

Company Registration Number: 09047601 (England and Wales)

CAMBRIDGE GRAPHENE LTD

ANNUAL REPORT

31 MARCH 2019

TUESDAY



A8KYHE4J

A25

24/12/2019

#137

COMPANIES HOUSE

CAMBRIDGE GRAPHENE LTD

**Contents of the Financial Statements
For the Year Ended 31 March 2019**

	Page
Company Information	1
Report of the Directors	2
Statement of Directors' Responsibilities	4
Independent Auditors' Report	5
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes In Equity	10
Notes to the Financial Statements	11-21

CAMBRIDGE GRAPHENE LTD

Company Information

DIRECTORS: Mr N Ricketts
Mr C M Leigh

REGISTERED OFFICE: Unit 2, Chosen View Road
Cheltenham
England
GL51 9LT

REGISTERED NUMBER: 09047601 (England and Wales)

INDEPENDENT AUDITORS: PricewaterhouseCoopers LLP
2 Glass Wharf
Bristol
BS2 0FR
United Kingdom

BANKERS: Santander UK PLC
Bristol Corporate Business Centre
One Glass Wharf
Avon Street
Bristol
BS2 0ZX

CAMBRIDGE GRAPHENE LTD

Report of the Directors for the Year to 31 March 2019

The directors present their report with the financial statements of the company for the year ended 31 March 2019 .

PRINCIPAL ACTIVITIES

The company's principal activity during the year continued to be novel production process development and supply of graphene inks.

REVIEW OF BUSINESS

The results for the year are on page 8 of the financial statements. The position at the year ended 31 March 2019 was satisfactory.

RESULTS AND DIVIDENDS

The loss for the year after taxation amounted to £249,556 (2018 – loss of £137,151)

The directors do not recommend the payment of a dividend leaving a loss of £249,556 (2018 - £137,151) to be transferred from reserves.

FUTURE DEVELOPMENTS

The Company will continue its efforts to develop its production and supply of graphene ink.

GOING CONCERN

After making enquires, the directors have a reasonable expectation that the company has adequate resources to continue on operational existence for the foreseeable future. The company is part of the Versarien Group which has confirmed in writing its intention to provide ongoing support to the company for a period of at least 12 months from the date of signature of these financial statements. Having considered the ability of the Versarien Group to provide that support, and based on the confirmation received, the directors believe that the company is well placed to manage its business risks successfully. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statement.

CAMBRIDGE GRAPHENE LTD

Report of the Directors for the Year to 31 March 2019 (cont'd)

DIRECTORS

The directors who have held office during the year to the date of this report are as follows:-

Mr N Ricketts
Mr C M Leigh

INDEPENDENT AUDITORS

The Independent Auditors, PricewaterhouseCoopers LLP, who were appointed by the Board for the year have indicated their willingness to be reappointed for another term.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

BY ORDER OF THE BOARD

C M Leigh

Mr C M Leigh
Company secretary

16 September 2019

CAMBRIDGE GRAPHENE LTD

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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 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. 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 enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors' report to the members of Cambridge Graphene Ltd

Report on the audit of the financial statements

Opinion

In our opinion, Cambridge Graphene Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the statement of financial position as at 31 March 2019; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

CAMBRIDGE GRAPHENE LTD

Independent auditors' report to the members of Cambridge Graphene Ltd

Report on the audit of the financial statements (*continued*)

Reporting on other information (*continued*)

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the Directors for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

CAMBRIDGE GRAPHENE LTD

Independent auditors' report to the members of Cambridge Graphene Ltd

Report on the audit of the financial statements (*continued*)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

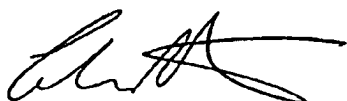
- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption in preparing a Directors' report; and take advantage of the small companies exemption from preparing a strategic report.

We have no exceptions to report arising from this responsibility.



Colin Bates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
16 September 2019

CAMBRIDGE GRAPHENE LTD

Statement of loss and comprehensive income for the year

	Note	Year Ended 31 March 2019	Year Ended 31 March 2018
		£	£
CONTINUING OPERATIONS			
Revenue	3	6,367	19,780
Cost of Sales		(5,286)	(8,976)
Gross profit		1,081	10,804
Administrative expenses	5	(249,315)	(141,548)
Exceptional items included within administrative expenses	5	(135,446)	-
OPERATING (LOSS)/PROFIT	5	(248,234)	(130,744)
Finance costs		(5,031)	(6,407)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(253,265)	(137,151)
Taxation	6	3,709	-
LOSS FOR THE FINANCIAL YEAR		(249,556)	(137,151)

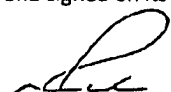
There were no comprehensive gains or losses in either year other than those included in the comprehensive income statement.

The notes on pages 11 to 21 form part of these financial statements


CAMBRIDGE GRAPHENE LTD**STATEMENT OF FINANCIAL POSITION AS AT 31 March 2019**

	Note	31 March 2019 £	31 March 2018 £
ASSETS			
FIXED ASSETS			
Property, plant and equipment	7	58,374	61,783
Intangible assets	8	192,409	72,578
		<u>250,783</u>	<u>134,361</u>
CURRENT ASSETS			
Inventory		-	2,067
Trade and other receivables	9	22,488	22,873
Cash and cash equivalents	10	24,572	4,914
		<u>47,060</u>	<u>29,854</u>
TOTAL ASSETS		<u>297,843</u>	<u>164,215</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	14	365	365
Accumulated losses		<u>(445,920)</u>	<u>(196,364)</u>
TOTAL EQUITY		<u>(445,555)</u>	<u>(195,999)</u>
CURRENT LIABILITIES			
Trade and other payables	11	640,445	291,418
NON-CURRENT LIABILITIES			
Trade and other payables	12	102,953	68,796
TOTAL LIABILITIES		<u>743,398</u>	<u>360,214</u>
TOTAL EQUITY AND LIABILITIES		<u>297,843</u>	<u>164,215</u>

The financial statements on pages 8 to 21 were approved by the Board of Directors on 16 September 2019 and signed on its behalf by:-



Mr N Ricketts
Chief Executive Officer



Mr C M Leigh
Chief Financial Officer

The notes on pages 11 to 21 form part of these financial statements

CAMBRIDGE GRAPHENE LTD

STATEMENT OF CHANGES IN EQUITY for the Year Ended 31 March 2019

	Called up Share Capital	Profit & Loss Account	Total Shareholders' Deficit
Balance as at 1 April 2017	365	(59,213)	(58,848)
 Loss for the financial year and total comprehensive expense for the financial year	 -	 (137,151)	 (137,151)
	<hr/>	<hr/>	<hr/>
Balance as at 31 March 2018	365	(196,364)	(195,999)
 Loss for the financial year and total comprehensive expense for the financial year	 -	 (249,556)	 (249,556)
	<hr/>	<hr/>	<hr/>
Balance as at 31 March 2019	<u>365</u>	<u>(445,920)</u>	<u>(445,555)</u>

The notes on pages 11 to 21 form part of these financial statements

CAMBRIDGE GRAPHENE LTD

Notes to the Financial Statements for the Year to 31 March 2019

1 ACCOUNTING POLICIES

General Information

Cambridge Graphene Limited is a private company limited by shares & incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is Unit 2 Chosen View Road, Cheltenham, Gloucestershire, GL51 9LT.

The accounts are prepared according to Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101). There is no material effect from this transition, details of exemptions applied are included in note below.

These financial statements are presented in pounds sterling as the currency of the primary economic environment in which the company operates.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' consistently. The financial statements have been prepared under the historical cost convention. These financial statements have been prepared on a going concern basis and in accordance with The Companies Act 2006 as applicable.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed later in note 2.

The following exemptions from the requirements of IFRS have been applied in the preparation of the financial statements in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurements of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - i. paragraph 79(a)(iv) of IAS 1
 - ii. paragraph 73(e) of IAS 16 Property, plant and equipment
 - iii. paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the year)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows)
 -

The accounting policies have been applied consistently other than where new policies have been adopted.

CAMBRIDGE GRAPHENE LTD

Notes to the Financial Statements for the Year to 31 March 2019 (continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- 10(f) (a statement of financial position at the beginning of the preceding year when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements)
- 16 (statement of compliance with all IFRS)
- 38A (requirement for minimum of two primary statements, including cash flow statements)
- 38B-D (additional comparative information)
- 40A-D (requirements for a third statement of financial position)
- 111 (cash flow statement information), and
- 134-136 capital management disclosures
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- The requirements in IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or members of a group.

The company has adopted IFRS 15 "Revenue from Contracts with Customers" as at 1 April 2018. The existing accounting policies are consistent with the requirements of IFRS 15, the application of this standard has not had a material impact on the Group.

On 1 April 2018, the Group adopted IFRS 9 "Financial Instruments", which replaced IAS 39 "Financial Instruments: Recognition and Measurement", see note 17 for the impact on the financial statements following the adoption of this standard.

IFRS16 "Leases" is not applicable for the Company.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group or Company.

Revenue recognition

Revenue represents the amounts (excluding value added tax) derived from the provision of goods and services to customers. Revenue is recognised at the point the company has performed its obligations, based on the fair value of the right to consideration. The sale of manufactured goods are recognised on the date of shipping of the goods.

Plant and equipment

In accordance with IAS 16, plant and equipment costs are recognised as a capital item in the Statement of Financial Position when it is considered the item will help generate a future economic benefit to the company.

CAMBRIDGE GRAPHENE LTD**Notes to the Financial Statements for the Year to 31 March 2019 (continued)****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Plant and equipment (continued)**

The capitalisation of such items are based on the cost to purchase and bring the item to working condition. The depreciation rates for the relevant capital classifications are as follows.

Plant and equipment 20 years

Office equipment 5 years

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as trading assets and have not been designated as either fair value through profit and loss or available-for-sale.

Pensions

The company contributes to the state statutory pension scheme. Costs are charged to the profit and loss account as they become payable.

Impairment of financial assets

The company assesses at each statement of financial position date whether a financial asset or group of financial assets is impaired.

Current and deferred tax

The charge for current tax is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be recognised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

CAMBRIDGE GRAPHENE LTD

Notes to the Financial Statements for the Year to 31 March 2019 (continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Intangible assets

Licence

In line with IAS 38 it is the Company's policy to recognise an intangible asset when:

- a) a financial instrument is deemed separable from the entity, can be sold, transferred, licenced, rented or exchanged;
- b) a financial instrument arises from a contractual or other legal rights;
- c) future economic benefits are expected from the financial instrument; and
- d) the cost of the asset can be measured reliably.

The Directors are of the opinion that the commitment to purchase the technology licence to develop and sell graphene ink meets the criteria above. The licence is recorded at amortised cost.

Amortisation is applied to an intangible asset where the Directors' believe the useful life of the asset is finite and, in accordance with IAS 38, the useful life shall not exceed the year of contractual or other legal rights. The licence cost is amortised over five years on a straight-line basis.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Trade and other receivables

Trade and other receivables are stated at cost less impairment, which approximates fair value given the short term nature of these assets and liabilities. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Share capital

Ordinary shares are classified as equity. Any excess above the par value of shares received upon issuance of is credited to share premium.

Going concern

After making enquires, the directors have a reasonable expectation that the company has adequate resources to continue on operational existence for the foreseeable future. The company is part of the Versarien Group which has confirmed in writing its intention to provide ongoing support to the company for a period of at least 12 months from the date of signature of these financial statements. Having considered the ability of the Versarien Group to provide that support, and based on the confirmation received, the directors believe that the company is well placed to manage its business risks successfully. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statement.

CAMBRIDGE GRAPHENE LTD**Notes to the Financial Statements for the Year to 31 March 2019 (continued)****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Operating leases**

Rental costs under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Administrative expenses

This comprises principally consultancy fees and group recharges.

Development costs

The developments costs capitalised are directly attributable to the development phase of a product and recognised as intangible assets in accordance with IAS 38. Capitalised development costs are written off over a period of four years from the point at which commercial production commences.

Key sources of estimation and uncertainty

Below are key assumptions concerning the future and sources of uncertainty in estimation which may cause material adjustments to the carrying value of assets and liabilities in the next financial year as at the reporting year end;

Useful life of property, plant, equipment

As described in the accounting policy, the company considers the useful life of each asset capitalised. During the year the directors determined that plant and equipment had an economic useful life of 20 years.

3 REVENUE

Turnover and profit on ordinary activities before taxation is wholly attributable to the principal activity of the company. An analysis of turnover by geographical location is given below:

	2019	2018
	£	£
United Kingdom	1,985	14,568
Rest of Europe	1,415	2,212
Other	2,967	3,000
	<hr/> 6,367	<hr/> 19,780

CAMBRIDGE GRAPHENE LTD**Notes to the Financial Statements for the Year to 31 March 2019 (continued)****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****4 EMPLOYEES AND DIRECTORS**

The aggregate payroll costs were as follows:

	2019	2018
	£	£
Wages and salaries	67,000	1,740
Social security costs	7,586	1,183
Other pension costs	<u>661</u>	<u>61</u>
	<u>75,247</u>	<u>2,984</u>

Of the total cost of £75,247, £49,809 was capitalised.

The average number of persons employed by the company (excluding directors) during the year was as follows:

	2019	2018
	No	No
Research and production	<u>2</u>	<u>2</u>

Directors

The total number of directors serving the company during the year amounted to 2. The directors are employed and remunerated by the Versarien Group.

5 LOSS BEFORE TAXATION

	2019	2018
	£	£
Loss before taxation is stated after charging:		
Fees payable to the auditors		
- Audit of these financial statements pursuant to legislation	3,183	9,000
Depreciation of tangible fixed assets- owned	3,409	3,214
Amortisation of intangible assets	6,043	8,789
Exceptional costs	<u>135,446</u>	<u>-</u>

Exceptional items arise from costs incurred relating to expansion in China.

CAMBRIDGE GRAPHENE LTD

Notes to the Financial Statements for the Year to 31 March 2019 (continued)

6 TAX ON LOSS**Analysis of the charge**

No liability to UK corporation tax arose on loss before taxation for the year (2018 nil).

Factors affecting the tax charge

	2019	2018
	£	£
Loss before taxation	(253,265)	(137,150)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2018: 19%)	(48,120)	(26,058)
Effects of:		
R&D tax credit	3,709	-
Depreciation in excess of capital allowances	(914)	(1,449)
Losses carried forward	49,034	27,507
	<u>3,709</u>	<u>-</u>

Factors that may affect future tax charges

No deferred tax asset has been recognized as there is currently insufficient certainty as to the precise timing of when the asset would be recovered. The unrecognized asset amounts to £74,000 (2018: £33,000) being £81,000 (2018: £33,000) of trading losses and capital allowance liability of £7,000 (2018: £nil).

7 PLANT AND EQUIPMENT

	Plant and equipment £	Office Equipment £	Total £
Cost			
At 1 April 2018	63,940	1,057	64,997
Additions	<u>-</u>	<u>-</u>	<u>-</u>
At 31 March 2019	<u>63,940</u>	<u>1,057</u>	<u>64,997</u>
Accumulated depreciation			
At 1 April 2018	3,197	17	3,214
Charge for the year	<u>3,197</u>	<u>212</u>	<u>3,409</u>
At 31 March 2019	<u>6,394</u>	<u>229</u>	<u>6,623</u>
Net book value			
At 31 March 2018	<u>60,743</u>	<u>1040</u>	<u>61,783</u>
At 31 March 2019	<u>57,546</u>	<u>828</u>	<u>58,374</u>

CAMBRIDGE GRAPHENE LTD

Notes to the Financial Statements for the Year to 31 March 2019 (continued)

8 INTANGIBLE FIXED ASSETS

	Development costs	Licenses	Trademarks Software dev	TOTAL
	£	£	£	£
Cost				
At 1 April 2018	35,380	43,946	4,238	83,564
Additions	105,003	28,848	-	133,851
Disposals	-	(21,161)	-	(21,161)
At 31 March 2019	140,383	51,633	4,238	196,254
Accumulated amortisation				
At 1 April 2018	-	10,986	-	10,986
Charge for the year	-	5,645	398	6,043
Disposals	-	(13,184)	-	(13,184)
At 31 March 2019	-	3,447	398	3,845
Net book amount				
At 31 March 2019	140,383	48,186	3,840	192,409

The amortisation charge is included within administration expenses

9 TRADE AND OTHER RECEIVABLES

	2019	2018
	£	£
Amounts owed by group undertakings	-	2,190
VAT, taxation and social security	20,684	7,983
Other debtors	<u>1,804</u>	<u>12,700</u>
	<u>22,488</u>	<u>22,873</u>

10 CASH AND CASH EQUIVALENTS

	2019	2018
	£	£
Bank accounts	<u>24,572</u>	<u>4,914</u>

CAMBRIDGE GRAPHENE LTD**Notes to the Financial Statements for the Year to 31 March 2019 (continued)****11 TRADE AND OTHER PAYABLES CURRENT LIABILITIES**

	2019	2018
	£	£
Trade creditors	13,438	8,626
Amounts due to group undertakings	556,820	246,074
Taxation and social security	2,501	636
Other creditors	<u>67,686</u>	<u>36,082</u>
	<u>640,445</u>	<u>291,418</u>

12 TRADE AND OTHER PAYABLES NON CURRENT LIABILITIES

	2019	2018
	£	£
Other creditors	<u>102,953</u>	<u>68,796</u>
	<u>102,953</u>	<u>68,796</u>

13 OPERATING LEASE COMMITMENTS

At 31 March the company was committed to making the following payments under non-cancellable operating leases.

	Land and Buildings	
	2019	2018
	£	£
Expiring within one year	-	-
Expiring within two to five years	-	-
Greater than five years	<u>-</u>	<u>-</u>

14 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	2019	2018
			£	£
365	Ordinary	£1	<u>365</u>	<u>365</u>

CAMBRIDGE GRAPHENE LTD**Notes to the Financial Statements for the Year to 31 March 2019 (continued)****15 ULTIMATE PARENT UNDERTAKING**

85% of the share capital of the Company was acquired on 19 January 2017, and as a result the Company's immediate and ultimate parent company is Versarien Plc which is incorporated in the United Kingdom and listed on AIM. In the opinion of the directors' there is no ultimate controlling party. Copies of Versarien Plc consolidated financial statements can be obtained from its registered office at Unit 2, Chosen View Road, Cheltenham, Gloucestershire, GL51 9LT.

16 RELATED PARTY TRANSACTIONS

There were the following transactions with Group companies during the year:

	Recharge invoices expensed £	Recharge invoices £	Funding £	Balance due/(owed) at Year End £
Versarien PLC	142,080 (2018: 125,436)		95,000 (2018: 105,000)	(511,984)
2-D Tech Limited	59,339 (2018: 11,654)	(21,983) (2018: nil)		(44,436)
Versarien Technologies Limited	4,387 (2018: 2,106)			(400)

CAMBRIDGE GRAPHENE LTD

Notes to the Financial Statements for the Year to 31 March 2019 (continued)

17 Adoption of IFRS 9

On 1 April 2018, the company adopted IFRS 9 "Financial Instruments", which replaced IAS 39 "Financial Instruments: Recognition and Measurement". Adoption of this standard has had the following impacts on the financial statements:

(a) Changes to accounting policies

The new accounting policies, as amended for IFRS 9, are set out in note 1. A summary of the changes is as follows:

(i) Financial assets and financial liabilities

The classification of financial assets has changed such that they assessment is based on the Group's business model for managing the financial assets and whether cash flows represent solely payments of principal and interest. All other financial assets held in a business model that is managed and whose performance is evaluated on a fair value basis are held at fair value through profit or loss and those that are held in a business model that is held to collect contractual cash flows are classified as amortised cost.

(ii) Impairment

IFRS 9 results in changes to the impairment approach for financial assets at amortised cost. Under IAS 39, an "incurred loss" approach was used, which required a charge for impairment when events or circumstances indicated that amounts were not recoverable. The approach under IFRS 9 is an "expected credit loss" approach, which requires an assessment of expected future losses on initial recognition.

(b) Opening reserves on transition

As a result of the adoption of IFRS 9 there has been no impact to opening reserves as no changes to classification or impairment were required.

(c) Classification of financial assets and liabilities on initial application of IFRS 9

There have been no changes to the classification or carrying amounts of financial liabilities as a result of adopting IFRS 9. There have been no changes to the classification of financial assets as a result of adopting IFRS 9.

(d) Loss allowance on transition

At 31 March 2018 there were no impairment losses under IAS 39. As a result of the adoption of IFRS 9 there continue to be no impairment losses.