

REGISTERED NUMBER: SC276481 (Scotland)

Unaudited Financial Statements for the Year Ended 31 October 2018

for

Cytosystems Limited

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for the Year Ended 31 October 2018

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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
Burghmuir Circle
Blackhall Industrial Estate
Inverurie
Aberdeenshire
AB51 4FS

Balance Sheet
31 October 2018

	Notes	31.10.18 £	£	31.10.17 £	£
FIXED ASSETS					
Intangible assets	5		297,855		309,289
Tangible assets	6		<u>851</u>		<u>2,047</u>
			298,706		311,336
CURRENT ASSETS					
Debtors	7	583,535		145,056	
Cash at bank and in hand		<u>68,537</u>		<u>838,535</u>	
		652,072		983,591	
CREDITORS					
Amounts falling due within one year	8	<u>919,845</u>		<u>1,433,614</u>	
NET CURRENT LIABILITIES			<u>(267,773)</u>		<u>(450,023)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			30,933		(138,687)
PROVISIONS FOR LIABILITIES			<u>162</u>		<u>389</u>
NET ASSETS/(LIABILITIES)			<u>30,771</u>		<u>(139,076)</u>
CAPITAL AND RESERVES					
Called up share capital			6,057		6,221
Share premium			3,990,537		3,990,537
Retained earnings			<u>(3,965,823)</u>		<u>(4,135,834)</u>
SHAREHOLDERS' FUNDS			<u>30,771</u>		<u>(139,076)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 October 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 October 2018 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
- (b) 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.

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 23 May 2019 and were signed on its behalf by:

Mr R G Berry - Director

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

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.

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 balances 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

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

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.

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.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 October 2018

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 (2017 - 8) .

5. **INTANGIBLE FIXED ASSETS**

	Patents and licences £	Development costs £	Totals £
COST			
At 1 November 2017	344,746	1,843,163	2,187,909
Additions	21,553	84,124	105,677
At 31 October 2018	366,299	1,927,287	2,293,586
AMORTISATION			
At 1 November 2017	179,898	1,698,722	1,878,620
Amortisation for year	30,601	86,510	117,111
At 31 October 2018	210,499	1,785,232	1,995,731
NET BOOK VALUE			
At 31 October 2018	155,800	142,055	297,855
At 31 October 2017	164,848	144,441	309,289

Notes to the Financial Statements - continued
for the Year Ended 31 October 2018

6. **TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Totals £
COST			
At 1 November 2017 and 31 October 2018	<u>673</u>	<u>30,553</u>	<u>31,226</u>
DEPRECIATION			
At 1 November 2017	673	28,506	29,179
Charge for year	<u>-</u>	<u>1,196</u>	<u>1,196</u>
At 31 October 2018	<u>673</u>	<u>29,702</u>	<u>30,375</u>
NET BOOK VALUE			
At 31 October 2018	<u>-</u>	<u>851</u>	<u>851</u>
At 31 October 2017	<u>-</u>	<u>2,047</u>	<u>2,047</u>

7. **DEBTORS**

	31.10.18 £	31.10.17 £
Amounts falling due within one year:		
Other debtors	<u>190,331</u>	<u>145,056</u>
Amounts falling due after more than one year:		
Other debtors	<u>393,204</u>	<u>-</u>
Aggregate amounts	<u>583,535</u>	<u>145,056</u>

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

	31.10.18 £	31.10.17 £
Trade creditors	359,100	256,037
Taxation and social security	9,922	13,292
Other creditors	<u>550,823</u>	<u>1,164,285</u>
	<u>919,845</u>	<u>1,433,614</u>

9. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:	31.10.18	31.10.17
	£	£
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 (2017 - £71,000). J Oag is a major shareholder in the company. The balance of £196,500 (2017 - £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.

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 2018 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 profit 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

23 May 2019

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.