

637

At 30 November 2016

637

11. Debtors

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade debtors	21,564	89,435	21,564	89,435
Other debtors	38,312	89,094	38,312	89,094
Tax recoverable	36,218	50,637	36,218	50,637
	<u>96,094</u>	<u>229,166</u>	<u>96,094</u>	<u>229,166</u>

12. Cash and cash equivalents

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Cash at bank and in hand	<u>104,141</u>	<u>140,466</u>	<u>95,248</u>	<u>129,843</u>

Notes to the financial statements

For the year ended 30 November 2017

13. Creditors: Amounts falling due within one year

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Trade creditors	25,140	11,076	25,140	11,076
Other taxation and social security	7,955	14,151	7,955	14,151
Other creditors	12,709	27,741	12,709	27,741
	<u>45,804</u>	<u>52,968</u>	<u>45,804</u>	<u>52,968</u>

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

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Deferred income	1,051	1,769	1,051	1,769
	<u>1,051</u>	<u>1,769</u>	<u>1,051</u>	<u>1,769</u>

15. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Financial assets				
Financial assets that are measured at amortised cost	125,141	229,901	116,812	219,278
	<u>125,141</u>	<u>229,901</u>	<u>116,812</u>	<u>219,278</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(37,533)	(29,906)	(37,533)	(29,906)
	<u>(37,533)</u>	<u>(29,906)</u>	<u>(37,533)</u>	<u>(29,906)</u>

Financial assets measured at amortised cost comprise cash and trade debtors.

Financial liabilities measured at amortised cost comprise trade creditors and other creditors excluding deferred income.

Notes to the financial statements

For the year ended 30 November 2017

16. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
12,800,000 Ordinary shares of £0.10 each	<u>1,280,000</u>	<u>1,280,000</u>

17. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £17,633 (2016: £12,880). There were no contributions payable to the fund at the reporting date (2016: £381).

18. Related party transactions

In 2008, Cyclofluidic Limited secured a £5.5m grant from the Innovate UK micro and nanotechnology capital project fund, with investors Pfizer Limited and UCB Celltech.

Advantage has been taken of the exemption not to disclose group related party transactions that have been eliminated on consolidation and are 100% owned.

The group provided services to UCB Celltech and Pfizer, who are both shareholders, on standard commercial terms, recognising revenue of £5,600 (2016: Nil).

The group has provided services to Ubiquigent, a related party of the directors and shareholders, on standard commercial terms, recognising revenue of £11,700 (2016: Nil).

19. Controlling party

Cyclofluidic Limited is owned by two shareholders, UCB Celltech and Pfizer Limited. The two shareholders each hold 50% ownership in the company.

20. First time adoption of FRS 102

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