

Registered number: 07555858

**First Light Fusion Limited**

**Financial statements**

**Information for filing with the registrar**

**for the year ended 31 March 2018**



**First Light Fusion Limited**  
Registered number: 07555858

**Balance sheet**  
as at 31 March 2018

	Note	2018 £	As restated 2017 £
<b>Fixed assets</b>			
Tangible assets	6	1,496,993	1,355,483
		<u>1,496,993</u>	<u>1,355,483</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	7	262,068	278,505
Debtors: amounts falling due within one year	7	3,101,371	1,259,779
Cash at bank and in hand	8	11,072,014	8,041,162
		<u>14,435,453</u>	<u>9,579,446</u>
Creditors: amounts falling due within one year	9	(1,066,958)	(854,404)
<b>Net current assets</b>		<u>13,368,495</u>	<u>8,725,042</u>
<b>Total assets less current liabilities</b>		<u>14,865,488</u>	<u>10,080,525</u>
Creditors: amounts falling due after more than one year	10	(100,000)	-
<b>Net assets</b>		<u><u>14,765,488</u></u>	<u><u>10,080,525</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	672	549
Share premium account		25,233,899	16,517,801
Other reserves		889,574	350,826
Profit and loss account		(11,358,657)	(6,788,651)
		<u>14,765,488</u>	<u>10,080,525</u>

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 on

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**First Light Fusion Limited**  
**Registered number: 07555858**

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**Balance sheet (continued)**  
**as at 31 March 2018**

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*D.S. Bryon*  
**D S Bryon**  
Director

The notes on pages 3 to 10 form part of these financial statements.

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## First Light Fusion Limited

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### Notes to the financial statements for the year ended 31 March 2018

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#### 1. General information

First Light Fusion Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 10 Oxford Industrial Park, Mead Road, Yarnton, Oxfordshire, OX5 1QU.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements of the Company 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 following principal accounting policies have been applied:

##### 2.2 Going concern

The Directors have assessed the financial position of the Company and based on forecast cash flows for the current stage of research and development have concluded that there are sufficient resources to fund the company's ongoing operations for at least a period of 12 months from the date of approval of these financial statements. On this basis the accounts have been prepared on a going concern basis.

##### 2.3 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.

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

Depreciation is provided on the following basis:

Improvements to property	- Straight line over 4 years
Plant and machinery	- Straight line over 4 years
Fixtures and fittings	- Straight line over 4 years
Computers	- Straight line over 4 years

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

##### 2.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 2.5 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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## First Light Fusion Limited

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### Notes to the financial statements for the year ended 31 March 2018

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#### 2. Accounting policies (continued)

##### 2.5 Financial instruments (continued)

Financial instruments are recognised in the Company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### Classification of financial liabilities

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 company after deducting all of its liabilities.

##### Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### 2.6 Foreign currency translation

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

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## First Light Fusion Limited

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### Notes to the financial statements for the year ended 31 March 2018

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## 2. Accounting policies (continued)

### 2.7 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.

Exemption has been taken on recognising share-based payment transactions that have arisen prior to the first reporting period under FRS 102 as available to small companies.

### 2.8 Operating leases: the Company as lessee

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

### 2.9 Government Grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 2.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 2.11 Interest income

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

### 2.12 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

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**First Light Fusion Limited**

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**Notes to the financial statements  
for the year ended 31 March 2018**

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**2. Accounting policies (continued)**

**2.13 Taxation**

Due to continuing losses, there is no charge to corporation tax. The Company recognises R&D tax credits on an accruals basis when an accurate precision can be made.

**Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**2.14 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**2.15 Research and development**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

**3. Prior year adjustment**

The prior year comparatives have been adjusted to include share based payment charges. This has resulted in an increase in administrative expenses of £350,826 with a corresponding adjustment to equity.

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**First Light Fusion Limited**

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**Notes to the financial statements  
for the year ended 31 March 2018**

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**4. Operating loss**

The operating loss is stated after charging:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	<b>489,524</b>	<b>281,171</b>

**5. Employees**

The average monthly number of employees, including directors, during the year was 32 (2017 - 32).

The directors have taken the exemption under section 1A of FRS 102 to not disclose directors remuneration as it was concluded under normal market conditions.



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First Light Fusion Limited

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Notes to the financial statements  
for the year ended 31 March 2018

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6. Tangible fixed assets

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>					
At 1 April 2017	439,255	947,626	41,025	248,082	1,675,988
Additions	23,162	488,335	6,750	112,787	631,034
At 31 March 2018	<u>462,417</u>	<u>1,435,961</u>	<u>47,775</u>	<u>360,869</u>	<u>2,307,022</u>
<b>Depreciation</b>					
At 1 April 2017	38,734	242,428	4,475	34,868	320,505
Charge for the year on owned assets	112,342	289,429	11,167	76,586	489,524
At 31 March 2018	<u>151,076</u>	<u>531,857</u>	<u>15,642</u>	<u>111,454</u>	<u>810,029</u>
<b>Net book value</b>					
At 31 March 2018	<u>311,341</u>	<u>904,104</u>	<u>32,133</u>	<u>249,415</u>	<u>1,496,993</u>
At 31 March 2017	<u>400,521</u>	<u>705,198</u>	<u>36,550</u>	<u>213,214</u>	<u>1,355,483</u>

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**First Light Fusion Limited**

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**Notes to the financial statements  
for the year ended 31 March 2018**

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**7. Debtors**

	2018 £	2017 £
<b>Due after more than one year</b>		
Other debtors	167,516	168,440
Prepayments	94,552	110,065
	<u>262,068</u>	<u>278,505</u>

	2018 £	2017 £
<b>Due within one year</b>		
Corporation tax recoverable	1,767,416	919,547
Other debtors	174,801	46,034
Prepayments	1,159,154	294,198
	<u>3,101,371</u>	<u>1,259,779</u>

**8. Cash and cash equivalents**

	2018 £	2017 £
Cash at bank and in hand	11,072,014	8,041,162
	<u>11,072,014</u>	<u>8,041,162</u>

**9. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	699,219	356,123
Other taxation and social security	4,065	58,391
Other creditors	25,645	21,228
Accruals	338,029	418,662
	<u>1,066,958</u>	<u>854,404</u>

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**First Light Fusion Limited**

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**Notes to the financial statements  
for the year ended 31 March 2018**

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**10. Creditors: Amounts falling due after more than one year**

	2018 £	2017 £
Accruals	100,000	-
	<u>100,000</u>	<u>-</u>

**11. Share capital**

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
654,872 (2017 - 531,901) Ordinary shares of £0.001 each	655	532
16,940 (2017 - 16,940) A Ordinary shares of £0.001 each	17	17
	<u>672</u>	<u>549</u>

During the year the Company has allotted and issued 122,971 ordinary shares of £0.001 each for an aggregate nominal value of £122.97 and consideration received of £8,939,992.

**12. Commitments under operating leases**

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
	<u>294,450</u>	<u>490,750</u>

**13. Related party transactions**

The directors consider all transactions with related parties to have been concluded under normal market conditions.

**14. Auditors' report information**

The auditors' report on the financial statements for the year ended 31 March 2018 was unqualified.

The audit report was signed on 17/9/18 by David Hales (Senior statutory auditor) on behalf of Ernst & Young LLP.