

Company Registration No. 08495195 (England and Wales)

ARCIS MOLECULAR LIMITED
ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

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COMPANIES HOUSE

ARCIS MOLECULAR LIMITED

INDEPENDENT AUDITORS' REPORT TO ARCIS MOLECULAR LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 3 to 5, together with the financial statements of Arcis Molecular Limited for the year ended 31 July 2016 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report 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, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 444 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 444(3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.

Other information

On 6 February 2017 we reported, as auditors of Arcis Molecular Limited, to the members on the financial statements prepared under section 396 of the Companies Act 2006 for the year ended 31 July 2016, and our report included the following paragraph:

ARCIS MOLECULAR LIMITED

INDEPENDENT AUDITORS' REPORT TO ARCIS MOLECULAR LIMITED (CONTINUED) UNDER SECTION 449 OF THE COMPANIES ACT 2006

Emphasis of matter- Going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the Directors' Report and note 1 of the Accounting Policies to the financial statements concerning the company's ability to continue as a going concern. The company incurred a net loss of £23,803 during the year ended 31 July 2016 and at that date the company's net liabilities were £38,994. The Directors' Report and note 1 of the Accounting Policies indicate that the company is a going concern on the basis of ongoing support from the parent company, Arcis Biotechnology Holdings Limited, and anticipated revenues from the commercialisation of its product portfolio. At the date of this audit report there is no certainty that the parent company will have sufficient funds of its own to be able to finance the company for the period of twelve months from the date of this report as additional funding has yet to be raised. Furthermore, the forecast revenues are not supported by signed contracts or orders. All these conditions indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern. Our opinion is not modified in this respect.



Hemen Doshi FCCA (Senior Statutory Auditor)
for and on behalf of Gerald Edelman

6 February 2017

Chartered Accountants
Statutory Auditor

73 Cornhill
London
EC3V 3QQ

ARCIS MOLECULAR LIMITED

ABBREVIATED BALANCE SHEET

AS AT 31 JULY 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Tangible assets	2		16,042		-
Current assets					
Stocks		17,833		-	
Debtors		406		66	
Cash at bank and in hand		5		1,420	
		<u>18,244</u>		<u>1,486</u>	
Creditors: amounts falling due within one year		<u>(73,280)</u>		<u>(16,677)</u>	
Net current liabilities			(55,036)		(15,191)
Total assets less current liabilities			<u>(38,994)</u>		<u>(15,191)</u>
Capital and reserves					
Called up share capital	3		1		1
Profit and loss account			(38,995)		(15,192)
Shareholder's funds			<u>(38,994)</u>		<u>(15,191)</u>

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

Approved by the Board for issue on 6 February 2017


P L Whitehurst
Director

Company Registration No. 08495195

ARCIS MOLECULAR LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 JULY 2016

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

The financial statements have been prepared on the assumption that the company is a going concern. The directors believe it is appropriate to prepare these financial statements on a going concern basis which assumes continued financial support from its parent company, Arcis Biotechnology Holdings Limited and anticipated revenues from the commercialisation of its product portfolio. The parent company support has been given as the parent company directors intend to seek further financial support from existing and new shareholders, as they have done in the past in order to provide the necessary finance to take this product commercialisation forward. The parent company directors have indicated they believe this funding will be able to be secured.

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 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts. Revenue is recognised when goods are despatched and invoiced.

1.4 Tangible fixed assets and depreciation

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:

Plant and machinery	20% straight line
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1.5 Stock and work in progress

Work in progress is valued at the lower of cost and net realisable value.

1.6 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or right to pay less, or a right to receive repayment of tax.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

ARCIS MOLECULAR LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2016

2 Fixed assets

	Tangible assets £
Cost	
At 1 August 2015	-
Additions	17,500
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At 31 July 2016	17,500
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Depreciation	
At 1 August 2015	-
Charge for the year	1,458
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At 31 July 2016	1,458
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Net book value	
At 31 July 2016	16,042
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3 Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
1 Ordinary share of £1 each	1	1
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