

Registered number: 08873131

Faculty Science Limited (Formerly Advanced Skills Initiative Limited)

Unaudited

Financial statements

Information for filing with the registrar

For the year ended 31 March 2019



Faculty Science Limited (Formerly Advanced Skills Initiative Limited)
Registered number: 08873131

Balance sheet
As at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Fixed asset investment	5	13,573	35,296
Tangible assets	6	183,263	175,964
		<u>196,836</u>	<u>211,260</u>
Current assets			
Debtors: amounts falling due within one year	7	2,713,298	1,332,418
Cash at bank and in hand		1,154,376	2,480,554
		<u>3,867,674</u>	<u>3,812,972</u>
Creditors: amounts falling due within one year	8	(1,495,088)	(730,106)
Net current assets		<u>2,372,586</u>	<u>3,082,866</u>
Total assets less current liabilities		<u>2,569,422</u>	<u>3,294,126</u>
Creditors: amounts falling due after more than one year	9	(2,630,252)	(2,005,169)
Net (liabilities)/assets		<u><u>(60,830)</u></u>	<u><u>1,288,957</u></u>
Capital and reserves			
Called up share capital	10	4	4
Share premium account		1,561,391	1,561,391
Capital contribution reserve		109,150	109,150
Other reserves		(419,033)	(173,607)
Profit and loss account		(1,312,342)	(207,981)
		<u><u>(60,830)</u></u>	<u><u>1,288,957</u></u>

Faculty Science Limited (Formerly Advanced Skills Initiative Limited)

Registered number: 08873131

Balance sheet (continued)

As at 31 March 2019

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

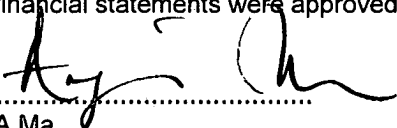
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



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S M A Ma

Director

Date: *17 December 2019*

The notes on pages 5 to 16 form part of these financial statements.

Faculty Science Limited (Formerly Advanced Skills Initiative Limited)

Statement of changes in equity
For the year ended 31 March 2019

	Called up share capital	Share premium account	Capital contribution reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2018	4	1,561,391	109,150	(173,607)	(207,981)	1,288,957
Comprehensive income for the year						
Loss for the year	-	-	-	-	(1,104,361)	(1,104,361)
Value of conversion rights on convertible loan notes	-	-	-	(385,922)	-	(385,922)
Employee share schemes - value of employee services	-	-	-	140,496	-	140,496
Total transactions with owners	-	-	-	(245,426)	-	(245,426)
At 31 March 2019	4	1,561,391	109,150	(419,033)	(1,312,342)	(60,830)

The notes on pages 5 to 16 form part of these financial statements.

Faculty Science Limited (Formerly Advanced Skills Initiative Limited)

Statement of changes in equity
For the year ended 31 March 2018

	Called up share capital	Share premium account	Capital contribution reserve	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 April 2017	4	1,561,391	-	-	(310,316)	1,251,079
Comprehensive income for the year						
Loss for the year	-	-	-	-	(94,136)	(94,136)
Gift of cryptocurrency from shareholder	-	-	305,621	-	-	305,621
Transfers of portion of cryptocurrency sold in the year	-	-	(196,471)	-	196,471	-
Value of conversion rights on convertible loan notes	-	-	-	(213,932)	-	(213,932)
Employee share schemes - value of employee services	-	-	-	40,325	-	40,325
Total transactions with owners	-	-	109,150	(173,607)	196,471	132,014
At 31 March 2018	4	1,561,391	109,150	(173,607)	(207,981)	1,288,957

The notes on pages 5 to 16 form part of these financial statements.

Faculty Science Limited (Formerly Advanced Skills Initiative Limited)

Notes to the financial statements For the year ended 31 March 2019

1. General information

The company is a private company limited by share capital and incorporated in England. Its registered office and principal place of business is 54 Wellbeck Street, London, W1G 9XS.

The financial statements are rounded to the nearest £1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. The directors expect the company will be able to satisfy its liabilities as they fall due. If this assumption proves to be inappropriate, then adjustment may have to be made to adjust the value of assets to their recoverable amounts, to provide for any further liabilities which might arise and reclassify fixed assets as current assets.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within administrative expenses.

**Notes to the financial statements
For the year ended 31 March 2019**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Research and development

Costs associated with research activities and development expenditure are recognised as an expense in the Statement of comprehensive income when they are incurred.

2.7 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.8 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.9 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**Notes to the financial statements
For the year ended 31 March 2019**

2. Accounting policies (continued)

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of comprehensive income is charged with fair value of goods and services received.

Faculty Science Limited (Formerly Advanced Skills Initiative Limited)

Notes to the financial statements For the year ended 31 March 2019

2. Accounting policies (continued)

2.12 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

The company submits a research and development tax claim for all allowable research and development costs. Tax credits arising from such claims are accounted for in the tax charge as set out in note 7.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 2 or 10 years
Fixtures and fittings	- 5 years
Computer equipment	- 2 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

**Notes to the financial statements
For the year ended 31 March 2019**

2. Accounting policies (continued)

2.14 Fixed asset investments (cryptocurrency)

The company holds investments in Ether, a type of crypto token or cryptocurrency, that are classified and accounted for under Section 18 of FRS 102 Intangible Assets other than Goodwill. Ether is very volatile and it is traded less frequently than Bitcoin.

FRS 102 defines intangible as an identifiable non-monetary asset without physical substance. The directors consider cryptocurrencies to meet the FRS 102 definition of intangible assets based on the following assessment:

- Cryptocurrency holdings are considered identifiable as they can be traded on an exchange or in peer-to-peer transactions.
- The value of a cryptocurrency is not fixed or determinable but subject to major variations that arise from supply and demand and cannot be predicted. Therefore it is not monetary but non-monetary in nature.
- Cryptocurrencies are a form of digital money and do not have physical substance.

Cryptocurrencies that are being accounted for under Section 18 of FRS 102 are presented on the balance sheet as fixed asset investments, which represent the intended use of the asset.

Cryptocurrencies are accounted for under the cost model and initially recognised at cost. After recognition, under the cost model, cryptocurrencies are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. Amortisation is provided on a straight line method on the following basis:

Cryptocurrencies - 3 years

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Faculty Science Limited (Formerly Advanced Skills Initiative Limited)

Notes to the financial statements For the year ended 31 March 2019

2. Accounting policies (continued)

2.17 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Faculty Science Limited (Formerly Advanced Skills Initiative Limited)

Notes to the financial statements For the year ended 31 March 2019

2. Accounting policies (continued)

2.18 Convertible debt

Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered and the definitions of a financial liability.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised as the proceeds received, net of direct issue costs.

A repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the Statement of comprehensive income on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Compound instruments

The component parts of compound instruments (convertible loans) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a variable number of the Company's own equity instruments is a financial liability.

If the conversion feature fails the equity classification, the instrument is not a basic financial instrument and is accounted for at fair value through the Statement of comprehensive income under Section 12 Other Financial Instruments Issues.

At the end of each reporting period, the Company measures all financial instruments within the scope of Section 12 at fair value and recognises changes in fair value in the Statement of comprehensive income.

The proceeds received on issue of the Company's convertible debt are allocated into their liability and equity components and presented separately in the Balance sheet.

The amount initially attributed to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that did not include an option to convert.

The difference between the net proceeds of the convertible debt and the amount allocated to the debt component is credited direct to equity and is not subsequently remeasured. On conversion, the debt and equity elements are credited to share capital and share premium as appropriate.

Transaction costs that relate to the issue of the instrument are allocated to the liability and equity components of the instrument in proportion to the allocation of proceeds.

**Notes to the financial statements
For the year ended 31 March 2019**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the presentation and carrying amount of assets and liabilities that are not readily apparent from other sources. The following are the critical judgements that the directors have made in the process of applying the company's accounting policies.

Accounting for cryptocurrencies

Accounting for cryptocurrency assets does not fit easily within the FRS 102 framework. The directors' view is that the classification of cryptocurrency as a fixed asset investment accounted for under Section 18 of FRS 102 fairly represents the intended use of the asset.

Accounting for cryptocurrency as inventory is not appropriate as it does not represent the company's business model and intended use of the asset.

In the directors' view, it is unlikely that cryptocurrencies would be considered financial instruments under FRS 102 as they do not meet the definition. Unlike cash, cryptocurrencies are not backed by a government or central bank and are not considered legal tender in virtually all jurisdictions. Whilst it may be possible to exchange cryptocurrencies into cash, the holder does not have cash or the right to cash. Cryptocurrencies do not give rise to equity instruments of another entity or the contractual right to receive cash, they do not give rise to a financial asset of one entity and are therefore not a financial instrument.

Fair value of share options granted

The assessment of fair value of share options at grant date is independently determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the impact of dilution (where material), the share price at grant date and expected price volatility of the underlying share, the expected dividend yield, the risk free interest rate for the term of the option and the correlations and volatilities of the peer group companies.

There is significant judgement in determining the inputs such as expected price volatility and share prices, as the company has different types of shares issued and the shares are not traded.

Fair value of convertible debt

The convertible debt is accounted for at fair value through the Statement of comprehensive income as the conversion features fail the equity classification. The process of determining the fair value at each period end involves significant estimation and judgement as this will need to consider both the market rate of interest and the probability that each of the conversion options will happen.

Movements in Capital contribution reserve and Other reserves

The capital contribution reserve arose from a gift of Ether cryptocurrency received from a minority shareholder. A portion of the capital contribution reserve is reclassified to retained earnings when the underlying asset (Ether) is sold, as the asset is readily convertible into cash.

In addition, the difference between the fair value of the convertible loan notes and their nominal value has been accounted for through Other reserves, to the extent that the loan notes were issued to shareholders.

4. Employees

The average monthly number of employees, including directors, during the year was 74 (2018 - 46).

Faculty Science Limited (Formerly Advanced Skills Initiative Limited)

**Notes to the financial statements
For the year ended 31 March 2019**

5. Fixed asset investment

	Cryptocurrency £
Cost	
At 1 April 2018	109,150
At 31 March 2019	<u>109,150</u>
Amortisation	
At 1 April 2018	73,854
Charge for the year	36,383
Impairment losses written back	(14,660)
At 31 March 2019	<u>95,577</u>
Net book value	
At 31 March 2019	<u><u>13,573</u></u>
At 31 March 2018	<u><u>35,296</u></u>

6. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2018	78,688	66,501	73,464	218,653
Additions	-	4,396	70,691	75,087
Disposals	-	-	(36,027)	(36,027)
At 31 March 2019	<u>78,688</u>	<u>70,897</u>	<u>108,128</u>	<u>257,713</u>
Depreciation				
At 1 April 2018	5,831	4,595	32,263	42,689
Charge for the year on owned assets	12,190	13,300	41,797	67,287
Disposals	-	-	(35,526)	(35,526)
At 31 March 2019	<u>18,021</u>	<u>17,895</u>	<u>38,534</u>	<u>74,450</u>
Net book value				
At 31 March 2019	<u><u>60,667</u></u>	<u><u>53,002</u></u>	<u><u>69,594</u></u>	<u><u>183,263</u></u>
At 31 March 2018	<u><u>72,857</u></u>	<u><u>61,906</u></u>	<u><u>41,201</u></u>	<u><u>175,964</u></u>

Faculty Science Limited (Formerly Advanced Skills Initiative Limited)

**Notes to the financial statements
For the year ended 31 March 2019**

7. Debtors

	2019 £	2018 £
Trade debtors	1,327,678	704,005
Other debtors	430,007	254,652
Prepayments and accrued income	955,613	373,761
	<u>2,713,298</u>	<u>1,332,418</u>

8. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	246,247	43,510
Other taxation and social security	368,569	300,439
Other creditors	278,710	22,564
Accruals and deferred income	601,562	363,593
	<u>1,495,088</u>	<u>730,106</u>

9. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Convertible loan notes	2,630,252	2,005,169
	<u>2,630,252</u>	<u>2,005,169</u>

The company issued 100,000 (2018 - 1,730,000) zero interest convertible loan notes with a face value of £100,000 (2018 - £1,730,000) in the year. The total face value of the convertible loan notes at the balance sheet date is £1,830,000 (2018 - £1,730,000). They convert automatically into Ordinary A shares, if the company raises equity or has a change of control within 2 years of the issue of the convertible loan notes ("the repayment date"). They can also convert after the repayment date, at the election of the majority of lenders on terms agreed at that time or are repayable on the repayment date.

The convertible notes are presented in the statement of financial position as follows:

	2019 £	2018 £
At the beginning of the year	2,005,169	-
Face value of notes issued	100,000	1,730,000
Other reserves – change in value of conversion rights: shareholders	385,922	213,932
Other operating expenses – change in value of conversion rights: third parties	139,161	61,237
At the end of the year	<u>2,630,252</u>	<u>2,005,169</u>

Faculty Science Limited (Formerly Advanced Skills Initiative Limited)

**Notes to the financial statements
For the year ended 31 March 2019**

10. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
89,501 (2018 - 89,501) Ordinary shares of £0.00001 each	1	1
38,495 (2018 - 38,495) Ordinary 'A' shares of £0.00001 each	1	1
249,125 (2018 - 249,125) Deferred shares of £0.00001 each	2	2
	<u>4</u>	<u>4</u>

11. Share based payments

The company operates an unapproved option scheme and an Enterprise Management Incentive ("EMI") scheme for certain directors, employees and contractors. Share options are exercisable for Ordinary shares at prices determined at the date of grant.

The following options arrangements were in existence at the end of the current and prior periods:

Grant date	Expiry date	Option exercise	2019 Number	2018 Number
16 Feb 2016	15 Feb 2026	0.25	609	1,633
25 Apr 2017	24 April 2027	0.25	476	7,009
21 June 2018	20 June 2028	0.50	23	-
21 June 2018	20 June 2028	0.50	10,647	-

Movements in share options during the period

Movements in the number of share options outstanding and their related weighted average exercise prices are as follows:

	Weighted average exercise price (pence) 2019	Number 2019	Weighted average exercise price (pence) 2018	Number 2018
Outstanding at the beginning of the year	25	8,642	25	1,889
Granted during the year		10,753		7,866
Forfeited during the year		(333)		(1,113)
Surrendered and replaced during the year		(7,307)		-
Outstanding at the end of the year	<u>48</u>	<u>11,755</u>	<u>25</u>	<u>8,642</u>

Faculty Science Limited (Formerly Advanced Skills Initiative Limited)

Notes to the financial statements For the year ended 31 March 2019

Share based payments (continued)

On 21 June 2018 7,307 unapproved share options were surrendered and replaced with EMI share options.

Fair value of share options granted in the period

Options were priced using the Black-Scholes option pricing model. Expected volatility was determined based on the historic volatility of comparable companies. The expected life is the expected period from grant to exercise based on management's best estimate. The risk free return is the rate offered for UK gilt deposits at the time of the grant. The company recognised total expenses of £140,496 (2018 - £40,325) related to equity settled share based payment transactions in the Statement of comprehensive income.

	21 June 2018	25 April 2017	16 February 2016
Weighted average share price	£30.47	£7.43	£3.79
Exercise price	£0.50	£0.25	£0.25
Expected option life, years	10	10	10
Expected volatility	58.80%	83.97%	102.15%
Expected dividend yield	0%	0%	0%
Risk-free interest rate	1.28%	1.09%	1.44%
Fair value at grant date of share option	£30.05	£7.29	£3.72

The valuation of the Company's share price was independently determined using an adjusted form of the Black Scholes Model.

12. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £205,576 (2018 - £46,048). Contributions totalling £20,964 (2018 - £11,878) were payable to the fund at the balance sheet date and are included in creditors.

13. Related party transactions

A shareholder advance of £6,000 (2018 - £6,000) was made for expenses. This advance payment was made in the 2015/16 financial year.

Included in the convertible loan note liability outstanding at the year end were interest free convertible loan notes with a face value of £1,345,000 (2018 - £1,345,000) issued to shareholders.

14. Post balance sheet events

On 1 May 2019, the company entered into a one year drawdown loan facility for £1,500,000. At July 2019 £500,000 of this loan facility had been drawn down.