

Registered number: 06990371

IZON SCIENCE EUROPE LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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IZON SCIENCE EUROPE LIMITED
REGISTERED NUMBER: 06990371

BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	2016 £
Current assets			
Debtors: amounts falling due within one year	4	271,025	193,393
Cash at bank and in hand	5	3,510	152,619
		<u>274,535</u>	<u>346,012</u>
Creditors: amounts falling due within one year	6	<u>(672,605)</u>	<u>(1,266,806)</u>
Net current liabilities		(398,070)	(920,794)
Total assets less current liabilities		(398,070)	(920,794)
Creditors: amounts falling due after more than one year	7	(1,306,301)	-
Net liabilities		<u>(1,704,371)</u>	<u>(920,794)</u>
Capital and reserves			
Called up share capital		400,000	400,000
Profit and loss account		<u>(2,104,371)</u>	<u>(1,320,794)</u>
		<u>(1,704,371)</u>	<u>(920,794)</u>

IZON SCIENCE EUROPE LIMITED
REGISTERED NUMBER: 06990371

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2017

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 Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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 income and retained earnings 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:



S Dawson
Director

Date: *21st December 2017*

The notes on pages 3 to 8 form part of these financial statements.

IZON SCIENCE EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

Izon Science Europe Limited is a company limited by shares incorporated in England, whose registered office is Magdalen Centre, The Oxford Science Park, Robert Robinson Avenue, Oxford, Oxfordshire, OX4 4GA.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 11.

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

The following principal accounting policies have been applied:

2.2 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 discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies (continued)

2.3 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.

2.4 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.5 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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, typically trade debtors and creditors, 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, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, 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.

2.6 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.

IZON SCIENCE EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

2. Accounting policies (continued)

2.7 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 resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

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

2.8 Finance costs

Finance costs are charged to the Statement of income and retained earnings 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.

2.9 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

3. Employees

Staff costs were as follows:

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Employees	3	7

4. Debtors

	2017 £	2016 £
Trade debtors	15,438	13,493
Amounts owed by group undertakings	229,477	150,304
Other debtors	8,753	13,531
Prepayments and accrued income	17,357	16,065
	<u>271,025</u>	<u>193,393</u>

5. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	3,510	152,619
	<u>3,510</u>	<u>152,619</u>

6. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	134,350	138,908
Amounts owed to group undertakings	432,744	1,065,771
Other taxation and social security	6,020	29,710
Other creditors	5,171	16,451
Accruals and deferred income	94,320	15,966
	<u>672,605</u>	<u>1,266,806</u>

IZON SCIENCE EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

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

	2017	2016
	£	£
Other creditors	1,145,168	-
Accruals and deferred income	161,133	-
	<u>1,306,301</u>	<u>-</u>

Secured loans

Part of the loan is secured by a floating charge which covers all the property or undertaking of the company. The company has borrowed £1,145,168 and is due to repay the loan and interest in a total amount of £2,290,336 on 30th June 2020. On early redemption of the loan the full £2,290,336 would be payable. Interest is being accrued and at 31 March 2017 the uplift on the loan is £161,133.

8. Financial instruments

	2017	2016
	£	£
Financial assets		
Financial assets measured at fair value through profit or loss	3,510	152,619
	<u>3,510</u>	<u>152,619</u>

Financial instruments are made up of cash at bank and in hand.

IZON SCIENCE EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

9. Related party transactions

The company is a wholly owned subsidiary of Izon Science Limited (New Zealand), which is owned by Van der Voorn Investments Limited (24.75%). The company Izon Science US Limited is a New Zealand company owned 100% by Izon Science Limited (New Zealand).

As at 31 March 2017 the company had the following balances with Izon Science Limited (New Zealand):

	2017 £	2016 £
Creditor	(368,351)	(1,065,771)
	<u>(368,351)</u>	<u>(1,065,771)</u>

As at 31st March 2017 the company owed Izon Science US Limited £NIL (2016 £NIL). As at 31st March 2017 Izon Science US Limited owed Izon Science Europe Limited £229,477 (2016 £135,295). As at 31st March 2017 Izon Science France Limited owed Izon Science Europe Limited £NIL (2016 £15,009). As at 31st March 2017 Izon Science Europe Limited owed Izon Science France £64,392 (2016 £NIL).

10. Ultimate Parent Undertaking and Controlling party

Mr Van der Voorn has ultimate control of Van der Voorn Investments Limited which owns 24.75% of Izon Science Limited (New Zealand), which owns 100% of Izon Science Europe Limited (UK). The company Izon Science US Limited is a New Zealand company owned 100% by Izon Science Limited (New Zealand). Mr Van der Voorn, the sole director, has ultimate control of the company.

11. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.