

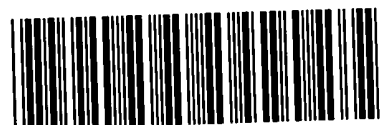
Registered number: 8028515

CYPRALIS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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COMPANIES HOUSE

CYPRALIS LIMITED

COMPANY INFORMATION

DIRECTORS

H G Fliri, PhD
P L Hurley
A Rummelt
S C Kerr
N J Baker-Munton

COMPANY SECRETARY

K Williams

REGISTERED NUMBER

8028515

REGISTERED OFFICE

Fyfield Business and Research Park
Fyfield Road
Ongar
Essex
CM5 0GS

INDEPENDENT AUDITORS

Price Bailey LLP
Chartered Accountants & Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

BANKERS

National Westminster Bank Plc
1 The Causeway
Bishop's Stortford
Hertfordshire
CM23 2EN

CYPRALIS LIMITED

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CYPRALIS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The Directors present their Report and the financial statements for the year ended 31 December 2016.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing 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 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS

The Directors who served during the year were:

H G Fliri, PhD
P L Hurley
A Rummelt
S C Kerr
N J Baker-Munton

DISCLOSURE OF INFORMATION TO AUDITORS

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's Auditors are 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's Auditors are aware of that information.

AUDITORS

Under section 487(2) of the Companies Act 2006, Price Bailey LLP will be deemed to have been reappointed as Auditors 28 days after these financial statements were sent to Members or 28 days after the latest date prescribed for filing the accounts with the Registrar, whichever is earlier.


CYPRALIS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

SMALL COMPANIES NOTE

In preparing this Report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This Report was approved by the Board and signed on its behalf.

A handwritten signature in black ink, consisting of a stylized 'C' followed by a horizontal line.

S C Kerr
Director

Date: 13 September 2017

CYPRALIS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY, OF CYPRALIS LIMITED

We have audited the financial statements of Cypralis Limited for the year ended 31 December 2016, set out on pages 5 to 13. The relevant financial reporting framework that has been applied in their preparation is applicable law and the 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'.

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 Auditors' 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.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement on page 1, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our Report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its 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.

OPINION ON OTHER MATTER 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 those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

CYPRALIS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS, AS A BODY, OF CYPRALIS LIMITED
(CONTINUED)**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Gary Miller FCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

15 September 2017

CYPRALIS LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 £	2015 as restated £
Turnover		459,986	-
Cost of sales		(581,890)	(223,677)
GROSS LOSS		<u>(121,904)</u>	<u>(223,677)</u>
Administrative expenses		(516,578)	(135,375)
Other operating income	3	466,338	69,143
OPERATING LOSS		<u>(172,144)</u>	<u>(289,909)</u>
Interest payable and expenses		(24,853)	(17,572)
LOSS BEFORE TAX		<u>(196,997)</u>	<u>(307,481)</u>
Tax on loss		111,164	100,105
LOSS AFTER TAX		<u>(85,833)</u>	<u>(207,376)</u>
Retained earnings at the beginning of the year		(672,678)	(465,302)
Loss for the year		(85,833)	(207,376)
RETAINED EARNINGS AT THE END OF THE YEAR		<u>(758,511)</u>	<u>(672,678)</u>

There were no recognised gains and losses for 2016 or 2015 other than those included in the Statement of Income and Retained Earnings..

The notes on pages 7 to 13 form part of these financial statements.

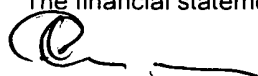
CYPRALIS LIMITED
REGISTERED NUMBER: 8028515

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 as restated £
FIXED ASSETS			
Intangible assets	5	3,500	3,500
		<u>3,500</u>	<u>3,500</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	6	224,580	169,248
Cash at bank and in hand	7	212,373	124,319
		<u>436,953</u>	<u>293,567</u>
Creditors: amounts falling due within one year	8	(874,655)	(488,500)
NET CURRENT LIABILITIES		<u>(437,702)</u>	<u>(194,933)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(434,202)</u>	<u>(191,433)</u>
Creditors: amounts falling due after more than one year	9	(267,394)	(424,330)
NET LIABILITIES		<u><u>(701,596)</u></u>	<u><u>(615,763)</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	56,915	56,915
Profit and loss account		(758,511)	(672,678)
		<u><u>(701,596)</u></u>	<u><u>(615,763)</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:



S C Kerr
Director

Date: 13 September 2017

The notes on pages 7 to 13 form part of these financial statements.

CYPRALIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. GENERAL INFORMATION

Cypralis Limited is a private company limited by shares, incorporated in England and Wales. Its Registered Office is Fyfield Business and Research Park, Fyfield Road, Ongar, Essex, CM5 0GS.

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 (FRS 102). Information on the impact of first-time adoption of FRS 102 is given in note 12.

The following principal accounting policies have been applied:

2.2 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 Company 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.

2.3 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.4 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.

CYPRALIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.5 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.

2.6 FINANCIAL INSTRUMENTS

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

2.7 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 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 Statement of Income and Retained Earnings 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 Statement of Income and Retained Earnings in the same period as the related expenditure.

CYPRALIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.9 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is Sterling.

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 Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

2.10 FINANCE COSTS

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 TAXATION

Tax is recognised in the Statement of Income and Retained Earnings, 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 balance sheet date in the countries where the Company operates and generates income.

2.12 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 when it is incurred.

CYPRALIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

3. OTHER OPERATING INCOME

	2016 £	2015 £
Government grants receivable	50,859	69,143
Release of liability arising on waiver of loan balance	415,479	-
	<u>415,479</u>	<u>-</u>

4. EMPLOYEES

The average monthly number of employees, including Directors, during the year was 6 (2015 - 5).

5. INTANGIBLE ASSETS

	Intellectual property £
COST	
At 1 January 2016	3,500
At 31 December 2016	<u>3,500</u>
NET BOOK VALUE	
At 31 December 2016	<u>3,500</u>
At 31 December 2015	<u>3,500</u>

6. DEBTORS

	2016 £	2015 £
Other debtors	4,030	-
Prepayments and accrued income	111,850	-
Tax recoverable	108,700	100,105
Grants receivable	-	69,143
	<u>224,580</u>	<u>169,248</u>

CYPRALIS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

7. CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	212,373	124,319
	<u>212,373</u>	<u>124,319</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 as restated £
Trade creditors	412,516	5,034
Other taxation and social security	4,468	-
Other creditors	447,568	472,616
Accruals and deferred income	10,103	10,850
	<u>874,655</u>	<u>488,500</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016 £	2015 as restated £
Other creditors	267,394	424,330
	<u>267,394</u>	<u>424,330</u>

10. SHARE CAPITAL

	2016 £	2015 £
SHARES CLASSIFIED AS EQUITY		
ALLOTTED, CALLED UP AND FULLY PAID		
1,138,300 Ordinary shares of £0.05 each	56,915	56,915
	<u>56,915</u>	<u>56,915</u>

11. CONTROLLING PARTY

The ultimate controlling party is H G Fliri.

CYPRALIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

12. FIRST TIME ADOPTION OF FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2015. The impact of the transition to FRS 102 is as follows:

	As previously stated 1 January 2015 £	Effect of transition 1 January 2015 £	FRS 102 (as restated) 1 January 2015 £	As previously stated 31 December 2015 £	Effect of transition 31 December 2015 £	FRS 102 (as restated) 31 December 2015 £
Note						
Fixed assets	3,500	-	3,500	3,500	-	3,500
Current assets	330,099	-	330,099	293,567	-	293,567
Creditors: amounts falling due within one year	(422,143)	-	(422,143)	(488,500)	-	(488,500)
NET CURRENT LIABILITIES	(92,044)	-	(92,044)	(194,933)	-	(194,933)
TOTAL ASSETS LESS CURRENT LIABILITIES	(88,544)	-	(88,544)	(191,433)	-	(191,433)
Creditors: amounts falling due after more than one year	(319,843)	-	(319,843)	(405,672)	(18,658)	(424,330)
NET LIABILITIES	(408,387)	-	(408,387)	(597,105)	(18,658)	(615,763)
Capital and reserves	(408,387)	-	(408,387)	(597,105)	(18,658)	(615,763)

CYPRALIS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

12. FIRST TIME ADOPTION OF FRS 102 (CONTINUED)

	As previously stated 31 December 2015 £	Effect of transition 31 December 2015 £	FRS 102 (as restated) 31 December 2015 £
Note			
Cost of sales	(223,677)	-	(223,677)
	(223,677)	-	(223,677)
Administrative expenses	1 (134,289)	(1,086)	(135,375)
Other operating income	69,143	-	69,143
OPERATING PROFIT	(288,823)	(1,086)	(289,909)
Interest payable and similar charges	1 -	(17,572)	(17,572)
Taxation	100,105	-	100,105
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL YEAR	(188,718)	(18,658)	(207,376)

Explanation of changes to previously reported profit and equity:

- 1 Movements in other creditors in respect of interest payable and difference on foreign exchange as a result of transition to FRS 102