

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
FOR
QUANTESSENCE TECHNOLOGY LIMITED**

MONDAY



LD3 *L7JIG3RS* #76
26/11/2018
COMPANIES HOUSE

QUANTESSENCE TECHNOLOGY LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Statement of Profit or Loss and Other Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Statement of Cash Flows	10
Notes to the Financial Statements	11

QUANTESSENCE TECHNOLOGY LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017**

DIRECTORS:

P L A De Clercq
G R Beale
W K J Hautekiet
N Papadopoulos

REGISTERED OFFICE:

33 Cannon Street
London
EC4M 5SB

REGISTERED NUMBER:

09759479 (England and Wales)

AUDITORS:

Moore Stephens LLP (Statutory Auditor)
150 Aldersgate Street
London
EC1A 4AB

QUANTESSENCE TECHNOLOGY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of software development.

REVIEW OF BUSINESS AND RISK ANALYSIS

Liquidity Risk

Quantessence Technology Limited has a debt obligation to Quantessence Financial Limited. The debt is long dated and Quantessence Technology's ability to reimburse the loan at maturity results from the revenues from its ring fencing services. Its obligations are long dated and Quantessence Technology does not face a liquidity risk for the next twelve months.

Credit Risk

Quantessence Technology has no cash balances on bank account and no trade creditors. Therefore the credit risk is deemed marginal.

Market Risk

Quantessence Technology Limited does not currently consider itself exposed to market risks as the group is in a pre-trading phase and holds no quoted investments.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

P L A De Clercq
G R Beale
W K J Hautekiet
N Papadopoulos

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 International Financial Reporting Standards as adopted by the European Union. 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- state that the financial statements for the year ended 31 December 2017 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

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. 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.

**QUANTESSANCE TECHNOLOGY LIMITED
REPORT OF THE DIRECTORS**

FOR THE YEAR ENDED 31 DECEMBER 2017

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

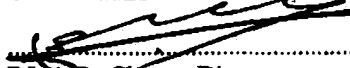
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors Moore Stephens LLP have been appointed in the year.

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

ON BEHALF OF THE BOARD:


.....
P L A De Clercq - Director

Date: 16 November 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF QUANTESSANCE TECHNOLOGY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2017

Opinion

We have audited the financial statements of Quantessence Technology Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements for the year ended 31 December 2016 have not been audited.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- 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.

Other matter

The prior year's accounts were not subject to audit. Other than undertaking sufficient audit work, to satisfy ourselves that the opening balances at 1 January 2017 were not materially misstated, we have not undertaken any further audit procedures on the comparative amounts disclosed in these accounts. As a consequence, all comparative figures are described as unaudited.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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, 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 in this regard.

Opinion on other matters 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF QUANTESSENCE TECHNOLOGY LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2017

Matters on which we are required to report by exception

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

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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine 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 a Report of the Auditors 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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 a Report of the Auditors 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.



Kelly Sheppard (Senior Statutory Auditor)
For and on behalf of Moore Stephens LLP (Statutory Auditor)
150 Aldersgate Street
London
EC1A 4AB

Date: 20 November 2018

QUANTESSANCE TECHNOLOGY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	Unaudited 2016 £
CONTINUING OPERATIONS			
Revenue	2e	15,190	15,840
Administrative expenses		<u>(7,895)</u>	<u>-</u>
OPERATING PROFIT		7,295	15,840
Finance costs		<u>(6,571)</u>	<u>-</u>
PROFIT BEFORE INCOME TAX		724	15,840
Income tax	5	<u>45,698</u>	<u>-</u>
PROFIT FOR THE YEAR		46,422	15,840
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>46,422</u>	<u>15,840</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2017

	Notes	2017 £	Unaudited 2016 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	6	221,199	221,199
Trade and other receivables	7	<u>1</u>	<u>-</u>
		<u>221,200</u>	<u>221,199</u>
CURRENT ASSETS			
Trade and other receivables	7	41,202	1
Tax receivable	5	<u>45,698</u>	<u>-</u>
		<u>86,900</u>	<u>1</u>
TOTAL ASSETS		<u>308,100</u>	<u>221,200</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	8	1	1
Retained earnings	9	<u>62,262</u>	<u>15,840</u>
TOTAL EQUITY		<u>62,263</u>	<u>15,841</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	10	<u>245,837</u>	<u>-</u>
CURRENT LIABILITIES			
Trade and other payables	10	<u>-</u>	<u>205,359</u>
TOTAL LIABILITIES		<u>245,837</u>	<u>205,359</u>
TOTAL EQUITY AND LIABILITIES		<u>308,100</u>	<u>221,200</u>

The financial statements have been prepared in accordance with the provision applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Directors on 16 November 2018 and were signed on its behalf by:


P L A De Clercq - Director

QUANTESSENCE TECHNOLOGY LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016 (Unaudited)	1	-	1
Changes in equity			
Total comprehensive income	-	15,840	15,840
Balance at 31 December 2016 (Unaudited)	1	15,840	15,841
Changes in equity			
Total comprehensive income	-	46,422	46,422
Balance at 31 December 2017	1	62,262	62,263

The notes form part of these financial statements

QUANTESSENCE TECHNOLOGY LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £	Unaudited 2016 £
Cash flows from/(used) in operating activities		
Cash generated from operations 1	6,571	221,198
Interest paid	<u>(6,571)</u>	<u>-</u>
Net cash from operating activities	<u>-</u>	<u>221,198</u>
 Cash flows from investing activities		
Purchase of intangible fixed assets	<u>-</u>	<u>(221,199)</u>
Net cash from investing activities	<u>-</u>	<u>(221,199)</u>
 Cash flows from financing activities		
Share issue	<u>-</u>	<u>1</u>
Net cash from financing activities	<u>-</u>	<u>1</u>
 Increase in cash and cash equivalents	<u>-</u>	<u>-</u>
Cash and cash equivalents at beginning of year	<u>-</u>	<u>-</u>
 Cash and cash equivalents at end of year	<u>-</u>	<u>-</u>

The notes form part of these financial statements

QUANTESSENCE TECHNOLOGY LIMITED

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2017 £	Unaudited 2016 £
Profit before income tax	724	15,840
Finance costs	<u>6,571</u>	<u>-</u>
	7,295	15,840
Increase in trade and other receivables	(41,202)	-
Increase in trade and other payables	<u>40,478</u>	<u>205,358</u>
Cash generated from operations	<u>6,571</u>	<u>221,198</u>

QUANTESSENCE TECHNOLOGY LIMITED

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

1. STATUTORY INFORMATION

Quantessence Technology Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

a. Comparative information

The comparative information in the financial statements for the year ended 31 December 2017 has not been audited. The comparative information is for the year ended 31 December 2016.

b. Functional and presentational currency

The financial statements for the year ended 31 December 2017 are presented in GBP sterling using the currency of the primary economic environment in which the entity operates.

c. Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with IFRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates may differ from the related actual results, however, there were no critical accounting estimates and judgements applied in the preparation of these financial statements.

d. Accounting framework and transition and basis of preparation

The basis of preparation of the financial statements is IFRS with the transition year being the year ended 31 December 2017 the dated of transition being 1 January 2016.

The preparation of financial statements in conformity with IFRSs 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 degree of judgement or complexity or areas where assumptions or estimates are significant to the financials are noted above in the critical judgements accounting policy note.

There have been no changes to the financial statements or comparatives on the transition from FRS 102 to IFRS. This is the first year of the company preparing its financial statements under IFRS – see note 15 and 16.

e. Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company's activities. Fee income represents a return for services rendered and is recognised when the service is performed. All revenue is derived from the UK operating segment.

QUANTESSENCE TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES - continued

f. Financial instruments

Financial assets

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provision of the instrument. Financial assets and liabilities are offset with the net presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis or to realise the asset and settle the liability simultaneously. The company has financial assets primarily in the form of trade and other receivables and cash and cash equivalents. These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised in the balance sheet on settlement date at fair value plus directly related transaction costs, if any, when cash is advanced to the borrowers. They are subsequently measured at amortised costs using the effective interest method.

Financial liabilities

The company has financial liabilities primarily in the form of trade and other payables. These liabilities are non-derivative financial liabilities with fixed or determinable payments that are not quoted in an active market.

Basic financial liabilities including loans from fellow group companies are classified that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes as financing transaction where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost.

Borrowings are initially measured at fair value, being the issued proceeds (fair value of consideration received) net of transaction costs incurred. Borrowings are subsequently at amortised cost; any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

g. Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date. Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences). Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax credits. Deferred tax assets are measured at the highest amount that current and estimated future taxable profit is more likely than not to be recovered. The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss. Deferred tax is calculated at the rates that are expected to apply to the taxable profit (or tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

QUANTESSANCE TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES - continued

h. Impairment

At each period end the company reviews the carrying amounts of its tangible and intangible assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indications exist, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is land or buildings at a revalued amount, in which case impairment loss is treated as a valuation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

i. Contingent liabilities

Contingent liabilities are possible obligations whose existence depends on the outcome of one or more uncertain future events not wholly under the control of the company. For those present obligations where the outflows or resources are uncertain, or in the rare cases where outflows cannot be measured reliably, this will give rise to a contingent liability. Contingent liabilities are not recognised in the financial statements but are disclosed unless they are remote.

j. Foreign currencies

The company uses sterling as both its functional and presentational currency. 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.

k. Development costs

Intangible assets arising from the development (or development phase of a project) should be recognised in the statement of financial position of the intellectual owner of the asset developed, if the entity can demonstrate all of the following:

- the technical feasibility of completing the intangible asset;
- its intention to complete the intangible asset and use it;
- its ability to use it;
- how the intangible asset will generate future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use the intangible asset; and
- its availability to measure the expenditure attributable to the intangible asset during its development reliably.

All costs relating to the research phase of the project are to be recognised as an expense immediately.

Development costs, once completed, will be amortised on a straight line basis over its estimated useful finite life. The asset will be amortised when it is completed, namely when the last section is built, i.e. the connection to the customers. In the meantime, development work is ongoing. As the asset is being built, there is no reason for impairment.

QUANTESSANCE TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2017

l. Going concern

The company has successfully raised finance to provide funding for its activities and to augment its working capital. Having regard to the company's existing working capital position and its ability to raise potential financing, if required, the Directors are of the opinion that the Company has adequate resources to enable it to undertake its planned activities over the next twelve months.

m. Administrative expenses

Administrative charges are recognised on a straight line basis over the reporting period to which they relate.

n. Standards, amended standards and interpretations endorsed by the EU but not yet effective:

The following new standards became effective on 1 January 2018:

IFRS 9 on Financial Instruments. The impact of the new classification and measurement rules will be limited since all financial assets will keep the same measurement method as today. Cash, loans and advances will be measured at amortised cost, debt securities and equity instruments, previously classified as available for sale, will satisfy the conditions for classification at fair value through other comprehensive income. There is no impact on the company's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through the profit and loss account and the company does not have such liabilities. The new standard also introduces expanded disclosure requirements and changes in presentation. These will change the nature and extent of the company's disclosures about its financial instruments.

IFRS 15 Revenue from Contracts with Customers. The application of this new standard will have no significant impact on the company's financial statements.

The following new standards will be applied for financial years commencing on 1 January 2019:

IFRS 16 Leases. The new standard will apply to leased buildings. The new standard will revise the accounting model for lessees through the measurement of right-of use asset and lease liability at present value of lease payments. The application of this new standard will have no significant impact on the company's financial statements.

QUANTESSANCE TECHNOLOGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

3. KEY MANAGEMENT PERSONNEL

The key management personnel in the year ended 31 December 2017 are the directors of the business led by Peter De Clercq. Management does not have any post-employment benefits.

4. EMPLOYEES AND DIRECTORS

There were no staff and no staff costs during 2017 (2016 : £Nil).

	2017	Unaudited 2016
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

5. INCOME TAX**Analysis of tax income**

	2017	Unaudited 2016
	£	£
Current tax: Tax	<u>(45,698)</u>	<u>-</u>
Total tax income in statement of profit or loss and other comprehensive income	<u>(45,698)</u>	<u>-</u>

During the year ended 31 December 2017 the tax rate has moved from 20% to 19%. No liability to corporation tax arises from results in the period.

QUANTESSENCE TECHNOLOGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

6. INTANGIBLE ASSETS

	Development costs £
COST	
At 1 January 2017	
and 31 December 2017	<u>221,199</u>
NET BOOK VALUE	
At 31 December 2017	<u>221,199</u>
At 31 December 2016	<u>221,199</u>

The intangible assets as outlined within the accounting policy relates to internally generated intangible assets as a consequence of the initial phase of the IP development process.

INTANGIBLE ASSETS

	Development Costs Unaudited £
COST	
At 1 January 2016	-
Additions	<u>221,199</u>
At 31 December 2016	<u>221,199</u>
NET BOOK VALUE	
At 31 December 2016	<u>221,199</u>

7. TRADE AND OTHER RECEIVABLES

	2017 £	Unaudited 2016 £
Current:		
Amounts owed by group undertakings	-	1
VAT	<u>41,202</u>	-
	<u>41,202</u>	<u>1</u>
Non-current:		
Amounts owed by group undertakings	<u>1</u>	-
Aggregate amounts	<u>41,203</u>	<u>1</u>

8. CALLED UP SHARE CAPITAL

Allotted and issued:		Nominal value:	2017 £	Unaudited 2016 £
Number:	Class:			
1	Ordinary A	£1	<u>1</u>	<u>1</u>

QUANTESSENCE TECHNOLOGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017****9. RESERVES**

	Retained earnings £
At 1 January 2017 (Unaudited)	15,840
Profit for the year	<u>46,422</u>
At 31 December 2017	<u>62,262</u>

10. TRADE AND OTHER PAYABLES

	2017 £	Unaudited 2016 £
Current:		
Amounts owed to group undertakings	<u>-</u>	<u>205,359</u>
Non-current:		
Amounts owed to group undertakings	<u>245,837</u>	<u>-</u>
Aggregate amounts	<u>245,837</u>	<u>205,359</u>

Included within trade and other payables is the inter-company balance with Quantessence Financial Limited of £205,395 at 31 December 2017 which carries an interest rate of 3.2% and associated loan agreement.

11. CAPITAL MANAGEMENT

The company's objectives when managing capital are to safeguard their ability to continue as a going concern so that they can moving forward provide returns for shareholders and benefits to other stakeholders as well as maintaining an optimal capital structure to reduce the cost of capital. The management also manages its capital to be compliant with FCA regulations and to cover any adverse effects of potential operational losses. The capital management is done in collaboration with the Board and Euroclear SA.

QUANTESSENCE TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2017

12. RELATED PARTY DISCLOSURES

At the year ended 31 December 2017 the company owed £245,837 (2016: £205,379) to Quantessence Financial Limited.

During the period the company invoiced £15,190 (2016 [Unaudited] : £15,840) in relation to the legal ring fencing of the Group's IP.

At the year ended 31 December 2017 the company was owed £1 (2016: £1) by Quantessence Limited.

13. ULTIMATE CONTROLLING PARTY

At the year ended 31 December 2017 the company's parent company is Quantessence Limited and the ultimate parent company is Euroclear SA.

14. FINANCIAL ASSETS AND LIABILITIES

The fair value and notional amounts of the company's financial assets and liabilities is as follows:-

Financial Assets 2017:

Loans and receivables at amortised cost	£45,699
Total financial assets	<u>£45,699</u>

Financial Assets 2016 (unaudited)

Loans and receivables at amortised cost	£1
Total financial assets	<u>£1</u>

Financial Liabilities 2017:

Loans and payables at amortised cost	<u>£245,837</u>
--------------------------------------	-----------------

Financial Liabilities 2016 (unaudited)

Loans and payables at amortised cost	<u>£205,359</u>
--------------------------------------	-----------------

QUANTESSANCE TECHNOLOGY LIMITED

RECONCILIATION OF EQUITY

1 JANUARY 2016

(DATE OF TRANSITION TO IFRS)

15. RECONCILIATION OF EQUITY ON TRANSITION TO IFRS

	2015 FRS 102 £	Effect of transition to IFRSs £	2015 IFRSs £
ASSETS			
CURRENT ASSETS			
Trade and other receivables	<u>1</u>	<u>-</u>	<u>1</u>
TOTAL ASSETS	<u>1</u>	<u>-</u>	<u>1</u>
SHAREHOLDERS' EQUITY			
Called up share capital	<u>1</u>	<u>-</u>	<u>1</u>
TOTAL EQUITY	<u>1</u>	<u>-</u>	<u>1</u>
LIABILITIES			
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EQUITY AND LIABILITIES	<u>1</u>	<u>-</u>	<u>1</u>

The notes form part of these financial statements

QUANTESSENCE TECHNOLOGY LIMITED**RECONCILIATION OF EQUITY - continued**
31 DECEMBER 2016

	2016 FRS 102 £	Effect of transition to IFRSs £	2016 IFRSs £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	<u>221,199</u>	<u>-</u>	<u>221,199</u>
CURRENT ASSETS			
Trade and other receivables	<u>1</u>	<u>-</u>	<u>1</u>
TOTAL ASSETS	<u>221,200</u>	<u>-</u>	<u>221,200</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	<u>1</u>	<u>-</u>	<u>1</u>
Retained earnings	<u>15,840</u>	<u>-</u>	<u>15,840</u>
TOTAL EQUITY	<u>15,841</u>	<u>-</u>	<u>15,841</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	<u>205,359</u>	<u>-</u>	<u>205,359</u>
TOTAL LIABILITIES	<u>205,359</u>	<u>-</u>	<u>205,359</u>
TOTAL EQUITY AND LIABILITIES	<u>221,200</u>	<u>-</u>	<u>221,200</u>

The notes form part of these financial statements

QUANTESSENCE TECHNOLOGY LIMITED

**RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 31 DECEMBER 2016**

16. RECONCILIATION OF PROFIT ON TRANSITION TO IFRS

	2016 FRS 102 £	Effect of transition to IFRSs £	2016 IFRSs £
Revenue	<u>15,840</u>	<u>-</u>	<u>15,840</u>
PROFIT BEFORE TAX	<u>15,840</u>	<u>-</u>	<u>15,840</u>
PROFIT FOR THE YEAR	<u>15,840</u>	<u>-</u>	<u>15,840</u>

The notes form part of these financial statements