Diaceutics Ltd

Annual report and financial statements

For the year ended 31 December 2017

Company registration number: NI 055207

Diaceutics Ltd

Annual report and financial statements

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Directors and other information

Directors	Mr P Keeling Ms D Keeling Mr P H White Mr R G Keeling
Secretary	Mr P H White
Bankers	Ulster Bank Antrim Road Belfast Co Antrim BT15 3BG
Solicitors	Arthur Cox Victoria House 15-17 Gloucester Street Belfast BT1 4LS
Auditors	KPMG Chartered Accountants The Soloist Building 1 Lanyon Place Belfast BT1 3LP
Registered office	727 Antrim Road Belfast Co Antrim BT15 4EJ
Company registration number	NI 055207

Diaceutics Ltd

Directors' report

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

Principal activities

The Company's principal activity during the year continued to be research and development into personalised medicine drug development and diagnostic tests development. Their mission is to design, create and implement innovative solutions that enhance speed to market and increase the effectiveness of all the stakeholders in the personalised medicine industry.

Results and dividends

Details of the results for the financial year are set out in the profit and loss account on page 8 and in the related notes. No dividends were paid or proposed for either the year ended 31 December 2017 or the prior year ended 31 December 2016.

Research and development

Direct research and development expenditure of £944,786 was incurred in the year, of which £486,949 was expensed to the profit and loss account. The costs relate to salaries and other expenses incurred in the research and development of new and existing products.

Directors

The directors who held office during the year were:

Mr P Keeling
Ms D Keeling
Mr P H White
Mr R G Keeling

Ms J White was the secretary during the year but was replaced by Mr P H White on 26 February 2018.

Political donations

During the year the Company made no political donations *(2016: £Nil)*.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Diaceutics Ltd

Directors' report *(continued)*

Future developments

The Company continues to be a major provider of research and development services in the precision medicine space for its global pharma clients. The Company continues to grow and scale with employees in sixteen geographical jurisdictions.

Research and development expenditure in the following areas is the key to the future growth of the Company:

- Global data
- Ingestion infrastructure
- Machine learning
- Artificial intelligence
- Global laboratory network
- Diaceutics method

The Company continues to invest in its people, employee training and ownership culture.

The directors are satisfied with the results of the business in 2017 and performance to date in 2018, and the significant investment that has been made to the infrastructure to support future growth.

Small company exemption

In preparing the directors report, the directors have taken the small company exemption under section 414B of the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2016, not to prepare a strategic report for presentation with these financial statements.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG will therefore continue in office.

By Order of the Board

Mr P Keeling
Director

20 August 2018

Diaceutics Ltd

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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 the Company's affairs and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the state of the Company's affairs and of its profit or loss and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2006.

On behalf of the board

Mr P Keeling
Director

20 August 2018

KPMG

KPMG
Audit
The Soloist Building
1 Lanyon Place
Belfast BT1 3LP
Northern Ireland

Independent auditor's report to the members of Diaceutics Limited

1 Report on the audit of the financial statements

Opinion

We have audited the financial statements of Diaceutics Limited ("the Company") for the year ended 31 December 2017 set out on pages 8 to 24, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly 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 ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Independent auditor's report to the members of Diaceutics Limited *(continued)*

1 Report on the audit of the financial statements *(continued)*

Other information

The directors are responsible for the other information presented in the annual report together with the financial statements. The other information comprises the information included in the directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on the work undertaken in the course of the audit, we report that

- we have not identified material misstatements in the directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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 exemption from the requirement to prepare a strategic report.

We have nothing to report on in regard to these matters.

KPMG

Independent auditor's report to the members of Diaceutics Limited *(continued)*

2 Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 4, 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 they 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 management either intends to liquidate the Company or to cease operations, or has 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 fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

Our 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.

John Poole

20 August 2018

John Poole ***(Senior Statutory Auditor)***
for and on behalf of
KPMG Statutory Auditor
Chartered Accountants
The Soloist Building
1 Lanyon Place
Belfast
BT1 3LP

Diaceutics Ltd

Profit and loss account

for the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	2	**4,285,832**	3,051,560
Cost of sales		**(2,296,397)**	(1,596,891)
Gross profit		**1,989,435**	1,454,669
Administrative expenses		**(1,837,508)**	(1,160,033)
Other operating income	3	**164,980**	105,438
Operating profit	4	**316,907**	400,074
Dividends received		**1,335,000**	170,000
Interest receivable and similar income		**-**	32
Interest payable and similar charges	7	**(90,607)**	(64,361)
Profit before taxation		**1,561,300**	505,745
Tax on profit	8	**(13,458)**	(59,762)
Profit for the financial year		**1,547,842**	445,983

All reported profits and losses arise from continuing operations.

The Company had no other comprehensive income in the current or previous financial year other than those dealt with in the profit and loss account and accordingly a statement of other comprehensive income has not been presented.

The notes on pages 11 to 24 form part of these financial statements.

Diaceutics Ltd

Balance sheet
as at 31 December 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Intangible assets	9		**473,715**		17,508
Tangible assets	10		**39,765**		14,125
Investments	11		**912**		912
			514,392		32,545
Current assets					
Debtors	12	**4,045,145**		2,270,951	
Cash at bank and in hand		**2,089,894**		778,605	
		6,135,039		3,049,556	
Creditors: amounts falling due within one year	13	**(3,418,300)**		(2,010,918)	
Net current assets			**2,716,739**		1,038,638
Total assets less current liabilities			**3,231,131**		1,071,183
Creditors: amounts falling due after more than one year	14		**(1,200,995)**		(588,889)
Net assets			**2,030,136**		482,294
Capital and reserves					
Called up share capital	16		**208**		208
Share premium			**99,994**		99,994
Capital redemption reserve			**108,863**		108,863
Profit and loss account			**1,821,071**		273,229
Shareholders' funds			**2,030,136**		482,294

These accounts have been prepared in accordance with the provision applicable to companies subject to the small companies regime and in accordance with the provisions of Section 1A – Small Entities of FRS 102.

These financial statements were approved by the Board of Directors on 20 August 2018, and are signed on behalf of the board by:

Mr P Keeling
Director

Company registration number: NI 055207

The notes on pages 11 to 24 form part of these financial statements.

Diaceutics Ltd

Statement of changes in equity

as at 31 December 2017

	Called up share capital £	Share premium £	Capital redemption reserve £	Profit & loss account £	Total equity £
Balance at 1 January 2016	109,043	99,994	-	(42,312)	166,725
Total comprehensive income for the period					
Profit for the year	-	-	-	445,983	445,983
Total comprehensive income for the period	-	-	-	445,983	445,983
Transactions with owners, recorded directly in equity					
Issue of shares	28	-	-	-	28
Shares redeemed	(108,850)	-	108,850	(108,850)	(108,850)
Buy back of own shares	(13)	-	13	(21,592)	(21,592)
Total transactions with owners, recorded directly in equity	(108,835)	-	108,863	(130,442)	(130,414)
Balance at 31 December 2016	**208**	**99,994**	**108,863**	**273,229**	**482,294**
Total comprehensive income for the period					
Profit for the year	-	-	-	1,547,842	1,547,842
Total comprehensive income for the period	-	-	-	1,547,842	1,547,842
Balance at 31 December 2017	**208**	**99,994**	**108,863**	**1,821,071**	**2,030,136**

The notes on pages 11 to 24 form part of these financial statements.

Notes
forming part of the financial statements

1 Accounting policies

Diaceutics Ltd (the "Company") is a private Company limited by shares and incorporated and domiciled in Northern Ireland in the UK.

The directors have taken the option to not prepare group financial statements as set out in s399 of the Companies Act 2006. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Section 1A of Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102") as issued in September 2015. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the director, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 19.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The Company have sufficient financial resources based on forecast and current expectations of future sector conditions. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The directors therefore continue to adopt the going concern basis in preparing these financial statements.

1.3. Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1 Accounting policies *(continued)*

1.4 Basic financial instruments

Trade and other debtors / creditors
Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments
Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in subsidiaries
These are separate financial statements of the Company. Investments in subsidiaries are carried at cost less impairment.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The Company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

Office equipment	20% straight line

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date in the pattern by which the Company expects to consume an asset's future economic benefits.

1 Accounting policies *(continued)*

1.6 Intangible assets

Research and development
Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Other intangible assets
Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Amortisation
Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Patents and trademarks	8 years (12.5% straight line)
Datasets	4 years (25% straight line)

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

1.7 Government grants

Government grants are included within deferred income in the balance sheet and credited to the profit and loss account in accordance with the performance model.

1 Accounting policies *(continued)*

1.8 Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)
A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.9 Turnover

Turnover represents the amounts derived from the provision of services which fall within the Company's ordinary activities, stated net of value added tax.

All turnover is recognised in the profit and loss account when the services are delivered.

1.10 Expenses

Interest payable
Interest payable and similar charges include interest payable on directors' and external loans. Interest payable is recognised in profit or loss as it accrues, using the effective interest method.

Dividend income
Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established.

1 Accounting policies (continued)

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that is it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.12 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.13 Cash at bank and in hand

Cash at bank and in hand includes cash on hand, demand deposits and other short term highly liquid investments regardless of maturity.

Notes *(continued)*

1 Accounting policies (continued)

1.14 Cash flow statement exemption

The Company has availed of the exemption contained in Section 1A of FRS 102 and as a result have elected not to prepare a cash flow statement.

2 Turnover

	2017	2016
Turnover attributable to geographical markets outside the UK *(relates to sales made in Europe and USA)*	**93.7%**	97.8%

3 Other operating income

	2017	2016
	£	£
Government grant	**68,901**	55,364
Research and development expenditure credit	**96,079**	50,074
	164,980	105,438

4 Expenses and auditor's remuneration

Included in profit are the following:

	2017	2016
Expenses	**£**	£
Amortisation of intangible fixed assets	**8,005**	11,748
Depreciation of tangible fixed assets	**13,008**	2,317
Net foreign exchange loss/(gain)	**277,493**	(16,105)
Directors' remuneration	**225,511**	106,647

	2017	2016
Auditor's remuneration	**£**	£
Audit of these financial statements	**7,500**	7,500
Tax compliance services	**3,500**	3,500
Other tax services	**10,000**	10,000
Transaction services	**35,000**	-

The amount expensed in relation to research and development in the year has been disclosed within the directors' report.

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Notes *(continued)*

5 Staff numbers and costs

The average number of persons (including directors) employed by the Company during the year, analysed by category, was as follows:

	2017	2016
	No.	No.
Directors	**3**	2
Other staff	**22**	8
	25	10

The aggregate payroll costs of these persons were as follows:

	2017	2016
	£	£
Wages and salaries	**1,211,975**	452,398
Social security costs	**184,977**	30,909
Pension costs	**57,523**	16,513
	1,454,475	499,820

6 Directors' remuneration

	2017	2016
	£	£
Wages and salaries	**225,511**	106,647

7 Interest payable

	2017	2016
	£	£
Interest payable on loans	**90,607**	64,361

Interest payable and similar expenses includes interest payable on directors loans of £23,653 *(2016: £13,422)* and interest payable on external loans of £66,954 *(2016: £50,939)*.

8 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2017 £	2016 £
UK corporation tax for the period		
Current tax on income for the period	**33,413**	59,762
Adjustments in respect of the prior periods	**(19,955)**	-
Total current tax charge	**13,458**	59,762
Total deferred tax charge	**-**	-
Tax on profit	**13,458**	59,762

The above has all been recognised in the profit and loss.

Reconciliation of effective tax rate

	2017 £	2016 £
Profit for the year	**1,547,842**	395,909
Total tax charge	**13,458**	59,762
Profit excluding taxation	**1,561,300**	455,671
Tax using the UK corporation tax rate of 19.25% *(2016: 20%)*	**300,550**	91,134
Effects of:		
Non-deductible expenses	**10,315**	5,640
Non-taxable income	**(265,171)**	(34,000)
Research and development	**-**	10,015
Deferred tax not recognised	**(12,281)**	(13,027)
Adjustments in respect of the prior periods	**(19,955)**	-
Total tax expense included in profit and loss	**13,458**	59,762

Research and development expenditure credits – set off amounts carried forward as at 31 December 2017: £90,761 *(2016: £53,977)*.

Factors that may affect future tax charges
Reductions in the UK corporation tax rate to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were enacted on 26 October 2015. Finance Bill 2016 further reduced the 18% rate to 17% from 1 April 2020, following substantial enactment on 6 September 2016. Together this will reduce the Company's future tax charges accordingly.

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Notes *(continued)*

9 Intangible assets

	Patents, trademarks and datasets
	£
Cost	
At 1 January 2017	65,144
Additions	464,262
At 31 December 2017	**529,406**
Amortisation	
At 1 January 2017	47,636
Provided during the year	8,055
At 31 December 2017	**55,691**
Net book value	
At 31 December 2017	**473,715**
At 1 January 2017	17,508

Intangible assets relate to patents, trademarks and datasets which are recorded at cost and amortised over their useful economic life which has been assessed as 4-8 years. Additions in the year relate to the purchase of an additional dataset.

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Notes *(continued)*

10 Tangible fixed assets

	Office equipment £
Cost	
At 1 January 2017	40,450
Additions	38,648
Balance at 31 December 2017	**79,098**
Depreciation	
At 1 January 2017	26,325
Charge for the year	13,008
At 31 December 2017	**39,333**
Net book value	
At 31 December 2017	**39,765**
At 1 January 2017	14,125

At year end the net carrying amount of fixed assets leased under a finance lease was £Nil *(2016:Nil)*.

Included in the total net book value of fixed assets is £Nil *(2016:£Nil)* in respect of assets held under hire purchase contract.

11 Investments

	2017 £	2016 £
Shares at cost		
At 1 January 2016 and 31 December 2017	**912**	912

The Company has the following investments in subsidiaries:

	Registered office	**Class of shares held**	**Ownership 2017**	**Ownership 2016**
Diaceutics Ireland Limited	Unit 3, Creative Spark, Clontgora Drive, Muirhevnamor, Dundalk, Republic of Ireland	Ordinary	100%	100%
Labceutics Limited	727 Antrim Road, Belfast, Northern Ireland	Ordinary	100%	100%
Diaceutics Inc	2001 Route 46, Ste 310, Parsippany, New Jersey, United States of America	Ordinary	100%	100%

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Notes *(continued)*

12 Debtors	2017	2016
	£	£
Trade debtors	**709,238**	643,932
Amounts owed by group undertakings	**3,128,073**	1,577,918
Other debtors	**16,217**	1,937
Corporation tax	**90,759**	47,164
Prepayments	**33,525**	-
Accrued income	**67,333**	-
	4,045,145	2,270,951

All amounts are due within one year.

13 **Creditors**: amounts falling due within one year	2017	2016
	£	£
Accruals	**572,985**	401,012
External loans	**392,954**	204,715
Directors' loan	**63,208**	145,859
Trade creditors	**132,747**	36,121
Amounts owed to group undertakings	**2,148,938**	1,170,929
Taxation and social security	**83,633**	14,919
Deferred income	**23,835**	37,363
	3,418,300	2,010,918

14 **Creditors**: amounts falling due after more than one year	2017	2016
	£	£
External loans	**1,200,995**	588,889

Diaceutics Ltd

Notes *(continued)*

15 Interest-bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2017	2016
	£	£
Creditors falling due within less one year		
External loans	**392,954**	204,715
Directors' loan	**63,208**	145,859
	456,162	350,574
Creditors falling due more than one year		
External loans	**1,200,995**	588,889
	1,200,995	588,889

Terms and debt repayment schedule

	Currency	Nominal interest rates	Year of maturity	Repayment schedule	2017	2016
					£	£
Loans						
Loan 1	GBP	7.62% above UK reference rate	2019	Monthly	**72,948**	114,278
Loan 2	GBP	7.62% above UK reference rate	2020	Monthly	**100,540**	139,492
Loan 3	GBP	5.96% above UK reference rate	2021	Monthly	**431,753**	539,834
Loan 4	GBP	7.22% above UK reference rate	2022	Monthly	**988,708**	-
Directors' loan	GBP	Fixed rate 10%	N/A	On demand	**63,208**	145,859
					1,657,157	939,463

All loans are unsecured.

Notes *(continued)*

16 Share capital

	2017	2016
	£	£
Allotted, called up and fully paid		
13,462 (2016: 13,462) ordinary shares (A – D class) of £0.01 each	**135**	135
10,000 (2016: 10,000) ordinary shares (E class) of £0.001 each	**10**	10
5,000 (2016: 5,000) ordinary shares (F class) of £0.01 each	**50**	50
1,300 (2016: 1,300) Treasury shares of £ 0.01 each	**13**	13
	208	208

The holders of A ordinary shares rank pari passu in respect of voting rights, and have priority in relation to the payment of dividends and on return of capital. The holders of B, C and D shares will receive a return of capital in their respective order, shall be entitled to receive dividends with the approval of an A shareholder majority, but have no voting rights. The holders of E shares shall be entitled to receive dividends with the approval of an A shareholder majority, but have no voting rights. The holders of F shares shall be entitled to receive 10% of the total amounts of dividends declared by the Company, 10% return of capital, but no voting rights.

Treasury shares of £13 have been added to correct the 2016 share capital balance. These shares carry no rights to attend or vote at general meetings, and no rights to receive dividends or other distributions of assets.

Reserves

Share premium account: This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Capital redemption reserve: This reserve records the nominal value of shares repurchased by the Company.

Dividends

No dividends were proposed by the directors after the balance sheet date.

17 Commitments and contingencies

There are no material financial commitments or contingencies at the balance sheet date not provided for in these financial statements. Legal charges include fixed charges over specified cash accounts and fixed charges over the present and future book and other debts.

18 Subsequent events

There were no subsequent events at the balance sheet date.

Notes *(continued)*

19 Accounting estimates and judgements

The preparation of financial statements in conformity with Section 1A of FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed and revised on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management have assessed that there are no estimates or judgements that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities recognised in the financial statements.

20 Related parties

At 31 December 2017 directors are owed £63,208 *(2016: £145,859)* by the Company. This debt is unsecured and is repayable on demand, it is therefore classified as due within one year.

The Company has availed of FRS 102 Section 33.1A Related Party Disclosures and has not disclosed related party transactions with companies that are 100% subsidiaries of the Company.

21 Ultimate controlling party

The Company is controlled by its shareholders. The majority shareholders are Peter Keeling and Delia Keeling.

The Company has the following wholly owned subsidiaries:

Diaceutics Ireland Limited (ROI)
Labceutics Limited
Diaceutics Incorporated (US)

The Company is exempt from the requirement to prepare consolidated financial statements, as the Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the Company and the Group are considered eligible for the exemption as determined by reference to sections 399 of the Companies Act 2006.