

Company Registration No. SC538756 (Scotland)

CYAN FORENSICS LTD
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2017
PAGES FOR FILING WITH REGISTRAR



CYAN FORENSICS LTD

COMPANY INFORMATION

Directors	Mr Ian Stevenson	(Appointed 23 June 2016)
	Mr Simon Hardy	(Appointed 6 October 2016)
	Mercia Fund Management (Nominees) Limited	(Appointed 6 October 2016)

Secretary	MBM Secretarial Services Ltd
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Company number	SC538756
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Registered office	5th Floor 125 Princes Street EDINBURGH EH2 4AD
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Auditor	Chiene + Tait LLP Chartered Accountants and Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL
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CYAN FORENSICS LTD

CONTENTS

	Page
Balance sheet	1
Notes to the financial statements	2 - 8

CYAN FORENSICS LTD

BALANCE SHEET

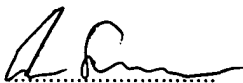
AS AT 30 SEPTEMBER 2017

	Notes	2017 £	£
Fixed assets			
Intangible assets	4		107,944
Tangible assets	5		5,234
Current assets			
Stocks		454	
Debtors	6	13,498	
Cash at bank and in hand		171,644	
		185,596	
Creditors: amounts falling due within one year	7	(28,325)	
Net current assets			157,271
Total assets less current liabilities			270,449
Capital and reserves			
Called up share capital	8		12
Share premium account			413,702
Profit and loss reserves			(143,265)
Total equity			270,449

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 25/01/18 and are signed on its behalf by:



Mr Ian Stevenson
Director

Company Registration No. SC538756

CYAN FORENSICS LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

1 Accounting policies

Company information

Cyan Forensics Ltd is a private company limited by shares incorporated in Scotland. The registered office is 5th Floor, 125 Princes Street, EDINBURGH, EH2 4AD.

1.1 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 under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the period ended 30 September 2017 are the first financial statements of Cyan Forensics Ltd prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

1.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the company will continue in operations for the foreseeable future.

The company made a loss for the period of £143,265 and had net assets of £270,449 which includes cash and cash equivalents of £171,644 as at the period end. The directors have received an indication from the investors that they will continue to provide the necessary funding to enable the company to meet its liabilities and obligations as they fall due for the period of not less than 12 months from the date of approving these financial statements. As a result, the directors are of the opinion that whilst there is an uncertainty they still believe the going concern basis of preparation of the financial statements is appropriate.

1.3 Reporting period

These financial statements cover the period from incorporation on 23 June 2016 to 30 September 2017. This period is longer than one year but represents one year of trading and is presented to a date which will be the ongoing year end.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

The directors have chosen to capitalise certain employee costs relating to the development of a software asset. Employees assigned to this are the technical team who undertake software development. Their time is dedicated to building the software that forms this asset, including managing the process of building the asset. No other costs are capitalised.

CYAN FORENSICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

The directors consider the intangible assets to have a useful life of 10 years. They have not yet been brought into use therefore amortisation has not yet begun. Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	Not amortised
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1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	20% straight line
Computers	33.33% straight line

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 to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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 an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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 (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, 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.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

CYAN FORENSICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, 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.

1.9 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 balance sheet when the company becomes party to the contractual provisions of the instrument.

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 assets

Basic financial assets, which include debtors 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. Financial assets classified as receivable within one year are not amortised.

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

Basic financial liabilities, including creditors, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 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.

CYAN FORENSICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

1.11 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.

1.12 Retirement benefits

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

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable 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 specify 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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the period was 5.

3 Directors' remuneration

	2017 £
Remuneration for qualifying services	79,594
Company pension contributions to defined contribution schemes	3,250
Sums paid to third parties for directors' services	-
	<u>82,844</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1.

CYAN FORENSICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2017

4 Intangible fixed assets

	Development costs £
Cost	
At 23 June 2016	-
Additions	107,944
At 30 September 2017	107,944
Amortisation and impairment	
At 23 June 2016 and 30 September 2017	-
Carrying amount	
At 30 September 2017	107,944

5 Tangible fixed assets

	Fixture, fitting and office equipments £
Cost	
At 23 June 2016	-
Additions	6,203
At 30 September 2017	6,203
Depreciation and impairment	
At 23 June 2016	-
Depreciation charged in the period	969
At 30 September 2017	969
Carrying amount	
At 30 September 2017	5,234

6 Debtors

	2017 £
Amounts falling due within one year:	
Other debtors	13,498

CYAN FORENSICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

7 Creditors: amounts falling due within one year

	2017 £
Trade creditors	7,138
Other taxation and social security	6,173
Other creditors	15,014
	<u>28,325</u>

8 Called up share capital

	2017 £
Ordinary share capital issued and fully paid	
65,600 Ordinary shares of 0.01p each	7
51,621 A Ordinary shares of 0.01p each	5
	<u>12</u>

The company has two classes of ordinary shares which carry no right to fixed income. When dividends are declared they shall be allocated on a pro-rata basis within classes with holders of Ordinary shares entitled to 99% of the dividends declared, and holders of A Ordinary shares entitled to the remaining 1%. Ordinary A shares do not carry voting rights and are not entitled to receive any distribution of capital in the event of a sale or IPO.

On Incorporation on 23 June 2016, 2 Ordinary £1 shares were issued at par.

On 18 August 2016 the 2 £1 Ordinary shares were subdivided into 20,000 £0.0001 Ordinary shares.

On 25 August 2016 a further 15,600 £0.0001 Ordinary shares were issued at par.

On 06 October 2016 30,000 £0.0001 Ordinary shares were issued in return for the grant of a licence of certain software, patent and other IP rights. Also on that date 33,200 £0.0001 A Ordinary shares were issued for £7.19 per share.

On 7 September 2017 a further 18,421 £0.0001 A Ordinary shares were issued for £9.50 per share.

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified. 26.1.18

The senior statutory auditor was Jeremy Chittleburgh BSC CA.

The auditor was Chiene + Tait LLP.

CYAN FORENSICS LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2017 £
Not later than 1 year	5,816
	<u> </u>

11 Related party transactions

The company has chosen to take advantage of the exemption under FRS102 section 1AC.35 not to disclose related party transactions.