

REGISTERED NUMBER: 08227542 (England and Wales)

**UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

**FOR**

**ADLUDIO LIMITED**

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**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**ADLUDIO LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**DIRECTORS:**

P S Coggins  
G Firsov  
Dr J Kotze  
D J P Lane  
R Cirillo

**REGISTERED OFFICE:**

10c Warner Street  
London  
EC1R 5HA

**REGISTERED NUMBER:**

08227542 (England and Wales)

**ACCOUNTANTS:**

Horizon Accounts Ltd  
Stapleton House Second Floor  
110 Clifton Street  
London  
EC2A 4HT

**STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2018**

	Notes	31.12.18		31.12.17	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	5		43,345		41,098
Investments	6		<u>88,502</u>		<u>88,502</u>
			131,847		129,600
<b>CURRENT ASSETS</b>					
Debtors	7	1,703,048		1,322,617	
Cash at bank		<u>19,776</u>		<u>193,380</u>	
		1,722,824		1,515,997	
<b>CREDITORS</b>					
Amounts falling due within one year	8	<u>1,291,410</u>		<u>665,726</u>	
<b>NET CURRENT ASSETS</b>			<u>431,414</u>		<u>850,271</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			563,261		979,871
<b>CREDITORS</b>					
Amounts falling due after more than one year	9		<u>773,070</u>		<u>306,401</u>
<b>NET (LIABILITIES)/ASSETS</b>			<u>(209,809)</u>		<u>673,470</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	11		2,847		2,827
Share premium			2,903,473		2,903,894
Other Equity			49,475		36,291
Share option reserve			573,660		44,455
Retained earnings			<u>(3,739,264)</u>		<u>(2,313,997)</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>(209,809)</u>		<u>673,470</u>

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

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 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 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)

**STATEMENT OF FINANCIAL POSITION - continued**  
**31 DECEMBER 2018**

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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 30 September 2019 and were signed on its behalf by:

P S Coggins - Director

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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**1. STATUTORY INFORMATION**

Adludio Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**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.

**Preparation of consolidated financial statements**

The financial statements contain information about Adludio Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

**Significant judgements and estimates**

Share based payments as set out in note 14 to the accounts have been made to employees of its subsidiaries. As disclosed in the Share Based Payments accounting policy note below, the fair value of options are recognised in the income statement over the course of the vesting period. The fair value estimate is based on the value of the shares at the date of grant.

There have been no other significant judgements or estimates applied to the numbers contained within these financial statements.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Tangible fixed assets**

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Fixtures & fittings	-	10% on straight line
Long leasehold	-	Over the terms of the lease
Computer equipment	-	33% on straight line

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**3. ACCOUNTING POLICIES - continued**

**Financial instruments**

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

**(i) Financial assets**

Basic financial assets, including trade and other debtors, cash and bank balances, are initially recognised at transaction price, 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. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

If there is decrease in the impairment loss arising from an event occurring after the impairment as recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Statement of Comprehensive Income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

**(ii) Financial liabilities**

Basic financial liabilities, including trade and other creditors, loans from fellow Group companies 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.

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. Creditors are classified as current liabilities if payment is due within one year. 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.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**Taxation**

Taxation for the year comprises current 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 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 statement of financial position date.

**Research and development**

Revenue expenditure on research and development is written off in the period in which it is incurred.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

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**3. ACCOUNTING POLICIES - continued**

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position 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.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Other operating income**

Other operating income represents income received in relation to the contract of a temporary employee and has been charged to the profit and loss account in the year in which the related expenditure is intended to be matched.

**Going concern**

The financial statements have been prepared on the going concern basis. The company has incurred losses before tax during the year and the directors are aware that the balance sheet reflects negative net assets. However, the directors believe that the profitability of the company will be reversed when the research and development stage has been completed. The directors have reasonable expectation that the company has sufficient resources available to meet its future liabilities, as and when they fall due. On this basis, the directors are therefore of the opinion that they should continue to adopt the going concern basis in preparing the annual financial statements.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

**Share based payments**

The company operates an equity-settled compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement. The credit entry is taken to reserves because the share options are equity-settled.

**4. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 30 (2017 - 25) .



**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**5. TANGIBLE FIXED ASSETS**

	Long leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2018	31,721	11,518	-	43,239
Additions	-	-	6,938	6,938
At 31 December 2018	<u>31,721</u>	<u>11,518</u>	<u>6,938</u>	<u>50,177</u>
<b>DEPRECIATION</b>				
At 1 January 2018	1,579	562	-	2,141
Charge for year	2,561	1,152	978	4,691
At 31 December 2018	<u>4,140</u>	<u>1,714</u>	<u>978</u>	<u>6,832</u>
<b>NET BOOK VALUE</b>				
At 31 December 2018	<u>27,581</u>	<u>9,804</u>	<u>5,960</u>	<u>43,345</u>
At 31 December 2017	<u>30,142</u>	<u>10,956</u>	-	<u>41,098</u>

**6. FIXED ASSET INVESTMENTS**

	Shares in group undertaking £
<b>COST</b>	
At 1 January 2018 and 31 December 2018	88,502
<b>NET BOOK VALUE</b>	
At 31 December 2018	<u>88,502</u>
At 31 December 2017	<u>88,502</u>

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

	31.12.18 £	31.12.17 £
Trade debtors	941,601	1,028,430
Amounts owed by group undertakings	498,735	185,582
Other debtors	262,712	108,605
	<u>1,703,048</u>	<u>1,322,617</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2018****8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>31.12.18</b>	<b>31.12.17</b>
	<b>£</b>	<b>£</b>
Trade creditors	902,221	299,180
Amounts owed to group undertakings	122,461	38,850
Taxation and social security	145,247	219,850
Other creditors	<u>121,481</u>	<u>107,846</u>
	<u><b>1,291,410</b></u>	<u><b>665,726</b></u>

Other creditors includes £57,297 to factoring company and fixed and floating charges on the assets of the company.

**9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>31.12.18</b>	<b>31.12.17</b>
	<b>£</b>	<b>£</b>
Other creditors	<u>773,070</u>	<u>306,401</u>

**10. LEASING AGREEMENTS**

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

	<b>31.12.18</b>	<b>31.12.17</b>
	<b>£</b>	<b>£</b>
Within one year	106,667	175,500
Between one and five years	<u>400,000</u>	<u>67,500</u>
	<u><b>506,667</b></u>	<u><b>243,000</b></u>

**11. CALLED UP SHARE CAPITAL****Allotted, issued and fully paid:**

<b>Number:</b>	<b>Class:</b>	<b>Nominal value:</b>	<b>31.12.18</b>	<b>31.12.17</b>
			<b>£</b>	<b>£</b>
190,967	Ordinary shares	£0.01	1,910	1,890
24,773	Preference shares	£0.01	247	937
68,968	Series A Preferred	£0.01	690	-
			<u>2,847</u>	<u>2,827</u>

Ordinary, Preference and Series A Preferred shareholders have full voting and dividend rights. Preference and Series A Preferred shareholders have priority over the Ordinary shareholders over the rights to distribution of assets on a liquidation or other return of capital. The Ordinary, Preference and Series A Preferred shares are not redeemable.

**12. ULTIMATE CONTROLLING PARTY**

There is no ultimate controlling party.

**13. SHARE-BASED PAYMENT TRANSACTIONS**

The company operates an EMI qualifying share option scheme. As at the date of the Statement of Financial Position, the company had granted 100,530 EMI qualifying share options to 11 employees with exercise price of £15.72 per share. During the year, 34,153 share options vested and 4,186 share options had lapsed and 2,008 been exercised. Share options vest over a period of 4 years from the date of grant with a 12 months cliff.

The share options are exercisable on the share capital of the company.

The company had granted 2,773 non-EMI share options to 5 employees with exercise price of £15.72 per share.

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