

**REGISTERED NUMBER: SC276481 (Scotland)**

Unaudited Financial Statements for the Year Ended 31 October 2017

for

Cytosystems Limited

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for the Year Ended 31 October 2017

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Cytosystems Limited

Company Information  
for the Year Ended 31 October 2017

**DIRECTORS:**

Mr R G Berry  
Mr N A Mahjoub

**SECRETARY:**

Burness Paul LLP

**REGISTERED OFFICE:**

Cruikshank Building  
Craibstone  
Aberdeen  
AB21 9TR

**REGISTERED NUMBER:**

SC276481 (Scotland)

**ACCOUNTANTS:**

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

Balance Sheet  
31 October 2017

	Notes	31.10.17 £	£	31.10.16 £	£
<b>FIXED ASSETS</b>					
Intangible assets	5		309,289		445,708
Tangible assets	6		<u>2,047</u>		<u>1,974</u>
			311,336		447,682
<b>CURRENT ASSETS</b>					
Debtors	7	145,056		360,374	
Cash at bank and in hand		<u>838,535</u>		<u>803,076</u>	
		983,591		1,163,450	
<b>CREDITORS</b>					
Amounts falling due within one year	8	<u>1,433,614</u>		<u>1,659,581</u>	
<b>NET CURRENT LIABILITIES</b>			<u>(450,023)</u>		<u>(496,131)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			(138,687)		(48,449)
<b>PROVISIONS FOR LIABILITIES</b>			389		-
<b>NET LIABILITIES</b>			<u>(139,076)</u>		<u>(48,449)</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			6,221		6,221
Share premium			3,990,537		3,990,537
Retained earnings			<u>(4,135,834)</u>		<u>(4,045,207)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>(139,076)</u>		<u>(48,449)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 October 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 October 2017 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 which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

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 30 July 2018 and were signed on its behalf by:

Mr R G Berry - Director

Notes to the Financial Statements  
for the Year Ended 31 October 2017

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 the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. **ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

These financial statements for the year ended 31 October 2017 are the first set of financial statements that comply with FRS 102 Section 1A small entities. The date of transition is 1 November 2015.

The transition to FRS 102 Section 1A small entities has resulted in a small number of changes in accounting policies to those used previously, this has not impacted on opening equity or profit for the comparative period so the reconciliations have not been included.

This presentation currently is sterling.

**First year adoption of Financial Reporting Standard 102 ( FRS 102) Section 1A**

These financial statements for the year ended 31 October 2017 are the first that are prepared in accordance with FRS 102 Section 1A. The previous financial statements were prepared in accordance with UK GAAP, the date of transition to FRS 102 Section 1A is 1 November 2015.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of ten years.

Development costs are being amortised evenly over their estimated useful life of five years.

**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**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 20% on cost
Fixtures and fittings	- 33% on cost

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.

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2017

3. **ACCOUNTING POLICIES - continued**

**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.

**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.

**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**

With ongoing rigorous financial monitoring and continued investors support, the board consider it appropriate to account for the entity as a going concern.

3. **ACCOUNTING POLICIES - continued**

**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.

4. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 8 (2016 - 9) .



Notes to the Financial Statements - continued  
for the Year Ended 31 October 2017

## 5. INTANGIBLE FIXED ASSETS

	Patents and licences £	Development costs £	Totals £
<b>COST</b>			
At 1 November 2016	357,022	1,828,163	2,185,185
Additions	4,743	15,000	19,743
Disposals	(17,019)	-	(17,019)
At 31 October 2017	<u>344,746</u>	<u>1,843,163</u>	<u>2,187,909</u>
<b>AMORTISATION</b>			
At 1 November 2016	153,615	1,585,862	1,739,477
Amortisation for year	32,062	112,860	144,922
Eliminated on disposal	(5,779)	-	(5,779)
At 31 October 2017	<u>179,898</u>	<u>1,698,722</u>	<u>1,878,620</u>
<b>NET BOOK VALUE</b>			
At 31 October 2017	<u>164,848</u>	<u>144,441</u>	<u>309,289</u>
At 31 October 2016	<u>203,407</u>	<u>242,301</u>	<u>445,708</u>

## 6. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 November 2016	673	29,332	30,005
Additions	-	1,221	1,221
At 31 October 2017	<u>673</u>	<u>30,553</u>	<u>31,226</u>
<b>DEPRECIATION</b>			
At 1 November 2016	673	27,358	28,031
Charge for year	-	1,148	1,148
At 31 October 2017	<u>673</u>	<u>28,506</u>	<u>29,179</u>
<b>NET BOOK VALUE</b>			
At 31 October 2017	<u>-</u>	<u>2,047</u>	<u>2,047</u>
At 31 October 2016	<u>-</u>	<u>1,974</u>	<u>1,974</u>

## 7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.10.17 £	31.10.16 £
Other debtors	<u>145,056</u>	<u>360,374</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 October 2017

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

	31.10.17	31.10.16
	£	£
Trade creditors	256,037	145,923
Taxation and social security	9,770	9,810
Other creditors	<u>1,167,807</u>	<u>1,503,848</u>
	<u>1,433,614</u>	<u>1,659,581</u>

9. **LEASING AGREEMENTS**

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

	31.10.17	31.10.16
	£	£
Within one year	<u>14,280</u>	<u>14,280</u>

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 £71,000 (2016 - £71,000). J Oag is a major shareholder in the company. The balance of £196,500 (2016 - £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.

12. **PENSION COSTS**

**Defined contribution**

	2017	2016
	£	£
Contributions payable by the company for the year	<u>41,465</u>	<u>41,471</u>

Chartered Accountants' Report to the Board of Directors  
on the Unaudited Financial Statements of  
Cytosystems Limited

**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 2017 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  
Inverurie Business Hub, 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.