
MUSH LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 AUGUST 2018



MUSH LIMITED

COMPANY INFORMATION

Directors	S Hesz K Massie-Taylor O A E Stadler
Registered number	09717799
Registered office	Huckletree West Wood Lane London W12 7FP
Accountants	Smith & Williamson LLP Accountants Onslow House Onslow Street Guildford Surrey GU1 4TL

MUSH LIMITED

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MUSH LIMITED
REGISTERED NUMBER: 09717799

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	5		7,331		1,698
			<u>7,331</u>		<u>1,698</u>
Current assets					
Debtors: amounts falling due within one year	6	7,775		25,682	
Cash at bank and in hand	7	1,511,071		393,569	
		<u>1,518,846</u>		<u>419,251</u>	
Creditors: amounts falling due within one year	8	(25,536)		(33,624)	
Net current assets			<u>1,493,310</u>		<u>385,627</u>
Total assets less current liabilities			<u>1,500,641</u>		<u>387,325</u>
Net assets			<u><u>1,500,641</u></u>		<u><u>387,325</u></u>
Capital and reserves					
Called up share capital	9	1,855		1,775	
Share premium account	10	3,175,449		1,175,529	
Other reserves	10	123,657		44,985	
Profit and loss account	10	(1,800,320)		(834,964)	
		<u>1,500,641</u>		<u>387,325</u>	

MUSH LIMITED
REGISTERED NUMBER: 09717799

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2018

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 and expenditure account 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 by:



.....
K Massie-Taylor
Director

Date: 19th December 2018

The notes on pages 3 to 11 form part of these financial statements.

MUSH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

1. General information

Mush Limited is a private limited company, limited by shares and is registered in England and Wales. The company's registration number is 09717799 and the registered office address is at Huckletree West, Wood Lane, London, W12 7FP.

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 ("FRS 102"), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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 company meets its day to day working capital requirements through continuing financial support of the company's shareholders. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they believe that the accounts can be prepared on the going concern basis.

2.3 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 2018

2. Accounting policies (continued)

2.4 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.

2.5 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.

2.6 Interest income

Interest income is recognised in the Profit & Loss Account using the effective interest method.

2.7 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

MUSH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

2. Accounting policies (continued)

2.8 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 Profit & Loss Account 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 Profit & Loss Account over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Profit & Loss Account is charged with fair value of goods and services received.

2.9 Taxation

Tax is recognised in the Profit & Loss Account, 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.

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.

2.10 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.

MUSH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

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 Profit & Loss Account.

2.11 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.

2.12 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.

2.13 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.

2.14 Financial instruments

The company only enters into basic financial instrument 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 the 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.

MUSH LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

2. Accounting policies (continued)

2.14 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 Profit & Loss Account.

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.

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 6 (2017 - 4).

MUSH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. Tangible fixed assets

	Computer equipment £	Office equipment £	Total £
Cost or valuation			
At 1 September 2017	1,958	524	2,482
Additions	6,728	2,571	9,299
At 31 August 2018	<u>8,686</u>	<u>3,095</u>	<u>11,781</u>
Depreciation			
At 1 September 2017	652	132	784
Charge for the year on owned assets	2,894	772	3,666
At 31 August 2018	<u>3,546</u>	<u>904</u>	<u>4,450</u>
Net book value			
At 31 August 2018	<u>5,140</u>	<u>2,191</u>	<u>7,331</u>
At 31 August 2017	<u>1,306</u>	<u>392</u>	<u>1,698</u>

6. Debtors

	2018 £	2017 £
Trade debtors	-	24,000
Other debtors	5,151	632
Prepayments and accrued income	2,624	1,050
	<u>7,775</u>	<u>25,682</u>

7. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	1,511,071	393,569
	<u>1,511,071</u>	<u>393,569</u>

MUSH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Other taxation and social security	8,993	9,716
Accruals and deferred income	16,543	23,908
	<u>25,536</u>	<u>33,624</u>

9. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
17,750,090 (2017 - 17,750,090) Ordinary shares of £0.00010 each	1,775	1,775
8,002,840 (2017 - Nil) A Ordinary shares of £0.00001 each	80	-
	<u>1,855</u>	<u>1,775</u>

During the year the company issued 8,002,840 A ordinary shares of nominal value of £0.00001 each at a premium of £0.25 per share.

10. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Other reserves

This reserve records the accumulated equity value of share options issued to employees under the company's EMI option scheme.

MUSH LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

11. Share based payments

The company issued EMI options to certain employees and consultants, which provide additional remuneration for those employees and consultants 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 options are exercised. Vesting of options is subject to continued employment with the company.

	Weighted average exercise price (pence) 2018	Number 2018	<i>Weighted average exercise price (pence) 2017</i>	<i>Number 2017</i>
Outstanding at the beginning of the year	24.93	1,207,008		-
Granted during the year		-	24.93	1,207,008
Outstanding at the end of the year	24.93	1,207,008	24.93	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 and consultants, providing services for the elapsed vesting period.

The total charge to the period was:

	2018 £	<i>2017 £</i>
Equity-settled schemes	78,672	44,985
	78,672	44,985

12. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £2,124 (2017 - £Nil).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

13. Commitments under operating leases

At 31 August 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018	2017
	£	£
Not later than 1 year	3,528	-
	3,528	-