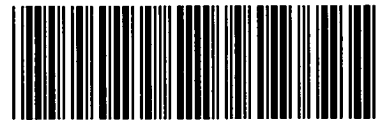


COMPANY REGISTRATION NUMBER 05077488

**ISENTROPIC LTD**  
**UNAUDITED ABBREVIATED ACCOUNTS**  
**30 SEPTEMBER 2014**

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# **ISENTROPIC LTD**

## **ABBREVIATED ACCOUNTS**

**PERIOD FROM 1 APRIL 2014 TO 30 SEPTEMBER 2014**

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# ISENTROPIC LTD

## CHARTERED ACCOUNTANTS REPORT TO THE DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY ACCOUNTS OF ISENTROPIC LTD

PERIOD FROM 1 APRIL 2014 TO 30 SEPTEMBER 2014

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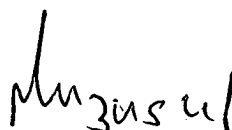
In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the abbreviated accounts of Isentropic Ltd for the period ended 30 September 2014 as set out on pages 2 to 5 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at [icaew.com/regulations](http://icaew.com/regulations).

This report is made solely to the Board of Directors of Isentropic Ltd, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the abbreviated accounts of Isentropic Ltd and state those matters that we have agreed to state to them, as a body, in this report in accordance with AAF 02/10 as detailed at [icaew.com/compilation](http://icaew.com/compilation). To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Isentropic Ltd and its Board of Directors, as a body, for our work or for this report.

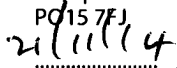
It is your duty to ensure that Isentropic Ltd has kept adequate accounting records and to prepare statutory abbreviated accounts that give a true and fair view of the assets, liabilities, financial position and loss of Isentropic Ltd. You consider that Isentropic Ltd is exempt from the statutory audit requirement for the period.

We have not been instructed to carry out an audit or a review of the abbreviated accounts of Isentropic Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory abbreviated accounts.



MENZIES LLP  
Chartered Accountants

Wentworth House  
4400 Parkway  
Whiteley  
Hampshire  
PO15 7FJ

  
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# ISENTROPIC LTD

## ABBREVIATED BALANCE SHEET

30 SEPTEMBER 2014

	Note	30 Sep 14 £	£	31 Mar 14 £	£
<b>FIXED ASSETS</b>	<b>2</b>				
Intangible assets			3,075,909		2,485,925
Tangible assets			1,116,935		844,960
Investments			1		1
			<u>4,192,845</u>		<u>3,330,886</u>
<b>CURRENT ASSETS</b>					
Debtors		520,026		329,223	
Cash at bank and in hand		3,295,061		2,306,896	
		<u>3,815,087</u>		<u>2,636,119</u>	
<b>CREDITORS: Amounts falling due within one year</b>		<u>2,004,470</u>		<u>431,678</u>	
<b>NET CURRENT ASSETS</b>			1,810,617		2,204,441
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			6,003,462		5,535,327
<b>CREDITORS: Amounts falling due after more than one year</b>			2,635,000		2,045,000
			<u>3,368,462</u>		<u>3,490,327</u>
<b>CAPITAL AND RESERVES</b>					
Called-up equity share capital	4		195		195
Share premium account			7,028,084		7,028,084
Profit and loss account			(3,659,817)		(3,537,952)
<b>SHAREHOLDERS' FUNDS</b>			<u>3,368,462</u>		<u>3,490,327</u>

For the period from 1 April 2014 to 30 September 2014 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These abbreviated accounts have been prepared in accordance with the special provisions applicable to companies subject to the small companies regime.

These abbreviated accounts were approved by the directors and authorised for issue on 17/11/2014 and are signed on their behalf by:

  
Mr J Macnaghten

Company Registration Number: 05077488

The notes on pages 3 to 5 form part of these abbreviated accounts.

# ISENTROPIC LTD

## NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1 APRIL 2014 TO 30 SEPTEMBER 2014

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### 1. ACCOUNTING POLICIES

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

#### Development costs

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits and are amortised on the straight line basis over the anticipated life of the benefits currently capped at 5 years. Legal fees in connection with patents are written off to the profit and loss account as incurred to secure protection for intangible fixed assets.

#### Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Development Costs - 5 years Straight Line

#### Fixed assets

All fixed assets are initially recorded at cost.

#### Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Leasehold Property	- 33% Straight line
Plant & Machinery	- 33% Straight line
Motor Vehicles	- 33% Straight Line
Equipment	- 33% Straight line

#### Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

#### Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

#### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

#### Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

# ISENTROPIC LTD

## NOTES TO THE ABBREVIATED ACCOUNTS

PERIOD FROM 1 APRIL 2014 TO 30 SEPTEMBER 2014

### 1. ACCOUNTING POLICIES *(continued)*

#### Deferred Income

Income received in relation to funding the development of fixed assets is treated as deferred income and released to the profit & loss account to match the depreciation charged.

### 2. FIXED ASSETS

	Intangible Assets £	Tangible Assets £	Investments £	Total £
<b>COST</b>				
At 1 April 2014	3,326,815	1,709,003	1	5,035,819
Additions	945,286	620,845	–	1,566,131
<b>At 30 September 2014</b>	<u>4,272,101</u>	<u>2,329,848</u>	<u>1</u>	<u>6,601,950</u>
<b>DEPRECIATION</b>				
At 1 April 2014	840,890	864,043	–	1,704,933
Charge for period	355,302	348,870	–	704,172
<b>At 30 September 2014</b>	<u>1,196,192</u>	<u>1,212,913</u>	<u>–</u>	<u>2,409,105</u>
<b>NET BOOK VALUE</b>				
<b>At 30 September 2014</b>	<u>3,075,909</u>	<u>1,116,935</u>	<u>1</u>	<u>4,192,845</u>
At 31 March 2014	<u>2,485,925</u>	<u>844,960</u>	<u>1</u>	<u>3,330,886</u>

The company owns 100% of the issued share capital of the companies listed below,

#### Aggregate capital and reserves

	30 Sep 14 £	31 Mar 14 £
Isentropic Storage Limited	1	1
<b>Profit and (loss) for the year</b>		
Isentropic Storage Limited	Dormant	Dormant

### 3. ULTIMATE CONTROLLING PARTY

The directors consider that there is no ultimate controlling party.

### 4. SHARE CAPITAL

#### Allotted, called up and fully paid:

	30 Sep 14		31 Mar 14	
	No	£	No	£
Ordinary shares of £0.0001 each	<u>1,947,309</u>	<u>195</u>	<u>1,947,309</u>	<u>195</u>

At the year end share options to nominated members of staff existed, details of which are as follows. These options are open ended and vest on the third anniversary of the grant date unless a specific option agreement states otherwise:

#### Number of shares for which rights are exercisable

Grant date	Subscription price per share	Date from which options are exercisable	No. ordinary shares 01.04.13	No. ordinary shares 31.03.14
April 2011	£10.35	April 2014	12,539	12,539
March 2012	£12.61	March 2015	15,962	15,962
March 2013	£21.95	March 2016	14,793	14,793
March 2014	£8.00	March 2017	19,473	19,473

# **ISENTROPIC LTD**

## **NOTES TO THE ABBREVIATED ACCOUNTS**

**PERIOD FROM 1 APRIL 2014 TO 30 SEPTEMBER 2014**

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### **5. GOING CONCERN**

As at 3 November 2014, the company had cash reserves of £1.13m. Based upon projections this will fund operations for 6 weeks and all creditors are being paid on their due date.

As at 3 November 2014, the company had also collected £1.74m of subscriptions monies in connection with a proposed issue of ordinary shares, as described in Note 10.

Based on these accounts the Company will be filing with HMRC a research and development tax credit claim in the sum of £310,000 in relation to its activities up to 30 September 2014.

The company is also in possession of a letter of intent from an interested party expressing their intention to match fund the company's operations to a significant value, but no formal agreement had been reached.

On this basis, the directors remain confident that sufficient funds can be raised to finance the company operations for at least the next 12 months. However, should further funding not be available, the company may not be able to realise its assets and discharge its liabilities in the normal course of business. 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.