CERILLION PLC

FINANCIAL STATEMENTS

For the period ended 30 September 2015

Company no 09472870

Company registration number:	09472870
Registered office:	125 Shaftesbury Avenue London WC2H 8AD
Directors:	O C R Gilchrist L T Hall G J O'Connor A M Howarth
Secretary:	O C R Gilchrist
Bankers:	HSBC Jersey PO Box 14 2 Hill Street St Helier Jersey JE4 8NJ
Solicitors:	Orrick, Herrington & Sutcliffe (Europe) LLP 107 Cheapside London EC2V 6DN
Auditor:	Grant Thornton UK LLP Registered Auditor Chartered Accountants Grant Thornton House Melton Street Euston Square London NW1 2EP

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The directors present their strategic report from the date of incorporation to 30 September 2015.

Principal activities

The principal activity of the Company is to act as a platform to acquire the entire issued share capital of Cerillion Technologies Limited for the purpose of admission to the Alternative Investment Market (AIM).

The directors do not recommend the payment of a dividend.

Financial risk management objectives and policies

Given the size of the Company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Company's finance department. The finance department have policies which set out guidelines to manage foreign exchange risk, credit risk, liquidity risk and circumstances where it would be appropriate to use financial instruments to manage these.

This report is approved by the Board on 9 March 2016 and signed on its behalf by:

L T Hall
Director

The directors present their report, the strategic report and the audited financial statements of the Company for the period ended 30 September 2015.

Directors

The present membership of the Board is set out below. All directors served throughout the period unless indicated:

L T Hall
G J O'Connor
O C R Gilchrist
A M Howarth (appointed 2 November 2015)

Directors' Responsibilities Statement

The directors are responsible for preparing the Strategic Report, 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 International Financial Reporting Standards as adopted by the European Union (IFRSs). 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 and 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 IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

The directors confirm 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 they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Going concern

The Directors have assessed the current financial position of the Company, along with future cash flow requirements, to determine if the Company has the financial resources to continue as a going concern for the foreseeable future. These forecasts rely on the receipt of the net proceeds from the proposed admission of the ordinary shares of the Company to AIM. The Directors believe that it is reasonable to assume that the admission will be accepted and these proceeds received. In the unlikely event that the listing proves unsuccessful, Cerillion Technologies Limited will meet the abort costs that are estimated at £580,000.

The conclusion of this assessment is that it is appropriate that the Company be considered a going concern. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of the Companies Act 2006.

ON BEHALF OF THE BOARD

L T Hall
Director
9 March 2016

Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CERILLION PLC

We have audited the financial statements of Cerillion PLC for the period ended 30 September 2015 which comprise the statement of comprehensive income, the statement of financial position, the statement of cash flows, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union (IFRSs).

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.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2015 and of the loss for the period then ended;
- have been properly prepared in accordance with IFRSs; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Grant Thornton

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CERILLION PLC

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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.

Grant Thornton UK LLP

Marc Summers, FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP,
Statutory Auditor, Chartered Accountants
London
9 March 2016

PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

Basis of preparation
The Company is a public limited company, which was incorporated in England and Wales on 5 March 2015. The address of its registered office is 125 Shaftesbury Avenue, London, WC2H 8AD. The principal activity of the Company is to act as a platform to acquire the entire issued share capital of Cerillion Technologies Limited for the purpose of admission to AIM. These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and IFRIC interpretations endorsed by the European Union (EU). The financial statements have been prepared under the historical cost convention.

The Company's directors are responsible for the preparation of the financial statements.

The preparation of the financial statements in conformity with IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Further details regarding areas requiring significant assumptions and estimates are provided in Note 1 to the financial statements.

There is no material difference between the fair value of financial assets and liabilities and their carrying amount.

The functional and presentational currency is UK Sterling.

Going concern

The Directors have assessed the current financial position of the Company, along with future cash flow requirements, to determine if the Company has the financial resources to continue as a going concern for the foreseeable future. These forecasts rely on the receipt of the net proceeds from the proposed admission of the ordinary shares of the Company to AIM. The Directors believe that it is reasonable to assume that the admission will be accepted and these proceeds received. In the unlikely event that the listing proves unsuccessful, Cerillion Technologies Limited will meet the abort costs that are estimated at £580,000.

The conclusion of this assessment is that it is appropriate that the Company be considered a going concern. For this reason the Directors continue to adopt the going concern basis in preparing the financial statements.

New and Revised Standards

IFRS in issue but not applied in the current financial statements

The following IFRS and IFRIC Interpretations have been issued but have not been applied by the Company in preparing these financial statements as they are not as yet effective. The Company intends to adopt these Standards and Interpretations when they become effective, rather than adopt them early.

- IFRS 9, 'Financial instruments', effective date 1 January 2018 (not yet adopted by the EU)
- IFRS 15, 'Revenue from Contracts with Customers', effective date 1 January 2018 (not yet adopted by the EU)

Both of these standards are yet to be subject to a detailed review. IFRS 9 will impact both the measurement and disclosure of financial instruments and IFRS 15 may have an impact on revenue recognition and related disclosures. Beyond this, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 and IFRS 15 until a detailed review has been completed.

A number of IFRS and IFRIC interpretations are also currently in issue which are not relevant for the Company's activities and which have not therefore been adopted in preparing these financial statements.

Segmental reporting

In accordance with IFRS 8, segmental information is presented based on the way in which financial information is reported internally to the chief operating decision maker. The Company's internal financial reporting is currently not deemed to be separable into business segments and as such has not been separated in these financial statements.

Taxation

The income tax expense or income for the period is the tax payable on the current period's taxable income.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applicable when the asset or liability crystallises based on current tax rates and laws that have been enacted or substantively enacted by the reporting date. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of temporary differences can be deducted. The carrying amount of deferred tax assets are reviewed at each reporting date.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and other short term highly liquid deposits with original maturities of three months or less.

Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs. Subsequent measurement of financial assets and financial liabilities is described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets are classified into the following categories upon initial recognition:

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Classification and subsequent measurement of financial liabilities

The Company's financial liabilities include other payables. Financial liabilities are measured subsequently at amortised cost using the effective interest.

Equity

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

The ordinary share capital account represents the amount subscribed for shares at nominal value.

Retained earnings include all results as disclosed in the statement of comprehensive income.

For the period ended 30 September 2015

	Notes	Period from 5 March 2015 to 30 September 2015 £
Revenue		-
Gross profit		-
Administrative expenses		(580,500)
Operating (loss)	**2**	**(580,500)**
Finance costs		-
(Loss) before taxation		**(580,500)**
Taxation		-
(Loss) for the period		**(580,500)**
Other comprehensive income		-
Total comprehensive (loss) for the period		**(580,500)**
(Loss) per share		
Basic and diluted loss per share – continuing and total operations	**6**	(4.9) pence

All transactions arise from continuing operations.

The company has no other recognised gains or losses for the current period.

The accompanying accounting policies and notes form an integral part of these financial statements.

For the period ended 30 September 2015

	Notes	As at 30 September 2015 £
ASSETS		
Current assets		
Trade and other receivables	7	44,523
Cash and cash equivalents		14,841
TOTAL ASSETS		**59,364**
EQUITY AND LIABILITIES		
Current liabilities		
Trade and other payables	8	(624,204)
TOTAL LIABILITIES		**(624,204)**
NET LIABILITIES		**(564,840)**
EQUITY ATTRIBUTABLE TO SHAREHOLDERS		
Ordinary share capital	10	15,660
Retained loss		(580,500)
TOTAL EQUITY		**(564,840)**

The financial statements were approved and authorised for issue by the Board of Directors on 9 March 2016.
Signed on behalf of the Board of Directors by:

L T Hall - Director

Company Number 09472870

The accompanying accounting policies and notes form an integral part of these financial statements.

For the period ended 30 September 2015

	Notes	Period from 5 March 2015 to 30 September 2015 £
Cash flows from operating activities		
Loss before taxation		(580,500)
Adjustments for:		
increase in trade and other payables		580,500
NET CASH GENERATED FROM OPERATING ACTIVITIES		-
Cash flows from financing activities		
Proceeds from issue of equity shares		14,841
NET CASH GENERATED FROM FINANCING ACTIVITIES		**14,841**
NET INCREASE IN CASH AND CASH EQUIVALENTS		**14,841**
Cash and cash equivalents at beginning of period		-
CASH AND CASH EQUIVALENTS AT END OF PERIOD		**14,841**

The accompanying accounting policies and notes form an integral part of these financial statements.

For the period ended 30 September 2015

	Ordinary share capital £	Retained Earnings £	Total £
Balance at 5 March 2015	-	-	-
(Loss) for the period	-	(580,500)	(580,500)
Transactions with owners:			
Issue of shares on incorporation	15,660	-	15,660
Balance as at 30 September 2015	**15,660**	**(580,500)**	**(564,840)**

The accompanying accounting policies and notes form an integral part of these financial statements.

1 Critical accounting estimates and judgements

The Directors consider that in the proper preparation of the financial statements there were no critical or significant areas which required the use of accounting estimates and exercise of judgement by management while applying the Company's accounting policies.

2 Operating loss

The Company did not generate revenue during the period. Expenses in the year related to professional fees in relation to the proposed admission of the Company to AIM.

3 Employees

There were no employees during the period.

4 Directors' emoluments

None of the Company's directors received or were entitled to receive any remuneration from the Company for their services during the period from incorporation to 30 September 2015. No key personnel other than the directors have been identified.

5 Taxation

No provision has been made for income tax during the period on account of the Company making a loss in the period. There are currently no deferred tax assets or liabilities recognised within the accounts.

6 Loss per share

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of Ordinary Shares in issue during the period.

	2015
Loss attributable to equity holders of the Company (£)	(580,500)
Weighted average number of Ordinary Shares in issue (number)	11,872,791
Basic and diluted loss per share (pence per share)	**(4.9)**

There were no potentially dilutive equity instruments in issue during the period.

7 Trade and other receivables

	2015
	£
Unpaid share capital	44,523

There are no differences between the carrying amount and fair value of any of the trade and other receivables above. As shown in note 11, the unpaid share capital is due from the Directors. The amount shown is expected to be repaid within 12 months.

8 Trade and other payables

	2015
	£
Accruals	(580,500)
Redeemable A Ordinary Shares	(43,704)
	(624,204)

Accruals are for the non-contingent element of professional fees incurred up to the balance sheet date in connection with the admission of the Company's shares to trading on AIM and the acquisition of the issued share capital of Cerillion Technologies Limited.

The Shares have attached to them full voting, dividend and capital distribution rights. The holders of a majority of A Ordinary Shares may redeem all or any of the A Ordinary Shares at any time. Upon redemption the Company shall pay each holder of A Ordinary Shares a price per share equal to the amounts subscribed or deemed to be subscribed.

9 Financial instruments and risk management

Financial Instruments by Category	**As at 30 September 2015**
	£
Loans and receivables	
Unpaid share capital	44,523
Cash and cash equivalents	14,841
	59,364
Liabilities held at amortised cost	
Deal fees on abort as at 30 September 2015	580,500
Redeemable A Ordinary Shares	43,704
	624,204

Liquidity Risk

The Company is managing its liquidity risk through cost control in advance of securing funding on Admission.

All trade and other payables totalling £624,204 are due for repayment within twelve months.

Capital Risk Management

The Company manages its capital to ensure it will be able to continue as a going concern while maximising the return to shareholders through optimising the debt and equity balance. In order to maintain or adjust the capital structure, the Company may, in the future, adjust the amount of dividends paid to shareholders (although at present no dividends are being paid or proposed), return capital to shareholders, issue new shares or sell assets. The Company's capital is not restricted.

The Company manages total capital and reserves for capital management purposes.

10 Share capital

	2015
	£
Issued, allotted, called up and one quarter paid:	
3,131,969 Ordinary shares of 0.5 pence	15,660
8,740,822 A Ordinary shares of 0.5 pence	43,704

The Ordinary Shares have been classified as Equity. The Ordinary Shares have attached to them full voting and capital distribution rights.

The A Ordinary Shares have been classified as a liability as disclosed in note 8.

11 Related party transactions

As at the year end the directors owed the following amounts in respect of unpaid share capital:

O Gilchrist	£2,687
L Hall	£32,778
G J O'Connor	£9,058

The amounts were fully paid up on 3 November 2015 by way of an irrevocable undertaking to pay.

No further related party transactions took place during the period.

The Directors are remunerated by Cerillion Technologies Limited, an associated company.

12 Subsequent events

Since the balance sheet date of 30 September 2015, the Company has issued 5,263,158 shares at a consideration of 76p per share, to the following VCT investors:

Baronsmead VCT PLC	1,184,211 shares
Baronsmead VCT2 PLC	1,184,211 shares
Baronsmead VCT3 PLC	1,184,211 shares
Baronsmead VCT4 PLC	1,184,211 shares
Baronsmead VCT5 PLC	526,314 shares

13 Ultimate controlling party

Louis Tancred Hall is the ultimate controlling party of the Company.