

REGISTERED NUMBER: 07874054 (England and Wales)

**Financial Statements for the Year Ended 31 December 2016**  
**for**  
**Theysay Limited**



**Theysay Limited (Registered number: 07874054)**

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*for the year ended 31 December 2016*

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# **Theysay Limited**

## **Company Information** *for the year ended 31 December 2016*

### **DIRECTORS:**

IP2IPO Services Limited  
Dr K Moilanen  
Professor S G Pulman

### **REGISTERED OFFICE:**

The Walbrook Building  
25 Walbrook  
London  
EC4N 8AF

### **REGISTERED NUMBER:**

07874054 (England and Wales)

### **ACCOUNTANTS:**

Atraxa Consulting Limited  
Brooke's Mill  
Armitage Bridge  
Huddersfield  
West Yorkshire  
HD4 7NR

**Theysay Limited (Registered number: 07874054)**

**Balance Sheet**

**31 December 2016**

	Notes	31/12/16 £	31/12/15 £
<b>FIXED ASSETS</b>			
Tangible assets	5	2,512	6,122
<b>CURRENT ASSETS</b>			
Debtors	6	59,572	42,122
Cash at bank		83,537	274,721
		<u>143,109</u>	<u>316,843</u>
<b>CREDITORS</b>			
Amounts falling due within one year	7	490,607	98,102
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(347,498)</u>	<u>218,741</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u><u>(344,986)</u></u>	<u><u>224,863</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		2	2
Share premium	8	2,216,454	2,216,454
Equity reserve	8	82,500	-
Retained earnings	8	(2,643,942)	(1,991,593)
<b>SHAREHOLDERS' FUNDS</b>		<u><u>(344,986)</u></u>	<u><u>224,863</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2016.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2016 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- 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 21 September 2017 and were signed on its behalf by:



Dr K Moilanen - Director

KARO MOILANEN

The notes form part of these financial statements

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

**1. STATUTORY INFORMATION**

Theysay 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 the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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.

These financial statements for the year ended 31 December 2016 are the first financial statements that comply with FRS 102 Section 1A small entities. The date of transition is 1 January 2015. The transition to FRS 102 Section 1A small entities has had no impact upon opening equity and loss for the comparative period.

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.

To date the company has been financed by way of shareholder loans, equity share issues and from early stage commercial sales revenues. Subsequent to the year end, the company has drawn down a further £200,000 from its convertible loan agreement with one of its shareholders.

The directors are confident that with careful cash management the company will have sufficient funding available to ensure that it can continue to operate for at least 12 months from the date of approval of these financial statements and that it is appropriate for the financial statements to be prepared 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.

Revenue comprises income from the provision of contract services. Certain sales are made based on long term contracts. Sales invoiced in advance of the completion of a contract are included within creditors as deferred income and the income is recognised as revenue in the profit and loss account evenly across the period of the contract.

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

**3. ACCOUNTING POLICIES - continued**

**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:

- Computer equipment - over 3 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.

**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.

**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 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.

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

**3. ACCOUNTING POLICIES - continued**

**Hire purchase and leasing commitments**

Leases as lessee:

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over the shorter of the lease term and the asset's useful lives. A corresponding liability is recognised for the lower of the fair value of the leased asset and the present value of the minimum lease payments in the balance sheet. Lease payments are apportioned between the reduction of the lease liability and finance charges in the income statement so as to achieve a constant rate of interest on the remaining balance of the liability.

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term. Lease incentives are recognised over the lease term on a straight-line basis.

**4. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 9 (2015 - 9).

**5. TANGIBLE FIXED ASSETS**

	<b>Plant and machinery etc £</b>
<b>COST</b>	
At 1 January 2016 and 31 December 2016	<b>23,306</b>
<b>DEPRECIATION</b>	
At 1 January 2016	<b>17,184</b>
Charge for year	<b>3,610</b>
At 31 December 2016	<b>20,794</b>
<b>NET BOOK VALUE</b>	
At 31 December 2016	<b>2,512</b>
At 31 December 2015	<b>6,122</b>

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

	<b>31/12/16 £</b>	<b>31/12/15 £</b>
Trade debtors	<b>57,039</b>	40,375
Other debtors	<b>2,533</b>	1,747
	<b>59,572</b>	42,122

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

	<b>31/12/16 £</b>	<b>31/12/15 £</b>
Trade creditors	<b>7,933</b>	18,431
Taxation and social security	<b>21,586</b>	22,261
Other creditors	<b>461,088</b>	57,410
	<b>490,607</b>	98,102

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

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

Included within other creditors is £30,120 (2015: £30,120) in respect of grant money received to assist with staff recruitment. The grant revenue is being released to the profit and loss account in line with recruitment costs incurred. In addition, also within other creditors is £13,843 (2015: £11,928) in respect of deferred income. The income is being recognised in the profit and loss account as services are delivered over the period of the contract.

Also included within other creditors is £400,000 (2015: £nil) in respect of convertible loans from a shareholder. These loans are unsecured and interest free. As at 31 December 2016, £100,000 of the loan is repayable on demand with the remaining £300,000 becoming repayable on demand in early 2018. There are a number of possible events that can trigger either conversion of the loans into equity shares or repayment of the loans, including the sale of the company, a further fundraising round or a public listing. At 31 December 2016, no triggering events had occurred.

**8. RESERVES**

	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Equity reserve £</b>	<b>Totals £</b>
At 1 January 2016	(1,991,593)	2,216,454	-	224,861
Deficit for the year	(652,349)	-	-	(652,349)
Shares to be issued	-	-	82,500	82,500
At 31 December 2016	<u>(2,643,942)</u>	<u>2,216,454</u>	<u>82,500</u>	<u>(344,988)</u>

Reserves of the Company represent the following:

**Share premium**

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

**Equity reserve**

The Equity reserve relates to monies received in advance of the future issue of share capital.

**9. RELATED PARTY DISCLOSURES**

During the year, the company entered into transactions with related parties. Purchases amounting to £6,860 (2015: £15,012) were made from an entity (and a company connected to the entity) which has a participating shareholding in the company. The amount outstanding to this entity at 31 December 2016 was £nil (2015: £727).

In addition, during the year the company received consultancy services from a director at a cost of £26,053 (2015: £30,185). No amounts were due to the director at the year end (2015: £nil).

As disclosed in more detail in the creditors: amounts due within one year note above, the company has received £400,000 of convertible loan funding from one of its major shareholders.



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

**10. SHARE-BASED PAYMENT TRANSACTIONS**

The company has 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 based on 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	Unapproved Options	Total	Weighted average option price (£)
At 1 January 2016	18,165	7,048	25,213	13.29000
Granted	11,401	-	11,401	0.00001
Surrendered	(11,401)	-	(11,401)	(13.29000)
Lapsed	-	(7,048)	(7,048)	(13.29000)
At 31 December 2016	18,165	-	18,165	4.950000

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.