

**REGISTERED NUMBER: SC276481 (Scotland)**

Unaudited Financial Statements for the Year Ended 31 October 2019

for

Cytosystems Limited

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for the Year Ended 31 October 2019

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Cytosystems Limited

Company Information  
for the Year Ended 31 October 2019

**DIRECTORS:**

Mr R G Berry  
Mr N A Mahjoub

**SECRETARY:**

Burness Paul LLP

**REGISTERED OFFICE:**

Union Plaza (6th Floor)  
1 Union Wynd  
Aberdeen  
AB10 1DQ

**REGISTERED NUMBER:**

SC276481 (Scotland)

**ACCOUNTANTS:**

Keltic Accounting Limited  
Offices 1 & 8, Unit 1A  
Burghmuir Circle  
Blackhall Industrial Estate  
Inverurie  
Aberdeenshire  
AB51 4FS

Balance Sheet  
31 October 2019

|  | Notes | 31.10.19<br>£  | £                  | 31.10.18<br>£  | £                  |
|--|-------|----------------|--------------------|----------------|--------------------|
| <b>FIXED ASSETS</b>                          |       |                |                    |                |                    |
| Intangible assets                            | 5     |                | 8,421,193          |                | 297,855            |
| Tangible assets                              | 6     |                | <u>6,657</u>       |                | <u>851</u>         |
|  |       |                | 8,427,850          |                | 298,706            |
| <b>CURRENT ASSETS</b>                        |       |                |                    |                |                    |
| Debtors                                      | 7     | 218,351        |                    | 583,535        |                    |
| Cash at bank and in hand                     |       | <u>187,416</u> |                    | <u>68,537</u>  |                    |
|  |       | 405,767        |                    | 652,072        |                    |
| <b>CREDITORS</b>                             |       |                |                    |                |                    |
| Amounts falling due within one year          | 8     | <u>789,109</u> |                    | <u>919,845</u> |                    |
| <b>NET CURRENT LIABILITIES</b>               |       |                | <u>(383,342)</u>   |                | <u>(267,773)</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                | 8,044,508          |                | 30,933             |
| <b>PROVISIONS FOR LIABILITIES</b>            |       |                | <u>1,265</u>       |                | <u>162</u>         |
| <b>NET ASSETS</b>                            |       |                | <u>8,043,243</u>   |                | <u>30,771</u>      |
| <b>CAPITAL AND RESERVES</b>                  |       |                |                    |                |                    |
| Called up share capital                      |       |                | 6,519              |                | 6,057              |
| Share premium                                |       |                | 4,390,482          |                | 3,990,537          |
| Fair value reserve                           |       |                | 8,200,000          |                | -                  |
| Retained earnings                            |       |                | <u>(4,553,758)</u> |                | <u>(3,965,823)</u> |
| <b>SHAREHOLDERS' FUNDS</b>                   |       |                | <u>8,043,243</u>   |                | <u>30,771</u>      |

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 October 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 October 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and
- (b) which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 27 December 2019 and were signed on its behalf by:

Mr R G Berry - Director

Notes to the Financial Statements  
for the Year Ended 31 October 2019

1. **STATUTORY INFORMATION**

Cytosystems 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.

2. **STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

3. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

**Turnover**

Turnover is stated net of 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 represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where the contract has only been partially completed at the balance sheet date turnover represents the value of the service provided to date based on a proportion of the total contract value. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

**Intangible assets**

**IPR**

IPR expenditure is amortised at 10% straight line, from the month of incurrence of the expenditure.

The directors review the value of IPR expenditure on an ongoing basis, and adjust accordingly for any required impairment.

**Tangible fixed assets**

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

The gain or loss arising on the disposal of an asset is determined as the difference between the proceeds and the carrying value

of the asset and is included in the profit and loss account.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. continued...

3. **ACCOUNTING POLICIES - continued**

**Research and development**

Research and development expenditure in relation to developing bladder and prostate cancer diagnostic techniques is deferred and amortised at 10% straight line, from the month of incurrence of the expenditure.

The directors review the value of research and development on an ongoing basis, and adjust accordingly for any required impairments.

**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 transaction. Exchange differences are taken into account in arriving at the operating result.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Government grants**

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

**Going concern**

The directors, having made due and careful enquiry, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

**Financial instruments**

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

**Basic financial assets**

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost.

Financial assets are derecognised when the contractual rights to cash flows from the asset expire or are settled or when the company transfers the risks and rewards of ownership to another entity.

**Basic financial liabilities**

Basic financial liabilities, which include trade and other creditors and bank loans, are initially recognised at transaction price and are subsequently carried at amortised cost.

Financial liabilities are derecognised when the company's contractual obligations are discharged.

**Provisions**

Provisions are recognised when the Company has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2019

4. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 6 (2018 - 8) .

5. **INTANGIBLE FIXED ASSETS**

**COST OR VALUATION**

At 1 November 2018

Additions

Revaluations

At 31 October 2019

**AMORTISATION**

At 1 November 2018

Amortisation for year

At 31 October 2019

**NET BOOK VALUE**

At 31 October 2019

At 31 October 2018

| Patents<br>and<br>licences<br>£ | Development<br>costs<br>£ | Totals<br>£ |
|---------------------------------|---------------------------|-------------|
| 366,299                         | 1,927,287                 | 2,293,586   |
| 36,214                          | 220,531                   | 256,745     |
| 8,200,000                       | -                         | 8,200,000   |
| 8,602,513                       | 2,147,818                 | 10,750,331  |
| 210,499                         | 1,785,232                 | 1,995,731   |
| 238,364                         | 95,043                    | 333,407     |
| 448,863                         | 1,880,275                 | 2,329,138   |
| 8,153,650                       | 267,543                   | 8,421,193   |
| 155,800                         | 142,055                   | 297,855     |

Cost or valuation at 31 October 2019 is represented by:

|                | Patents<br>and<br>licences<br>£ | Development<br>costs<br>£ | Totals<br>£ |
|----------------|---------------------------------|---------------------------|-------------|
| Valuation in 0 | 8,200,000                       | -                         | 8,200,000   |
| Cost           | 402,513                         | 2,147,818                 | 2,550,331   |
|                | 8,602,513                       | 2,147,818                 | 10,750,331  |

The IP valuation has been taken from the report with IP Pragmatics.



Notes to the Financial Statements - continued  
for the Year Ended 31 October 2019

## 6. TANGIBLE FIXED ASSETS

|                       | Plant and<br>machinery<br>£ | Fixtures<br>and<br>fittings<br>£ | Totals<br>£ |
|-----------------------|-----------------------------|----------------------------------|-------------|
| <b>COST</b>           |                             |                                  |             |
| At 1 November 2018    | 673                         | 30,553                           | 31,226      |
| Additions             | -                           | 7,867                            | 7,867       |
| At 31 October 2019    | 673                         | 38,420                           | 39,093      |
| <b>DEPRECIATION</b>   |                             |                                  |             |
| At 1 November 2018    | 673                         | 29,702                           | 30,375      |
| Charge for year       | -                           | 2,061                            | 2,061       |
| At 31 October 2019    | 673                         | 31,763                           | 32,436      |
| <b>NET BOOK VALUE</b> |                             |                                  |             |
| At 31 October 2019    | -                           | 6,657                            | 6,657       |
| At 31 October 2018    | -                           | 851                              | 851         |

## 7. DEBTORS

|   |               |               |
|---|---------------|---------------|
|   | 31.10.19<br>£ | 31.10.18<br>£ |
| Amounts falling due within one year:          |               |               |
| Other debtors                                 | 218,351       | 190,331       |
| Amounts falling due after more than one year: |               |               |
| Other debtors                                 | -             | 393,204       |
| Aggregate amounts                             | 218,351       | 583,535       |

## 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                              |               |               |
|------------------------------|---------------|---------------|
|                              | 31.10.19<br>£ | 31.10.18<br>£ |
| Trade creditors              | 268,655       | 359,100       |
| Taxation and social security | 7,687         | 9,922         |
| Other creditors              | 512,767       | 550,823       |
|                              | 789,109       | 919,845       |

## 9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

|                 |               |               |
|-----------------|---------------|---------------|
|                 | 31.10.19<br>£ | 31.10.18<br>£ |
| Within one year | 18,000        | 14,280        |

## 10. RELATED PARTY DISCLOSURES

The company was under the control of no one individual during the current and previous period.

At the year end the balance due to J Oag was £1.37 (2018 - £71,000). J Oag is a major shareholder in the company. The balance of £196,500 (2018 - £196,500) was due to Scottish Enterprise who are also a major shareholder.

**11. ULTIMATE CONTROLLING PARTY**

The controlling party is Mr R G Berry.

The ultimate controlling party is Mr R G Berry.

Chartered Accountants' Report to the Board of Directors  
on the Unaudited Financial Statements of  
Cytosystems Limited (Registered number: SC276481)

**The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Cytosystems Limited for the year ended 31 October 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of ICAS, we are subject to its ethical and other professional requirements which are detailed at <http://www.icas.com/accountspreparationguidance>.

This report is made solely to the Board of Directors of Cytosystems Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Cytosystems Limited and state those matters that we have agreed to state to the Board of Directors of Cytosystems Limited, as a body, in this report in accordance with the requirements of ICAS as detailed at <http://www.icas.com/accountspreparationguidance>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its Board of Directors, as a body, for our work or for this report.

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

We have not been instructed to carry out an audit or a review of the financial statements of Cytosystems Limited. 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 financial statements.

Keltic Accounting Limited  
Offices 1 & 8, Unit 1A  
Burghmuir Circle  
Blackhall Industrial Estate  
Inverurie  
Aberdeenshire  
AB51 4FS

Date: .....

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.