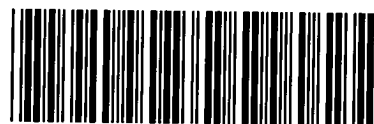


Financial Statements DNAnudge Limited

For the year ended 31 July 2017

THURSDAY



A6LPZZKG

A14 21/12/2017 #115
COMPANIES HOUSE

Registered number: 09705888

DNAnudge Limited

Company Information

Directors	C Toumazou M Karvela
Registered number	09705888
Registered office	Moreau House 3 rd Floor 116 Brompton Road London SW3 1JJ
Independent auditor	Grant Thornton UK LLP 3140 Rowan Place Oxford Business Park South Oxford OX4 2WB

DNA nudge Limited

Contents

	Page
Directors' Report.....	4
Independent Auditor's Report to the Members of DNA nudge.....	6
Profit and Loss Statement.....	8
Balance Sheet.....	9
Statement of Changes in Equity.....	10
Statement of Cash Flows.....	11
Notes to the Financial Statements.....	12

DNAudge Limited

Directors' Report

For the year ended 31 July 2017

The directors present their report and the financial statements for the year ended 31 July 2017.

Principal activities

The principal activity of DNAudge Limited is the research and development of a direct to consumer genetic service aimed to nudge users towards a healthier lifestyle and better choices.

Results

The loss for the year amounted to £3,306,913 (2016: £255,822).

Going concern

The directors have reviewed the company's forecasts and projections. In conjunction with this review and the raising of £10m further equity in November 2017, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Directors

The directors who served during the year were:

C Toumazou

M Karvela

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DNAnudge Limited

Directors' Report (continued)

For the year ended 31 July 2017

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report was approved have confirmed that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, Grant Thornton UK LLP will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing of the accounts with the registrar, whichever is earlier

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



C Toumazou

Director

Date: **5 DECEMBER 2017**

DNAudge Limited



Independent Auditor's report to the members of DNAudge Limited

We have audited the financial statements of DNAudge Limited (the 'company') for the year ended 31 July 2017, which comprise the Profit and Loss Statement, the Balance Sheet, Statement of Change in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report set out on pages 1 to 2, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

DNAnudge Limited



Independent Auditor's report to the members of DNAnudge Limited

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Mark Bishop FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
OXFORD

A handwritten signature in black ink that reads "Grant Thornton UK LLP".

Date **5 DECEMBER 2017**

DNAudge Limited

Profit and Loss Statement

For the year ended 31 July 2017

	Notes	2017 £	2016 (As restated) £
Turnover		-	-
Cost of Sales		-	-
Gross Profit		-	-
Administrative expenses		(4,132,826)	(255,822)
Operating loss	5	<u>(4,132,826)</u>	<u>(255,822)</u>
		67	-
		(9,910)	-
Loss on ordinary activities before taxation		<u>(4,142,669)</u>	<u>(255,822)</u>
Tax on loss on ordinary activities	8	835,756	-
Loss for the financial year on ordinary activities		<u><u>(3,306,913)</u></u>	<u><u>(255,822)</u></u>

The notes on pages 12 to 21 form part of these financial statements.

There was no other comprehensive income for 2017 (2016: £ Nil).

DNA nudge Limited

Balance Sheet

As at 31 July 2017

	Notes	2017 £	2016 (As restated) £
Fixed assets			
Intangible assets	9	67,291	31,095
Tangible assets	10	11,376	630
		<u>78,667</u>	<u>31,725</u>
Current assets			
Debtors: amounts falling due within one year	11	1,245,867	37,423
Cash at bank and in hand		4,183,275	376,420
		<u>5,429,142</u>	<u>413,843</u>
Creditors: amounts falling due within one year	12	<u>(8,320,444)</u>	<u>(201,290)</u>
Net (liabilities) / assets		<u>(2,891,302)</u>	<u>212,553</u>
Net assets		<u>(2,812,635)</u>	<u>244,278</u>
Capital and reserves			
Called up share capital	14	107	105
Share premium account	15	749,993	499,995
Profit and loss account	15	(3,562,735)	(255,822)
Shareholders (deficit) / funds		<u>(2,812,635)</u>	<u>244,278</u>

The financial statements were approved by the Board of Directors on **5 DECEMBER** 2017
Signed on behalf of the board of directors:

C Toumazou
Director



Date:

The notes on pages 9 to 18 form part of these financial statements.

DNAudge Limited

Statement of Changes in Equity

For the year ended 31 July 2016

	Called up share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
At 1st Aug 2015	100	-	-	100
Issue of shares	5	499,995	-	500,000
Loss for the year as previously reported	-	-	(25,843)	(25,843)
Change in accounting policy (note 21)	-	-	(67,747)	(67,747)
Prior year error (note 21)	-	-	(162,232)	(162,232)
Loss for the year Restated	-	-	(255,822)	(255,822)
31 July 2016	105	499,995	(255,822)	244,278

For the year ended 31 July 2017

	Called up share capital	Share premium	Profit and loss account	Total equity
	£	£	£	£
At 1st Aug 2016	105	499,995	(255,822)	244,278
Issue of shares	2	249,998	-	250,000
Loss for the year	-	-	(3,306,913)	(3,306,913)
31 July 2017	107	749,993	(3,562,735)	(2,812,635)

DNA nudge Limited

Statement of Cash Flows

For the year ended 31 July 2017

	2017	2016 as
	£	Restated
		£
Cash flows from operating activities		
Loss for the financial year	(3,306,913)	(255,822)
Adjustments for		
Amortisation of intangible assets	3,766	-
Depreciation of tangible assets	3,836	310
Interest received	(67)	-
Interest paid	9,910	-
Taxation	(835,756)	-
Increase debtors	(372,688)	(37,423)
Increase creditors	1,119,113	201,290
Cash Flows from operating activities	<u>(3,378,799)</u>	<u>(91,645)</u>
Cash flows from investing activities		
Purchases of tangible assets	(14,541)	(940)
Purchases of intangible assets	(39,962)	(31,095)
Interest received	67	-
Net cash from investing activities	<u>(54,436)</u>	<u>(32,035)</u>
Cash flows from financing activities		
Issue of ordinary share capital	250,000	500,100
Issue of new loans	7,000,000	-
Interest paid	(9,910)	-
Net cash used in financing activities	<u>7,240,090</u>	<u>500,100</u>
Net increase in cash and cash equivalents	<u>3,806,855</u>	<u>376,420</u>
Cash and cash equivalents at the beginning of year	376,420	-
Cash and cash equivalents at end of year	<u>4,183,275</u>	<u>376,420</u>

DNA nudge Limited

Notes to the Financial Statements

For the year ended 31 July 2017

1. Company information

DNA nudge Limited is a private company limited by shares incorporated in England and Wales. Its year end is 31 July 2017. Its registered office is Moreau House, 3rd Floor, 116 Brompton Road, London, SW3 1JJ.

The principal activity of DNA nudge Limited is the research and development of a direct to consumer genetic service aimed to nudge users towards a healthier lifestyle and better choices.

2. Basis of preparation

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and with the Companies Act 2006.

This is the first year in which the financial statements have been prepared in accordance with FRS 102. The date of transition is 28th July 2015 (being the date of the incorporation of the Company). Refer to note 22 for an explanation of the transition.

The financial statements are presented in Sterling (£) which is the functional currency of the company.

2.2 Going Concern

The directors have reviewed the future prospects of the company and prepared a cash flow covering the period until December 2018. The company has raised £10m further equity in November 2017. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and regularly review budgets and forecast to ensure sufficient funding is in place to support the company's strategy. The company therefore continues to adopt the going concern basis in preparing its financial statements.

3. Significant judgments and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities income and expenses. The items in the financial statements where these judgments have been made include:

To estimate the correct period for the allocation of expenses of development contracts, consultation with the supplier and an internal review was held. Management believe that after the consultation and review the expenses of the contracts have been assigned to the correct financial period.

Estimated life of economic value of patents, management have taken the view that the economic value of the patents in the company should be amortised over a 10 year period.

4. Principal accounting policies

4.1 Intangible fixed assets

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Patents 10 years.

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations.

DNA nudge Limited

Notes to the Financial Statements

For the year ended 31 July 2017

4.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and any impairment losses. Depreciation is calculated to write down the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Office furniture	33.3% straight line
Office equipment	33.3% straight line
Computer equipment	33.3% straight line

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.

4.3 Debtors

Short term debtors are measured at transaction price, less any impairment.

4.4 Creditors

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

4.5 Leases

Rental payable under operating leases are charged to the profit and loss statement on a straight line basis over the lease term.

4.6 Cash

Cash includes cash in hand and deposits held in financial institutions available without penalty within 24 hours' notice.

4.7 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 loans from third parties.

Debt instruments that are payable or receivable within one year including trade debtors, creditors and loans are measured initially at fair value, net of transaction costs, and measured subsequently at amortised cost using the effective interest method.

4.8 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

4.9 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Statement.

DNA nudge Limited

Notes to the Financial Statements Continued

For the year ended 31 July 2017

4.10 Pensions

The company operates a defined contribution pension scheme for the benefit of its employees. Contributions payable are recognised in the Profit and Loss Statement as they become payable under the rules of the scheme.

4.11 Research and development

Research and development expenditure is written off in the year in which it is incurred.

DNA nudge Limited

Notes to the Financial Statements

For the year ended 31 July 2017

5. Operating loss

The operating loss is stated after charging:

	2017	2016
	£	£
Amortisation	3,766	-
Depreciation	3,835	310
Research and Development	3,184,963	-

6. Auditor Remuneration

	2017	2016
	£	£
Fees payable to the companies auditor in respect of the audit for the financial statements	20,000	-
Fees payable to the auditor in respect of Non audit Fees provision of tax advice	8,000	-
Total	28,000	-

7. Directors and employees

Staff costs during the year were as follows:

	2017	2016
	£	£
Wages and Salaries	302,250	10,834
Social Security Costs	27,354	-
Pension costs	8,312	-
Fees to directors	-	22,000
Total	337,916	32,834

The company operates an auto-enrolment scheme as a defined contribution pension scheme for the benefit of employees and directors. The assets of the scheme are administered by an independent pensions provider. Pension payments are recognised as an expense during the year £8,312 (2016:Nil).

The average number of employees of the company during the year was 7 (2016:1).

DNAudge Limited

Notes to the Financial Statements

For the year ended 31 July 2017

7 Directors and employees continued

Remuneration in respect of directors was as follows:

	2017	2016
	£	£
Wages and Salaries	115,500	10,834
Social Security Costs	12,892	-
Pension costs	1,033	-
Fees	-	22,000
	<u>129,42</u>	<u>32,834</u>
	<u>5</u>	

8. Taxation

	2017	2016
	£	£
Corporation tax		
R&D credit	(818,721)	-
Adjustment in respect of prior periods	<u>(17,035)</u>	<u>-</u>
	<u>(835,756)</u>	<u>-</u>
)	

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 – lower than) the standard rate of corporation tax in the UK of 19.67% (2016 – 20%). The differences are explained below:

	2017	2016
	£	£
Loss on ordinary activities before tax	<u>(4,142,669)</u>	<u>(255,822)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.67% (2016 - 20%)	<u>(814,687)</u>	<u>(51,164)</u>
Effects of		
Expenses not deductible for tax purposes	(10,779)	558
Adjustment to losses	(31,904)	-
Additional deductions for R&D	(627,616)	-
Surrender of tax losses for R&D tax credit	291,677	-
Adjustments to tax charge in respect of previous period	(17,035)	-
Adjustments to tax rate	50,288	-
Deferred tax not recognised	<u>324,300</u>	<u>50,606</u>
	<u>(835,756)</u>	<u>-</u>

The company has estimated trading losses of £1,881,709 (2016:£50,606) available for carry forward against future trading profits which are subject to agreement with HMRC.

The company has a potential deferred tax asset of £320,245 (2016: £9,109). The deferred tax asset has not been recognized on the grounds of uncertainty with regard to recoverability.

DNA nudge Limited

9. Intangible fixed assets

	Patents £	As restated Total £
Cost		
1 August 2016	31,095	31,095
Additions	<u>39,962</u>	<u>39,962</u>
31 July 2017	<u>71,057</u>	<u>71,057</u>
Amortisation		
1 August 2016	-	-
Charge for the year	<u>3,766</u>	<u>3,766</u>
31 July 2017	<u>3,766</u>	<u>3,766</u>
Net book value	-	-
31 July 2017	<u>67,291</u>	<u>67,291</u>
31 July 2016	<u>31,095</u>	<u>31,095</u>

DNAudge Limited

Notes to the Financial Statements

For the year ended 31 July 2017

10. Tangible fixed assets

	Office equipment £	Office furniture £	Computer equipment £	Total £
Cost				
1 August 2016	941	-	-	941
Additions	6,260	7,090	1,230	14,580
31 July 2017	7,201	7,090	1,230	15,521
Depreciation				
1 August 2016	310	-	-	310
Charge for the Year	2,035	1,712	88	3,835
31 July 2017	2,345	1,712	88	4,145
Net book value				
At 31 July 2017	4,856	5,378	1,142	11,376
At 31 July 2016	630	-	-	630

11. Debtors: amounts falling due within one year

	2017 £	2016 (As restated £)
VAT	374,832	37,323
Unpaid share capital	100	100
R&D credit	835,756	-
Prepayments	35,179	-
	1,245,867	37,423

12. Creditors: amounts falling due within one year

	2017 £	2016 (As restated £)
Trade creditors	954,573	197,058
Loan short term (unsecured)	5,008,970	-
Proceeds for shares not yet issued	2,000,000	-
Other creditors	17,364	-
Accruals	339,537	4,232
	8,320,444	201,290

The unsecured loans are repayable within one year and are chargeable at a rate of 0.75% above the base rate of National Westminster Bank.

DNAudge Limited

Notes to the Financial Statements

For the year ended 31 July 2017

13. Financial Instruments

	2017	2016
	£	£
Financial assets		
Cash in hand and deposited with bank	4,183,275	376,420
Other receivables	100	100
	<u>4,183,375</u>	<u>376,520</u>
	2017	2016
	£	£
Financial liabilities		
Trade creditors	954,573	197,058
Loan short term	5,008,970	-
Proceeds for shares not issued	2,000,000	-
Other creditors	17,364	-
Accruals	339,537	4,232
	<u>8,320,444</u>	<u>201,290</u>

Financial assets that are measured at amortised cost are made up of, cash and unpaid share capital. Financial Liabilities that are measured at amortised cost are made up of trade creditors, loans, proceeds for shares not yet issued, other creditors and accruals.

14. Share capital

A Ordinary shares of £1 each	2017	2016
	£	£
Authorised allotted, called up not paid	100	100
Authorised allotted, called up and fully paid	5	-
Shares issued 3 rd November 2016 nominal value £1 fully paid	2	5
Total shares in issue	<u>107</u>	<u>105</u>

There is only one category of shares issued.

15. Reserves

Share capital represents the nominal value of the shares that have been issued.

Share Premium consists of proceeds received in addition to the nominal value of the shares issued.

The Profit and Loss Statement includes all current and prior period profits and losses.

16. Contingent liabilities

The company had no contingent liabilities as at 31 July 2017 or at 31 July 2016.

DNAudge Limited

Notes to the Financial Statements Continued

For the year ended 31 July 2017

17. Capital commitments

The company had no capital commitments as at 31 July 2017 or 31 July 2016.

18. Commitments under operating leases

At 31 July 2017, the company had future minimum lease payments under non-cancellable operating leases as follow.

	2017	2016
	£	£
Non-cancellable operating lease commitments		
Less than 1 year	74,868	-
More than 1 year and not later than 5 Years	-	-
	<u>74,868</u>	<u>-</u>

The company has recognised lease payments during the year of £95,611 (2016: £NIL)

The current office lease terminates in December 2017 and negotiations are taking place to extend this until March 2018.

19. Related party transactions

The following related party transactions took place during the year.

The company has paid employees that are close relatives of directors £25,545 during the year (2016: £nil). There is no amount outstanding at the year-end (2016: £NIL).

The company has received a loan of £5,000,000 during the year from a shareholder, TS Global Ltd (2016: £ Nil). It has generated an interest payable of £8,970 (2016: £NIL). The total amount owed at the year-end is £5,008,970 (£NIL).

20. Controlling party

The company is controlled by C. Toumazou by virtue of his shareholding.

DNAudge Limited

Notes to the Financial Statements Continued

For the year ended 31 July 2017

21. Change in accounting policy and correction of prior period errors

21.1 In the previous year Research and development was capitalised. The company has changed this policy as management believes that it provides a better representation of the company's performance.

21.2 The accounts have restated to include creditors not recorded in 2016 in error. The change has resulted in an increase in the loss for the period ended 31 July 2016 of £162,232.

Restated Balance Sheet	Note	31 July 2016
Original shareholders' funds		£ 474,257
Research and development adjustment	21.1	(67,747)
Creditors Adjustment	21.2	<u>(162,232)</u>
Restated shareholders' funds		<u>244,278</u>

Restated Profit Loss Statement	Note	31 July 2016
Original loss for the year		£ (25,843)
Add change in accounting policy	21.1	(67,747)
Add correction of prior year error	21.2	<u>(162,232)</u>
Loss for the year as restated		<u>(255,822)</u>

22. 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.

23. Post balance sheet events

Equity investment was received in November 2017 as below

Shares Issues of nominal value £1	21
Share Premium	9,999,982
Total	<u>10,000,003</u>