

COMPANY REGISTRATION NUMBER: 08902419

REGISTRAR OF
COMPANIES

Fospha Limited
Unaudited Financial Statements
31 December 2016



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Fospha Limited
Financial Statements
Period from 1 April 2016 to 31 December 2016

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Fospha Limited

Statement of Financial Position

31 December 2016

	Note	31 Dec 16 £	31 Mar 16 £
Fixed assets			
Intangible assets	6	82,083	126,883
Tangible assets	7	<u>27,907</u>	<u>21,824</u>
		109,990	148,707
Current assets			
Debtors	8	370,462	148,755
Cash at bank and in hand		<u>9,934</u>	<u>632</u>
		380,396	149,387
Creditors: amounts falling due within one year	9	<u>1,772,292</u>	<u>1,333,240</u>
Net current liabilities		1,391,896	1,183,853
Total assets less current liabilities		(1,281,906)	(1,035,146)
Provisions			
Taxation including deferred tax		<u>3,051</u>	<u>-</u>
Net liabilities		<u>(1,284,957)</u>	<u>(1,035,146)</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		<u>(1,284,958)</u>	<u>(1,035,147)</u>
Members deficit		<u>(1,284,957)</u>	<u>(1,035,146)</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

For the period ending 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476;
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

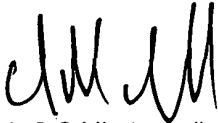
The notes on pages 3 to 8 form part of these financial statements.

Fospha Limited

Statement of Financial Position *(continued)*

31 December 2016

These financial statements were approved by the board of directors and authorised for issue on ~~30/03/2017~~ and are signed on behalf of the board by:



Mr C S Mindenhall
Director

Company registration number: 08902419

The notes on pages 3 to 8 form part of these financial statements.

Fospha Limited

Notes to the Financial Statements

Period from 1 April 2016 to 31 December 2016

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 1 Hammersmith Broadway, London, W6 9DL, United Kingdom.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Research and development

Expenditure on research and development is charged to the profit and loss in the year in which it is incurred. Research and development tax credits are recognised on an accruals basis and are included within other debtors in current assets.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 11.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Fospha Limited

Notes to the Financial Statements *(continued)*

Period from 1 April 2016 to 31 December 2016

3. Accounting policies *(continued)*

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Intellectual property - 33% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Fospha Limited

Notes to the Financial Statements *(continued)*

Period from 1 April 2016 to 31 December 2016

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment - 25% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Going Concern

In preparing the accounts and reviewing the company's net liability position of £1,284,957 (March 2016: £1,035,146), the director has considered going concern. The ultimate parent undertaking and its shareholders have confirmed that they will continue to provide adequate financial support to the company for the foreseeable future to enable liabilities to be met as they fall due.

Fospha Limited

Notes to the Financial Statements *(continued)*

Period from 1 April 2016 to 31 December 2016

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Staff costs

The average number of persons employed by the company during the period, including the director, amounted to 17 (2016: 14).

5. Profit before taxation

Loss before taxation is stated after charging:

	Period from 1 Apr 16 to 31 Dec 16	Year to 31 Mar 16
	£	£
Amortisation of intangible assets	44,800	47,691
Depreciation of tangible assets	<u>8,369</u>	<u>3,917</u>

6. Intangible assets

	Intellectual Property £
Cost	
At 1 Apr 2016 and 31 Dec 2016	<u>179,199</u>
Amortisation	
At 1 April 2016	52,316
Charge for the period	<u>44,800</u>
At 31 December 2016	<u>97,116</u>
Carrying amount	
At 31 December 2016	<u>82,083</u>
At 31 March 2016	<u>126,883</u>

Fospha Limited

Notes to the Financial Statements *(continued)*

Period from 1 April 2016 to 31 December 2016

7. Tangible assets

	Equipment £
Cost	
At 1 April 2016	25,926
Additions	14,452
At 31 December 2016	40,378
Depreciation	
At 1 April 2016	4,102
Charge for the period	8,369
At 31 December 2016	12,471
Carrying amount	
At 31 December 2016	27,907
At 31 March 2016	21,824

8. Debtors

	31 Dec 16 £	31 Mar 16 £
Trade debtors	49,440	19,674
Other debtors	321,022	129,081
	370,462	148,755

Within other debtors is corporation tax repayable of £185,570 (March 2016: £102,965) in respect of the company's research and development tax credit claim.

9. Creditors: amounts falling due within one year

	31 Dec 16 £	31 Mar 16 £
Trade creditors	165,462	184,692
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,293,251	800,000
Social security and other taxes	31,368	22,419
Other creditors	282,211	326,129
	1,772,292	1,333,240

Fospha Limited

Notes to the Financial Statements *(continued)*

Period from 1 April 2016 to 31 December 2016

10. Related party transactions

During the period the company made sales and purchases to companies associated through control and directorship of £141,200 and £363,959 respectively (Year to 31 March 2016: £319,674 and £547,924 respectively).

At the period end the company had trade debtors and creditors with companies associated through controls and directorship of £49,440 and £118,698 respectively (31 March 2016: £19,074 and £169,195 respectively).

During the year a group company waived an £800,000 loan that was due from Fospha Limited. At the year end the company owed money to group companies totalling £1,293,251 (March 2016: £800,000) in respect of formal loans in place.

11. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 April 2015.

No transitional adjustments were required in equity or profit or loss for the year.