

Company Registration No. 07555858 (England and Wales)

FIRST LIGHT FUSION LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017
PAGES FOR FILING WITH REGISTRAR



FIRST LIGHT FUSION LIMITED

COMPANY INFORMATION

Directors	S Brindle N A Hawker IP2IPO Services Limited Professor R A Roy D Bryon Professor Y Ventikos G Pisanello A J Markus	(Appointed 22 July 2016) (Appointed 1 May 2017)
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Company number	07555858
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Registered office	Unit 10 Oxford Industrial Park Mead Road Yarnton Oxfordshire OX5 1QU
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Auditor	Richardsons Chartered Accountants 30 Upper High Street Thame Oxfordshire OX9 3EZ
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FIRST LIGHT FUSION LIMITED

BALANCE SHEET

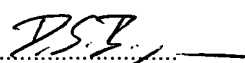
AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	4		1,355,483		726,394
Current assets					
Debtors	5	1,538,284		638,240	
Cash at bank and in hand		8,041,162		11,956,393	
		9,579,446		12,594,633	
Creditors: amounts falling due within one year	6	(854,404)		(364,158)	
Net current assets			8,725,042		12,230,475
Total assets less current liabilities			10,080,525		12,956,869
Capital and reserves					
Called up share capital	8		549		549
Share premium account			16,517,801		16,517,801
Profit and loss reserves			(6,437,825)		(3,561,481)
Total equity			10,080,525		12,956,869

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 7th September 2017 and are signed on its behalf by:


D Bryon
Director

Company Registration No. 07555858

FIRST LIGHT FUSION LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

First Light Fusion Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 10 Oxford Industrial Park, Mead Road, Yarnton, Oxfordshire, OX5 1QU.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 March 2017 are the first financial statements of First Light Fusion Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

There were no material amendments on the adoption of FRS 102.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Improvements to property	Straight line over 4 years
Plant and equipment	Straight line over 4 years
Fixtures and fittings	Straight line over 4 years
Computers	Straight line over 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

FIRST LIGHT FUSION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

Due to continuing losses, there is no charge to corporation tax. The Company recognises R&D tax credits on an accruals basis when an accurate provision can be made.

FIRST LIGHT FUSION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. 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. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Share-based payments

Employee share options are recognised at grant date fair value over the vesting period of the option. For employee options, the directors believe the grant date fair value to be the same as the actual market value at grant date.

Movements in fair value on employee share options are recognised as an expense in the period they vest with movements going to the Equity Reserve.

Exemption has been taken on recognising share-based payment transactions that have arisen prior to the first reporting period under FRS 102 as available to small companies.

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.13 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

FIRST LIGHT FUSION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 32 (2016 - 22).

3 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	(597,756)	-
Adjustments in respect of prior periods	(322,846)	(198,339)
Total current tax	<u>(920,602)</u>	<u>(198,339)</u>

4 Tangible fixed assets

	Improvements to property £	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost					
At 1 April 2016	68,883	656,754	5,035	35,056	765,728
Additions	370,372	290,872	35,990	213,026	910,260
At 31 March 2017	<u>439,255</u>	<u>947,626</u>	<u>41,025</u>	<u>248,082</u>	<u>1,675,988</u>
Depreciation and impairment					
At 1 April 2016	5,290	28,791	556	4,697	39,334
Depreciation charged in the year	33,444	213,637	3,919	30,171	281,171
At 31 March 2017	<u>38,734</u>	<u>242,428</u>	<u>4,475</u>	<u>34,868</u>	<u>320,505</u>
Carrying amount					
At 31 March 2017	<u>400,521</u>	<u>705,198</u>	<u>36,550</u>	<u>213,214</u>	<u>1,355,483</u>
At 31 March 2016	<u>63,593</u>	<u>627,963</u>	<u>4,479</u>	<u>30,359</u>	<u>726,394</u>

FIRST LIGHT FUSION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

5 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Corporation tax recoverable	919,548	198,339
Other debtors	46,034	323,307
Prepayments and accrued income	294,197	116,594
	<u>1,259,779</u>	<u>638,240</u>

	2017 £	2016 £
Amounts falling due after more than one year:		
Other debtors	168,440	-
Prepayments and accrued income	110,065	-
	<u>278,505</u>	<u>-</u>

Total debtors	<u>1,538,284</u>	<u>638,240</u>
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6 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	356,123	151,559
Other taxation and social security	58,391	43,468
Other creditors	21,228	4,583
Accruals and deferred income	418,662	164,548
	<u>854,404</u>	<u>364,158</u>

FIRST LIGHT FUSION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

7 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2017 Number	2016 Number	2017 £	2016 £
Outstanding at 1 April 2016	51,615	58,989	12.07	12.07
Granted	13,788	-	18.18	-
Expired	(4,916)	(7,374)	12.07	12.07
Outstanding at 31 March 2017	<u>60,487</u>	<u>51,615</u>	<u>13.46</u>	<u>12.07</u>
Exercisable at 31 March 2017	<u>30,984</u>	<u>14,745</u>	<u>12.85</u>	<u>12.07</u>

The options outstanding at 31 March 2017 had an exercise price ranging from £12.07 to £18.18.

The company operates an EMI share option scheme and an unapproved share option scheme. The general terms and conditions of the two schemes are similar. For options issued in March 2015, the vesting period is 4 years and for options issued in March 2017, the vesting period is 2 years from the start date of employment. There are no other vesting requirements. Options will lapse 20 years from date of grant.

8 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
531,901 Ordinary of 0.1p each	532	532
16,940 A Ordinary of 0.1p each	17	17
	<u>549</u>	<u>549</u>

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.
The senior statutory auditor was Simon Husband.
The auditor was Richardsons Chartered Accountants.

FIRST LIGHT FUSION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2017

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2017	2016
£	£
490,750	687,050
<u>490,750</u>	<u>687,050</u>

11 Related party transactions

The directors consider all transactions with related parties to have been concluded under normal market conditions.