Elixirr International Limited

Non-statutory financial statements for the purpose of section 92(1)(b) and (c) of the Companies Act 2006

Period ended 31 December 2019

Company Number: 11723404

Company Information

Directors	Mr Ian Ferguson Mr Mark Goodyear Mr Andrew Curtis Mr Stephen Newton
Registered Office	12 Helmet Row London EC1V 3QJ
Auditors	Crowe U.K. LLP St Brides House 10 Salisbury Square London EC4Y 8EH

Independent Auditors' Statement to Elixirr International Limited for the purpose of section 92(1)(b) and (c) of the Companies Act 2006

We have audited the balance sheet and related notes of Elixirr International Limited as at 31 December 2019 set out on pages 3 to 8 which have been prepared under the accounting policies set out therein.

This report is made solely to the company for the purpose of the company re-registering as a public limited company. Our work has been undertaken so that we might state to the company those matters we are required to state to them in such a 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 work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The company's directors are responsible for the preparation of the balance sheet and related notes.

It is our responsibility to:

- report on whether the balance sheet has been properly prepared in accordance with the requirements of the Companies Act 2006 that would have applied if it had been prepared for a financial year of the company with such modifications as are necessary by reason of that fact; and
- form an independent opinion, based on our examination, concerning the relationship between the company's net assets and its called-up share capital and undistributable reserves at the balance sheet date.

Opinion concerning proper preparation of balance sheet

In our opinion the audited balance sheet at 31 December 2019 has been properly prepared in accordance with the requirements of the Companies Act 2006 which would have applied had the balance sheet been prepared for a financial year of the company.

Statement on net assets

In our opinion, at 31 December 2019 the amount of the company's net assets (within the meaning given to that expression by section 831(2) of the Companies Act 2006) was not less than the aggregate of its called-up share capital and undistributable reserves.

Crowe U.K. LLP.

Crowe U.K. LLP
Statutory Auditor
London

Date: 22 June 2020

Balance sheet at 31 December 2019

	Note	£
Fixed Assets		
Investment	3	50,000,000
Current Assets		
Intercompany receivable	4	137,377
Current Liabilities		
Other payables		(19)
Intercompany payable	4	(1,667)
Preference share dividend payable		(131,377)
Corporation tax payable		(823)
Total Current Liabilities		**(133,886)**
NET CURRENT ASSETS		**3,491**
Non-current liabilities		
Preference shares treated as liability	5	(6,500,000)
NET ASSETS		**43,503,491**
Capital and reserves		
Share capital	5	3,331
Merger relief reserve		43,496,650
Profit and loss reserve		3,491
Capital redemption reserve		19
SHAREHOLDERS FUNDS		**43,503,491**

Approved by the Board on **22 June 2020**

Stephen Newton
Director

Notes to the Financial Information

1. General Information

Elixirr International Limited (the "Company") was incorporated in England and Wales on 12 December 2018 as a private limited company. Its registered office is located at 12 Helmet Row, London, EC1V 3QJ. The primary activity of the Company is that of a holding company.

2. Accounting Policies

Basis of preparation

These financial statements have been prepared under the historical cost convention, in accordance with the Financial Reporting Standard 102 and the Companies Act 2006..

The financial information has been presented in Pound sterling (GBP), being the functional and presentation currency of the Company.

The following principal accounting policies have been applied:

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. The Company currently does not use derivative financial instruments to manage or hedge financial exposures or liabilities.

Financial assets and financial liabilities are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Preference dividend payable

Preference shares, which are non-redeemable with non-discretionary dividends, have both equity and liability elements.

The liability element is calculated as the present value of the future contractual cash flows, discounted at a market rate of interest, estimated at 10%. This amount is recorded as a liability on an amortised cost basis until extinguished or converted. The equity element is calculated as the residual value (i.e. the difference between the proceeds from the issue of the shares less the liability component) and is recognised and included in shareholders' equity.

The dividends on the preference shares are recognised in profit or loss as finance costs.

Debtors and creditors

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

Foreign currency

Monetary assets and liabilities expressed in foreign currencies are translated into sterling at rated of exchange at the date of the balance sheets or at the agreed contractual rate. Transactions in foreign currency are converted to sterling at the rate rule at the date of the transaction. All differences on exchange are taken to the profit and loss account.

Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying accounting policies

The following critical judgements have been made by the directors.

Going concern
The Company has not recorded any revenues as it is a holding company. Management prepares detailed working capital forecasts which are reviewed by the Board on a regular basis. Cash flow forecasts and projections take into account sensitivities on receipts, and costs. Having made relevant and appropriate enquiries, including consideration of the Company's current cash resources and the working capital forecasts, the Directors have a reasonable expectation that the Company will have adequate cash resources to continue to meet the requirements of the business for at least the next twelve months. Accordingly, the Board continues to adopt the going concern basis in preparing the financial statements.

3. Investments

	£
Brought forward balance	-
Additions	50,000,000
	50,000,000

4. Intercompany receivable and payable

As at 31 December 2019, the Company was due £137,377 from Elixirr Consulting Limited in relation to preference shares held for that company and management charges for the period.

As at 31 December 2019, the Company owed £1,667 to Elixirr Consulting Limited in relation to costs incurred by that company on behalf of the Company.

5. Share capital and merger relief reserve

	As at 31 December 2019		
	Authorised shares	Issued shares	£
Ordinary shares			
A Class	1,000	1,000	14,914,900
B Class	1,500	1,331	20,155,251
10% non-redeemable cumulative preference shares	1,000	1,000	8,429,830
	3,500	3,331	43,499,981

Movement in class A ordinary shares

	Number of shares	Par value	Merger relief reserve	£
Opening balance 01 July 2019	–	–	–	–
Share issue/exchange	1,000	1,000	14,913,900	14,914,900
Balance at 31 December 2019	1,000	1,000	14,913,900	14,914,900

Movement in class B ordinary shares

	Number of shares	Par value	Merger relief reserve	£
Opening balance 01 July 2019	–	–	–	–
Share issue/exchange	1,350	1,350	20,153,920	20,155,270
Share buy-back at par and cancelled	(19)	(19)	–	(19)
Balance at 31 December 2019	1,331	1,331	20,153,920	20,155,251

Movement in preference shares

	Number of shares	Par value	Merger relief reserve	£
Opening balance 01 July 2019	–	–	–	–
Share issue/exchange	1,000	1,000	8,428,830	8,429,830
Balance at 31 December 2019	1,000	1,000	8,428,830	8,429,830

Ordinary shares
Class A shares have a par value of £1. They do not entitle the holder to participate in dividends nor share in the proceeds of winding up the company. On a show of hands every holder of class A ordinary shares present at a meeting, in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote.

Class B shares have a par value of £1. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amount paid on the shares held. These rights are subject to the prior entitlements of the 10% non-redeemable cumulative preference shares. There are no voting rights attached to the class B ordinary shares or preference shares.

Preference shares

The 10% non-redeemable cumulative preference share balance represents the fair value of the equity element of the preference shares at date of issue of £8,429,830. The shares are entitled to dividends at the rate of 10% of LTD Group's profit after tax per annum. If insufficient profits are available in a particular financial year, the dividends accumulate and are payable when sufficient profits are available. The shares do not participate in the winding up of the company and have no voting rights attached to them.

6. Ultimate controlling party

At 31 December 2019, the ultimate controlling party of the Group was Stephen Newton.

7. Events after the balance sheet date

On 31 January 2020, a subdivision of class B ordinary shares took place. The nominal value of these shares changed from £1.00 to £0.01.

On 31 January 2020, 102,500 class B ordinary shares were redesignated into 102,500 class B Founder ordinary shares.

On 11 February 2020, a share issue took place whereby 20,309 class C ordinary shares were issued at a price of £0.99 per share.

Since the period end, a number of buybacks of shares have taken place. These shares were cancelled after being bought back. The value of these transactions and the number of shares bought back and cancelled are as follows:
- £767,569 buyback of 9 £1.00 class B ordinary shares and 5,300 £0.01 class B ordinary shares
- £2,309 buyback of 2,332 class C ordinary shares

Of the above share buy backs, £767,569 were non-cash transactions to the Group as the transactions discharged liabilities of the shareholders to Elixirr Consulting Limited.

On 8 May 2020, an EMI Share Option Plan was implemented. This granted a total of 28,515 options over £0.01 class B ordinary shares to the employees of the Group. Options vest over a period of 6 years and have performance criteria attached.

Further steps to restructure the Company took place in June 2020 as set out below:

(a) 1 June 2020 – a reduction in the share premium account of the Company by £3,126,684.48 from £50,019,261.56 to £46,892,577.08 through the cancellation of 168 preference shares with a nominal value of £1.00 each in the capital of the Company;

(b) 9 June 2020 – the subdivision of each Preference Share with a nominal value of £1.00 each to Preference Shares with nominal value of £0.01 each (the "New Preference Shares");

(c) 9 June 2020 – the amendment of the articles of association of the Company to introduce a definition of deferred shares and to set out the rights and restrictions associated with such shares;

(d) 9 June 2020 – the redesignation of 83,200 New Preference Shares to (i) 25,026 class B ordinary shares with a nominal value of £0.01 each in the capital of the Company (the "Class B Ordinary Shares") and (ii) 58,174 deferred shares with a nominal value of £0.01 each in the capital of the Company (the "Deferred Shares");

(e) 9 June 2020 – the redesignation of 3,119 class B founder ordinary shares with a nominal value of £0.01 each (the "Class B Founder Shares") to Class B Ordinary Shares on the basis of one Class B Founder Share to one Class B Ordinary Share;

(f) 16 June 2020 – the redesignation of 20,740 class C ordinary shares with a nominal value of £0.01 each (the "Class C Ordinary Shares") in to (i) 235 Class B Ordinary Shares and (ii) 20,505 Deferred Shares;

(g) 22 June 2020 – the subdivision of 1,000 class A ordinary shares with nominal value of £1.00 each to 100,000 class A ordinary shares with nominal value of £0.01 each (the "Class A Ordinary Shares");

(h) 22 June 2020 – the redesignation of the Class A Ordinary Shares to (i) 27,745 Class B Ordinary Shares and (ii) 72,255 Deferred Shares;

(i) 22 June 2020 – the subdivision of each Class B Founder Share to class B founder shares with a nominal value of £0.00005 each (the "New Class B Founder Shares");

(j) 22 June 2020 – the subdivision of each Class B Ordinary Share to class B ordinary shares with a nominal value of £0.00005 each (the "New Class B Shares");

(k) 22 June 2020 – the adoption of new articles of association of the Company to reflect the Company's re-registration as a public limited company, its name change to Elixirr International plc and to provide for Ordinary Shares with a nominal value of £0.00005 each and redeemable preference shares with a nominal value of £1.00 each in the capital of the Company (the "Redeemable Preference Shares");

(l) 22 June 2020 – the issue of 50,001 Redeemable Preference Shares (n.b. one of these will be used to fund the consideration of £1.00 required for the buyback below).

(m) 22 June 2020 – the buyback of 150,934 Deferred Shares for an aggregate consideration of £1.00

(n) 22 June 2020 – the redesignation of each New Class B Founder Share to Ordinary Shares on the basis of one New Class B Founder Share to one Ordinary Share;

(o) 22 June 2020 – the redesignation of each New Class B Share to Ordinary Shares on the basis of one New Class B Ordinary Share to one Ordinary Share.

8. Nature of financial Information

The financial information presented above does not constitute statutory accounts for the period ended 31 December 2019.