Company Registration No. SC219682 (Scotland)

LUX Assure Limited

Directors' report and financial statements

For the year ended 31 December 2018

Company information

Directors	Laurence Ormerod Professor Max Rowe Hanne Furberg Emma Perfect Matthew Pritchard Martin Anderson
Secretary	Emma Perfect
Company number	SC219682
Registered office	Unit 5.3 Heriot Watt Research Park Research Avenue South Edinburgh EH14 4AP
Auditors	MHA Henderson Loggie, Statutory Auditor 11 Thistle Street Edinburgh EH2 1DF
Bankers	Bank of Scotland 38 St Andrew Square Edinburgh EH2 2YR

Contents

Directors' report
For the year ended 31 December 2018

The directors present their report and financial statements for year ended 31 December 2018.

Principal activities
The principal activities and core business of the company are the provision of detection technologies to the oil and gas sector and further research and development of these technologies.

Directors
The following directors have held office since 1 January 2018:

Laurence Ormerod
Professor Max Rowe
Hanne Furberg
Matthew Pritchard
Emma Perfect
Martin Anderson (Appointed 13/07/2018)

Directors' indemnity insurance was in force throughout the year.

Statement of directors' responsibilities
The directors are responsible for preparing the Directors' Report 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 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.

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.

Directors' report (continued)
For the year ended 31 December 2018

Statement of disclosure to auditors
So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

On behalf of the board

Laurence Ormerod
Director

20 December 2019

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LUX Assure Limited

Opinion

We have audited the financial statements of LUX Assure Limited (the 'company') for the year ended 31 December 2018 which comprises their profit & loss account, balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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.

Material uncertainty related to going concern

We draw attention to note 1.4 in the financial statements which outlines the decision made in September 2019 to cease trading. The company is no longer a going concern and appropriate adjustments have been made in the financial statements to reduce the value of assets to their recoverable amount, to provide for any further liabilities that are likely to arise and reclassify fixed assets to current. Our opinion is not modified in respect of this matter.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LUX Assure Limited

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors' Report, 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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 Directors' Report.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page one, 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LUX Assure Limited

Our 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.

Andrew Niblock

Andrew Niblock (Senior Statutory Auditor)
Partner
for and on behalf of MHA Henderson Loggie
Chartered Accountants
Statutory Auditor
11-15 Thistle Street
Edinburgh
EH2 1DF

20 December 2019

MHA Henderson Loggie is the trading name of Henderson Loggie LLP.

Profit and loss account
for the year ended 31 December 2018

	Notes	2018	2017
		£	£
Turnover		**400,812**	391,807
Cost of sales		**(108,348)**	(120,534)
Gross profit		**292,464**	271,273
Administrative expenses		**(1,222,232)**	(1,311,564)
Other operating income		**73,818**	83,958
Impairment of assets		**(221,421)**	-
Termination costs		**(61,127)**	-
Operating loss		**(1,138,498)**	(956,333)
Interest receivable		**274**	737
Loss on ordinary activities before taxation	*2*	**(1,138,224)**	(955,596)
Tax on loss on ordinary activities	*4*	**-**	-
Loss for the year	*13*	**(1,138,224)**	(955,596)

The decision was taken in September 2019 to cease trading and all operations are discontinued in the current year. Appropriate adjustments have been made in the 2018 financial statements to reduce the value of assets to their recoverable amount, to provide for any further liabilities that were likely to arise and reclassify fixed assets to current.

Balance sheet
at 31 December 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible assets	5		-		89,507
Investments	6		-		218,115
			-		307,622
Current assets					
Tangible assets	5	**21,896**		-	
Investments	6	**200,060**		-	
Stock	7	**19,940**		70,399	
Debtors	8	**74,558**		201,994	
Cash at bank and in hand		**316,803**		1,116,416	
		633,257		1,388,809	
Creditors: Amounts falling due within one year	9	**(266,049)**		(170,666)	
Net current assets			**367,208**		1,218,143
Total assets less current liabilities			**367,208**		1,525,765
Creditors: Amounts falling due after more than one year	10		-		(36,990)
			367,208		1,488,775
Capital and reserves					
Called up share capital	12		**1,517**		1,517
Reserve for own shares	13		-		26,384
Share premium account	13		**7,766,289**		7,766,289
Profit and loss account	13		**(7,400,598)**		(6,305,415)
Shareholders' funds			**367,208**		1,488,775

These financial statements are prepared in accordance with the provisions applicable to companies subject to the small companies' regime. The financial statements were approved and authorised for issue by the board on 20 December 2019 and signed on their behalf by:

L Ormerod

Laurence Ormerod
Director

Company Registration No SC219682

Notes to the financial statements
for the year ended 31 December 2018

1 Accounting policies

1.1 Company Information

LUX Assure Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.3 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements do not include a cash flow statement because the company, as a small reporting entity, has claimed exemption from the requirement to prepare such a statement.

1.4 Going concern

The decision was taken in September 2019 to cease trading and appropriate adjustments have been made in the financial statements to reduce the value of assets to their recoverable amount, to provide for any further liabilities that are likely to arise and reclassify fixed assets to current.

1.5 Turnover

Turnover represents sales of goods and provision of services excluding VAT and trade discounts. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services is recognised in accordance with contractual rights to the extent that the service has been delivered. Where payments are received from customers in advance of goods or services being provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

1.6 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the year during which the company is expected to benefit.

Notes to the financial statements *(continued)*
for the year ended 31 December 2018

1 Accounting policies *(continued)*

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	3 years
Fixtures and fittings	4 years
Plant and machinery	3-5 years
Plant and machinery (project specific)	Life of project

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged or the profit and loss account.

Assets under construction are not depreciated.

At each reporting date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, 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 any individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 Investments

Investments are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessment for impairment at each reporting date any impairment losses or reversals of impairment losses are recognised immediately in the profit and loss account.

1.9 Stock

Stock is recognised at the lower of cost and net realisable value.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Notes to the financial statements *(continued)*
for the year ended 31 December 2018

1 Accounting policies *(continued)*

1.11 Financial instruments *(continued)*

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial instruments
Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

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

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Notes to the financial statements *(continued)*
for the year ended 31 December 2018

1. Accounting policies *(continued)*

1.11 Financial instruments *(continued)*

Classification of financial liabilities (continued)
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 using the effective interest method.

Derecognition of financial liabilities
Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current Tax
The tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax
Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities.

Notes to the financial statements *(continued)*
for the year ended 31 December 2018

1 Accounting policies *(continued)*

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Share based payments

The fair value of equity-settled share based payments to employees is determined at the date of grant and is expensed on a straight-line basis over the vesting period based on the company's estimate of shares or options that will eventually vest.

Equity settled transactions
The cost of equity-settled transactions with employees is measured with reference to the fair value at the date on which they are granted and is recognised as an expense over the requisite service period, which for the company is the period between the grant date and the date the award vests or becomes exercisable. The fair value is determined by the company using the Black-Scholes option-pricing model. The company has elected to recognise all share-based awards issued under the straight-line attribution method.

A cancellation or settlement of an equity-settled share-based payment award is treated as an acceleration of vesting, and therefore the amount that otherwise would have been recognised for services received over the remainder of the vesting period is recognised immediately.

At each balance sheet date before vesting, the cumulative expense is calculated. The movement in the cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to expenditure on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Notes to the financial statements *(continued)*
for the year ended 31 December 2018

1 Accounting policies *(continued)*

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is assurance that the grant conditions will be met and the grants will be received. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specific performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 Foreign currency translation

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign curries are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Operating loss:

	2018	2017
Operating loss is stated after charging	**£**	£
Depreciation of tangible assets	**38,106**	34,076
Auditors' remuneration	**4,800**	4,450
Directors' remuneration	**92,627**	86,116
and after crediting:		
Government grants	**7,195**	506
R&D tax credits	-	91,392

Following the decision to cease trading, appropriate adjustments have been made in the financial statements to reduce the value of assets to their recoverable amount and to provide for any further liabilities that are likely to arise. Such adjustments have been recognised in the profit and loss account totalling £339,794.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018	2017
Total employees	**16**	16

4 Taxation

The company has estimated tax losses of £6,208,307 *(2017: £5,419,662)* available for carry forward against future trading profits.

Notes to the financial statements *(continued)*
for the year ended 31 December 2018

5 Tangible assets

	Leasehold Improve-ments	Plant and machinery	Computer equipment	Fixtures and fittings	Assets under construction	Total
	£	£	£	£	£	£
Cost						
At 1 January 2018	68,792	319,328	39,512	19,338	-	446,970
Additions	-	305	-	-	126,824	127,129
Disposals	-	(11,312)	(1,248)	-	-	(12,560)
At 31 December 2018	68,792	308,321	38,264	19,338	126,824	561,539
Depreciation						
At 1 January 2018	68,792	239,049	33,684	15,938		357,463
Charge for the year	-	33,913	2,877	1,316	-	38,106
On disposals	-	(4,079)	(1,248)	-	-	(5,327)
Impairment loss	-	17,542	2,951	2,084	126,824	149,401
At 31 December 2018	68,792	286,425	38,264	19,338	126,824	539,643
Net book value						
At 31 December 2018	**-**	**21,896**	**-**	**-**	**-**	**21,896**
At 31 December 2017	-	80,279	5,828	3,400	-	89,507

6 Investments

	£
Unlisted Investments	
Cost	
1 January 2018	**218,115**
Impairment	**(18,055)**
At 31 December 2018	**200,060**

The investment represents a 2.87% (*2017: 4.4%*) shareholding in Calcivis Limited, a company incorporated in Scotland.

7 Stocks

	2018	2017
	£	£
Demonstration stock	**12,528**	49,755
Raw materials	**7,412**	20,644
	19,940	70,399

Notes to the financial statements *(continued)*
for the year ended 31 December 2018

8 Debtors

	2018	2017
	£	£
Trade debtors	**26,331**	131,395
Research and Development Tax Credit recoverable	-	6,696
VAT recoverable	**9,580**	5,435
Other debtors	**12,356**	12,356
Prepayments and accrued income	**26,291**	46,112
	74,558	201,994

9 Creditors: amounts falling due within one year

	2018	2017
	£	£
Trade creditors	**51,971**	31,596
Accruals and deferred income	**195,201**	118,315
Taxation and social security	**18,877**	20,755
	266,049	170,666

A bond and floating charge over the whole assets of the company is held by the bank over the credit card facility. The balance at the year end was £872 (*2017: £10,042*).

10 Creditors: amounts falling due after more than one year

	2018	2017
	£	£
Trade Creditors	-	11,990
Other creditors	-	25,000
	-	36,990

Notes to the financial statements *(continued)*
for the year ended 31 December 2018

11 Share-based payments

Under the terms of the share option scheme (the Enterprise Management Incentive Scheme) the Board may offer selected staff options over ordinary shares of the company exercisable upon the occurrence of an asset sale, a share sale or a listing of the company. The option period is 10 years.

Options that existed under the above scheme during the year were as follows:

	Grant date	Exercise price £	No of employees	No of shares	At 31 December 2018 No of shares
At 1 January 2018	02/04/09	3.0000	4	14,750	14,750
and at 31 December	25/02/10	0.0001	4	170,087	170,087
2018	26/08/13	0.0600	3	296,460	296,460
	08/09/16	0.0700	10	508,622	508,622
	03/10/17	0.0700	3	105,000	70,000
					1,059,919

Included within the above Emma Perfect (CEO) had 295,974 options with an exercise price ranging from £0.0001 to £3.00. Included within the above Raymond Cowan, who acted as key management, had 100,000 options with an exercise price of £0.07. Included within the above Jenny Young, who acted as key management, had 232,487 options with an exercise price ranging from £0.0001 to £3.00.

Unapproved share options that existed during the year were as follows:

	Grant date	Exercise price £	No of option holders	No of shares	At 31 December 2018 No of shares
At 1 January 2018	02/03/10	0.0001	1	121,037	121,037
and at 31 December	01/05/10	0.0001	1	10,000	10,000
2018	01/03/11	0.0001	1	43,186	43,186
	24/05/11	0.0001	1	21,593	21,593
	10/06/13	0.0001	2	106,777	106,777
					302,593

Notes to the financial statements *(continued)*
for the year ended 31 December 2018

11 Share-based payments *(continued)*

Included within the above Laurence Ormerod had 121,037 options with an exercise price of £0.0001.

Included within the above Max Rowe had 60,519 options with an exercise price of £0.0001.

A summary of the share option activity in the year and related information is as follows:

	Number of options outstanding No.	Weighted average exercise price £	Weighted average remaining life Years
At 1 January 2018	1,442,012	43,040	8
Expired	(9,500)	-	-
Cancelled (see note 1.4)	(1,432,512)	-	-
At 31 December 2018	**-**	**43,040**	**8**

The fair value of the stock options granted is taken as the latest exercise price of £0.07 which was based on the most recent price paid for Series A-2 shares of just under £0.49. This value was discounted by 85% to reflect that the shares issued are a minority shareholding and that shareholders do not have control and are unable to have direct influence on the company's affairs. In addition, any distribution to ordinary shareholders is significantly affected by the rights of the Series A and A-2 shareholders. A further discount of 5% was applied for the restricted nature of the options issued.

The fair value of the stock options granted is calculated at each reporting date using the Black-Scholes option-pricing model using the following assumptions:

	2018
Expected term (years)	**10**
Risk free interest rate	**1.27%**
Volatility	**34%**
Weighted average grant price	**0.01**

The expected term assumption has been set as 10 years, which is the maximum period in which the options could be exercised. The expected volatility assumption was based on the estimated volatility of the share value of LUX Assure Limited. The risk free interest rate is the 10-year UK gilt interest yield at 31 December 2018.

The total expense recognised for share-based payments in respect of employee services received during the year ended 31 December 2018 is £16,657 *(2017 - £4,271)*.

There were no share options exercised during the year ended 31 December 2018 (2017 – none).

Due to the decision to cease trading as noted in note 1.4, the existing share options are no longer exercisable and all options have been cancelled in these financial statements.

Notes to the financial statements *(continued)*
for the year ended 31 December 2018

12 Share capital

	2018	2017
	£	£
Allotted, called up and fully paid		
2,619,468 Ordinary Shares of £0.0001 each	**262**	262
7,644,007 Series A Shares of £0.0001 each	**764**	764
4,908,478 Series A-2 Shares of £0.0001 each	**491**	491
	1,517	1,517

The Ordinary Shares confer each holder of Ordinary Shares the right to receive notice of and to attend, speak and vote at all general meetings of the company, and each Ordinary Share carries one vote per share.

The Series A Shares confer each holder of Series A Shares the right to receive notice of and to attend, speak and vote at all general meetings of the company, and each Series A Share carries one vote per share.

The series A-2 Shares confer each holder of Series A-2 Shares the right to receive notice of and to attend, speak and vote at all general meetings of the company, and each Series A-2 Share carries one vote per share.

13 Statement of movements on reserves

	Reserve for own shares	Share premium account	Profit and loss account
	£	£	£
Balance at 1 January 2018	26,384	7,766,289	(6,305,415)
Loss for the year	-	-	(1,138,224)
Credit to equity for equity settled share-based payments	16,657	-	-
Cancellation of equity settled share-based payments	(43,041)	-	43,041
Balance at 31 December 2018	-	**7,766,289**	**(7,400,598)**

14 Financial commitments

At 31 December 2018 the company was committed to making the following payments under non-cancellable operating leases:

	2018	2017
	£	£
Operating leases which expire:		
Within one year	**47,456**	18,555
Lease payments made in the year	**44,254**	46,992

Notes to the financial statements *(continued)*
for the year ended 31 December 2018

15 Related party relationship and transactions

Laurence Ormerod, a director, is also a director of Ormerod Consulting Limited. Ormerod Consulting Limited was used to provide advisory services and travel expenses to the value of £14,416 *(2017: £14,457)*. The balance due by the company at the year end, including amounts accrued, was £1,204 *(2017: £1,067)*.

Professor Max Rowe, a director is also a director of Selkie Solutions Limited. Selkie Solutions Limited was used to provide advisory services and travel expenses to the value of £5,200 *(2017: £4,949)*. The balance due by the company at the year end, including amounts accrued, was £1,200 *(2017: £800)*.

16 Control

The company has no overall controlling party.