
MUSH LIMITED

UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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MUSH LIMITED

COMPANY INFORMATION

Directors	S Hesz K Massie-Taylor O A E Stadler
Registered number	09717799
Registered office	22 Avenue Gardens London SW14 8BP
Accountants	Smith & Williamson LLP Chartered Accountants No. 1 Bishops Wharf Walnut Tree Close Guildford Surrey GU1 4RA

MUSH LIMITED

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MUSH LIMITED
REGISTERED NUMBER: 09717799

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	5		1,698		-
			<u>1,698</u>		<u>-</u>
Current assets					
Debtors: amounts falling due within one year	6	25,682		1,602	
Cash at bank and in hand	7	393,569		139,805	
		<u>419,251</u>		<u>141,407</u>	
Creditors: amounts falling due within one year	8	(33,624)		(23,216)	
Net current assets			<u>385,627</u>		<u>118,191</u>
Total assets less current liabilities			<u>387,325</u>		<u>118,191</u>
Net assets			<u>387,325</u>		<u>118,191</u>
Capital and reserves					
Called up share capital	9		1,775		1,404
Share premium account			1,175,529		249,719
Other reserves			44,985		-
Profit and loss account			(834,964)		(132,932)
			<u>387,325</u>		<u>118,191</u>

MUSH LIMITED
REGISTERED NUMBER: 09717799

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2017

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the income statement in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
27 April 2018



K Massie-Taylor
Director

The notes on pages 3 to 9 form part of these financial statements.

MUSH LIMITED

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

1. General information

Mush Limited is a private limited company, limited by shares and is registered in England and Wales. The company registration number is 09717799 and the registered office address is at 22 Avenue Gardens, London, SW14 8BP.

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.

The company transitioned from previously extant UK GAAP to FRS 102 as at 30 January 2015. The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors have provided confirmation that, since the balance sheet date, they have raised significant additional equity finance to continue developing the business. Accordingly these financial statements have been prepared on the going concern basis.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

Turnover 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 turnover 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.

MUSH LIMITED

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

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 25%
Computer equipment	- 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income statement.

2.5 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.

2.6 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.

2.7 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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.

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

2. Accounting policies (continued)

2.7 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

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.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

2.8 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.

2.9 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

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.

MUSH LIMITED

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

2. Accounting policies (continued)

2.10 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the Income statement over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Income statement is charged with the fair value of goods and services received.

2.11 Interest income

Interest income is recognised in the Income statement using the effective interest method.

2.12 Taxation

Tax is recognised in the Income statement, 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 corporation 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

2. Accounting policies (continued)

2.13 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. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

No significant judgements have had to be made by the directors in preparing these financial statements.

4. Employees

The average monthly number of employees, including directors, during the year was 4 (2016 - 1)

5. Tangible fixed assets

	Computer equipment £	Office equipment £	Total £
Cost or valuation			
Additions	1,958	524	2,482
At 31 August 2017	1,958	524	2,482
Depreciation			
Charge for the period on owned assets	652	132	784
At 31 August 2017	652	132	784
Net book value			
At 31 August 2017	1,306	392	1,698
At 31 August 2016	-	-	-

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

6. Debtors

	2017 £	2016 £
Trade debtors	24,000	-
Other debtors	632	1,602
Prepayments and accrued income	1,050	-
	<u>25,682</u>	<u>1,602</u>

7. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	393,569	139,805
	<u>393,569</u>	<u>139,805</u>

8. Creditors: Amounts falling due within one year

	2017 £	2016 £
Other taxation and social security	9,716	39
Accruals and deferred income	23,908	23,177
	<u>33,624</u>	<u>23,216</u>

9. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
17,750,090 (2016 - 14,035,500) Ordinary shares of £0.0001 each	<u>1,775</u>	<u>1,404</u>

During the year, the company passed a written resolution to subdivide ordinary shares of £0.01 per share into a nominal value of 0.0001 per share. The 2016 comparative has been restated in these financial statements accordingly to show the effect of the subdivision.

Subsequently the company issued 3,714,590 ordinary shares of nominal value of £0.0001 each at a premium of £4.01 per share.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

10. Share based payments

Mush Limited, issued EMI options to certain employees which provides additional remuneration for those employees who are key to the operations of the company. The options are granted with a fixed exercise price determined at the grant of the option. The options vest between 30 June 2017 and 13 March 2021 and they are exercisable within 10 years from the date of grant. Employees are not entitled to dividends until the shares are exercised. Vesting of options is subject to continued employment with the company.

A reconciliation of share option movements over the year to 31 August 2017 is shown below:

	Weighted average exercise price (pence) 2017	Number 2017	<i>Weighted average exercise price (pence) 2016</i>	<i>Number 2016</i>
Granted during the year	0.2493	1,207,008	-	-
Outstanding at the end of the year	0.2493	1,207,008	-	-

The company is unable to directly measure the fair value of services received. Instead the fair value of the share options granted during the year is determined by the directors.

The company only recognises expenses relating to these options based on the employees, employed directly by the company for the elapsed vesting period.

The total charge to the period was:

	2017 £	2016 £
Equity-settled schemes	44,985	-
	44,985	-