Registered number: 06518321

DALET UK LIMITED (FORMERLY AMBERFIN LIMITED)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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COMPANY INFORMATION

Directors	D Lasry S Schlayen N Breugnon
Company secretary	Castlegate Secretaries Limited
Registered number	06518321
Registered office	Belvedere House Basing View Basingstoke Hampshire RG21 4HG
Independent auditors	Nexia Smith & Williamson Chartered Accountants & Statutory auditor Cumberland House 15-17 Cumberland Place Southampton SO15 2BG

DALET UK LIMITED (FORMERLY AMBERFIN LIMITED)

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DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

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

Principal activity

The principal activity of the Company is the sales and development of software tools that transform film, video and audio content into file-based formats required by professional broadcast and media distribution companies.

Results and dividends

The profit for the year, after taxation, amounted to £197,559 *(2016 - loss £51,971)*. The Directors do not recommend the payment of a dividend.

Directors

The Directors who served during the year were:

D Lasry
S Schlayen
N Breugnon

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 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'. 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 for the Company's financial statements 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 to 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.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

Principal risks and uncertainties

The Directors continue to consider the principal risks facing the Company result from both technological and market changes. The broadcast market is changing rapidly in terms of digital, high definition and file based workflows, however they believe that the Company is positioned to convert these changes into opportunities. The Company seeks to minimise the risk inherent in technology through constant dialogue with major global organisations.

Financial Risk
The Company is exposed to foreign currency risk on sales and purchases in a currency other than the functional currency of the Company (Sterling).

The exposure to foreign currency risk is managed by holding deposits in foreign currencies to settle monthly traading transactions.

Credit Risk
The Company is dependent on a relatively small number of customers. As such there is concentration of credit risk which could materially and adversely affect the Company's financial results. The credit worthiness of the customers is continually monitored by management.

Cash Flow and Liquidity Risk
The Company meets its spending commitments from trading activities and funding from its controlling shareholder. The Company monitors cash flow as part of its day to day control procedures and the Board considers cash flow projections regularly.

Going Concern
The ultimate parent has agreed to provide financial support to the Company as it may require for its continued operations for a period of not less than one year from the date of this report.

Research and Development
Research and development is concentrated on software tools that transform film, video and audio content into file-based formats. During the year the average number of staff employed on research and development was 1 (*2016- 13*).

Future Developments
The Directors consider that the Company is well placed in the market and remain confident about the Company's prospects for the next year and beyond.

Directors' Liabilities
The Company has granted an indemnity to one or more of its Directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in s.234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the Directors' report.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has 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 auditors are aware of that information.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

.....
N Breugnon
Director

Date: 26 MARCH 2018

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DALET UK LIMITED (FORMERLY AMBERFIN LIMITED)

Opinion

We have audited the financial statements of Dalet UK Limited (the 'Company') for the year ended 31 December 2017 which comprise the Statement of income and retained earnings, the Balance sheet and the 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, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion, the financial statements:

- give a true and fair view of the state of the 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 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DALET UK LIMITED (FORMERLY AMBERFIN LIMITED) (CONTINUED)

Other information

The other information comprises the information included in the Directors' report and financial statements, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. 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.

Opinion 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 report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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.

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, 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 1, 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DALET UK LIMITED (FORMERLY AMBERFIN LIMITED) (CONTINUED)

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.

Jamie Lane (Senior statutory auditor)

for and on behalf of
Nexia Smith & Williamson

Chartered Accountants & Statutory auditor

Cumberland House
15-17 Cumberland Place
Southampton
SO15 2BG
Date: 3 April 2018

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	*2016 £*
Turnover	4	**2,677,362**	*2,071,175*
Cost of sales		**(245,518)**	*(177,804)*
Gross profit		**2,431,844**	*1,893,371*
Administrative expenses		**(2,125,889)**	*(1,936,964)*
Other operating charges		**(49,000)**	-
Operating profit/(loss)		**256,955**	*(43,593)*
Interest receivable and similar income	8	**31**	-
Interest payable and similar charges	9	**(119,158)**	*(108,353)*
Profit/(loss) on ordinary activities before taxation		**137,828**	*(151,946)*
Taxation on profit/ (loss) on ordinary activities	10	**59,731**	*99,975*
Profit/(loss) on ordinary activities after taxation		**197,559**	*(51,971)*
Retained earnings at the beginning of the year		**(5,047,011)**	*(4,995,040)*
Profit/ (loss) for the year	17	**197,559**	*(51,971)*
Retained earnings at the end of the year		**(4,849,452)**	*(5,047,011)*

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of income and retained earnings.

The notes on pages 9 to 22 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note		2017 £		*2016 £*
Fixed assets					
Tangible assets	12		**38,518**		*49,598*
			38,518		*49,598*
Current assets					
Stocks	13	**7,406**		*7,709*	
Debtors: Amounts falling due after more than one year	14	**-**		*27,372*	
Debtors: Amounts falling due within one year	14	**1,078,223**		*651,177*	
Cash at bank and in hand	15	**260,384**		*213,547*	
		1,346,013		*899,805*	
Creditors: Amounts falling due within one year	16	**(2,369,591)**		*(2,132,022)*	
Net current liabilities			**(1,023,578)**		*(1,232,217)*
Total assets less current liabilities			**(985,060)**		*(1,182,619)*
Net liabilities			**(985,060)**		*(1,182,619)*
Capital and reserves					
Called up share capital	18		**1,664,599**		*1,664,599*
Share premium account	17		**2,199,793**		*2,199,793*
Retained Earnings	17		**(4,849,452)**		*(5,047,011)*
			(985,060)		*(1,182,619)*

The financial statements were approved and authorised for issue by the Board and were signed on its behalf by:

.....

N Breugnon
Director

Date: 26 MARCH 2018

The notes on pages 9 to 22 form part of these financial statements.

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

1. General information

Dalet UK Limited (formerly Amberfin Limited) is a private limited Company, incorporated in England and Wales. The registered office is detailed in the Company information page. The nature of the Company's operations and principal activities are set out in the Directors' Report.

The functional curreny is sterling.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

Exemption

The Company has taken advantage of the following exemptions available under FRS 102:

- the exemption from preparing a statement of cash flows;
- the exemption from disclosing related party transactions between group companies;
- the exemption from disclosing the financial instrument disclosure required under FRS102 paragraphs 11.39 to 11.48A as the information is provided with the consolidated finacial instruments of the group in which the entity is consolidated and the relevant disclosures are included there in.

The following principal accounting policies have been applied:

2.2 Business combination

On 1 May 2017, the trade, assets and liabilities of Amberfin Limited were transferred to Dalet UK Limited for consideration of £208,637.

2. Accounting policies (continued)

2.3 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales taxes.

The Company reports revenue under two revenue categories:

- Software and software-related service revenues, which includes software licences, sale of professional services, hardware and training; and
- Maintenance and support revenues, which are recurring in nature.

Software licences - the Company recognises the revenue allocated to software licences when all the following conditions have been satisfied:

- The Company has transferred to the buyer the significant risks and rewards of ownership of the licence;
- The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably

Hardware revenue is recognised as the products are shipped.

Other services (which include the sale of professional services and training) - revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the balance sheet date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Company;
- The state of completion of the transaction at the balance sheet date can be measured reliably; and
- The cost incurred for the transaction and the costs to complete the transaction can be measured reliably.

Maintenance and support - revenue is recognised on a straight-line basis over the term of the contract. Revenue not recognised in the Statement of Income and Retained Earnings under this policy is classified as deferred revenue in the Balance Sheet.

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Lease improvements	- over the shorter of lease term and 5 years
Demonstration equipment	- 3 years straight line
Office and computer equipment	- 2-3 years 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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Creditors

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

2.7 Operating Leases

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

2.8 Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

2. Accounting policies (continued)

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first outbasis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Income and Retained Earnings.

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Current and deferred taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2. Accounting policies (continued)

2.12 Provisions for Liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation and it is possible that it requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.13 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short term bank deposits with original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

2. Accounting policies (continued)

2.14 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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

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

2.15 Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Income and Retained Earnings, as described below.

Non-financial assets

The recoverable amount of a non-financial asset is the higher of its fair value less costs to sell and its value in use. An asset is impaired where the estimated recoverable value of the asset has been reduced.

Financial assets

Financial assets that are measured at cost or amortised cost are assessed at the end of each reporting period for objective evidence of impairment. The impairment loss is measured as the difference between a financial asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the related contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the Board's best estimate of its value, with the latter being an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

2. Accounting policies (continued)

2.16 Interest income

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

2.17 Going concern

The ultimate parent has agreed to provide financial support to the Company as it may require for its continued operations for a period of not less than one year from the date of signing these financial statements.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are evaluated at each reporting date and are based on historical experience as adjusted for current market conditions and other factors. Management makes estimates and assumptions concerning the future in preparing the financial statements and the actual results will not always reflect the accounting estimates made. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities of the Company are outlined below.

Bad debt provisions

The trade debtors balance of £261,684 recorded in the Company's balance sheet comprises a relatively small number of large balances. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provisions do not match the level of debts which ultimately prove to be uncollectable.

4. Turnover

Analysis of turnover by country of destination:

	2017 £	*2016* *£*
United Kingdom	**512,615**	*329,368*
Europe	**1,178,997**	*646,422*
Rest of the world	**985,750**	*1,095,385*
	2,677,362	*2,071,175*

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2017 £	2016 £
Research & development charged as an expense	**1,123,972**	*1,024,998*
Depreciation of tangible fixed assets	**17,549**	*19,944*
Audit fees	**18,000**	*16,100*
Exchange differences	**9,490**	*9,629*
Defined contribution pension cost	**60,613**	*56,836*
Operating lease rentals	**63,845**	*37,294*

6. Employees

	2017 £	2016 £
Wages and salaries	**1,370,167**	*1,242,520*
Social security costs	**158,610**	*135,621*
Cost of defined contribution scheme	**60,613**	*56,836*
	1,589,390	*1,434,977*

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

	2017 No.	2016 No.
Sales, marketing and customer services	**1**	*3*
Administration	**4**	*6*
Research and development	**11**	*13*
	16	*22*

7. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	**20,140**	*19,930*

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

8. Interest receivable

	2017 £	*2016 £*
Other interest receivable	**31**	-
	31	-

9. Interest payable and similar charges

	2017 £	*2016 £*
Group loan interest payable	**119,158**	*108,353*

10. Taxation

	2017 £	*2016 £*
Corporation tax		
Current tax on profits for the year	**(60,801)**	*(97,248)*
Adjustments in respect of previous periods	**(395)**	*(2,727)*
	(61,196)	*(99,975)*
Deferred tax		
Origination and reversal of timing differences	**1,465**	-
Total deferred tax	**1,465**	-
Taxation on loss on ordinary activities	**(59,731)**	*(99,975)*

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2016 - lower than)* the standard rate of corporation tax in the UK of 19.25% *(2016 - 20%)*. The differences are explained below:

	2017 £	*2016* *£*
Profit/(loss) on ordinary activities before tax	**137,828**	*(151,946)*
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	**26,528**	*(30,389)*
Effects of:		
Fixed asset differences	**1,509**	*814*
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**2,489**	*4,866*
Additional deduction for R&D expenditure	**(110,994)**	-
Surrender of tax losses for R&D tax credit refund	**19,903**	-
Adjustments to tax charge in respect of prior periods	**(395)**	*(2,727)*
Other tax adjustments	**11**	-
Other timing differences leading to an increase (decrease) in taxation	**1,465**	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	**-**	*(81,352)*
Deferred tax not recognised	**(247)**	-
Other	**-**	*545*
Group relief	**-**	*8,268*
Total tax charge for the year	**(59,731)**	*(99,975)*

Factors that may affect future tax charges

On 8 July 2015 the Government announced it's intentions to propose to Parliament a reduction in the corporation tax rate to 19% for the years 2017 to 2020 and 18% for the tax year 2020.

During September 2016 the Government enacted a further reduction in the tax rate to 17% for the years from 2020.

There is no deferred tax asset or liability recognised in the Balance Sheet of the Company. There is a deferred tax asset calculated at 17% (2016- 17%) of £2,131,334 (2016- £2,131,552) which has not been recognised due to losses incurred by the company in recent periods, and the uncertainty as to when the deferred tax assets will be available for the use against future taxable profits.

11. Deferred taxation

	2017 £
Charged to profit or loss	(1,465)
Arising on business combinations	1,465
At end of year	-

12. Tangible fixed assets

	Lease improvements £	Office and computer equipment £	Demonstration equipment £	Total £
Cost or valuation				
At 1 January 2017	**48,769**	**191,650**	**102,263**	**342,682**
Additions	**-**	**8,202**	**-**	**8,202**
Disposals	**-**	**(1,855)**	**-**	**(1,855)**
At 31 December 2017	**48,769**	**197,997**	**102,263**	**349,029**
Depreciation				
At 1 January 2017	**10,520**	**181,517**	**101,047**	**293,084**
Charge for the year on owned assets	**9,754**	**6,579**	**1,216**	**17,549**
Disposals	**-**	**(122)**	**-**	**(122)**
At 31 December 2017	**20,274**	**187,974**	**102,263**	**310,511**
Net book value				
At 31 December 2017	**28,495**	**10,023**	**-**	**38,518**
At 31 December 2016	*38,249*	*10,133*	*1,216*	*49,598*

13. Stocks

	2017 £	*2016* *£*
Finished goods and goods for resale	**7,406**	*7,709*

14. Debtors

	2017 £	*2016 £*
Due after more than one year		
Other debtors	-	*27,372*

	2017 £	*2016 £*
Due within one year		
Trade debtors	**261,684**	*135,333*
Amounts owed by group undertakings	**481,900**	*53,180*
Other debtors	**38,238**	*1,602*
Prepayments and accrued income	**235,600**	*363,814*
Tax recoverable	**60,801**	*97,248*
	1,078,223	*651,177*

15. Cash and cash equivalents

	2017 £	*2016 £*
Cash at bank and in hand	**260,384**	*213,547*
Less: bank overdrafts	-	*(11)*

16. Creditors: Amounts falling due within one year

	2017 £	*2016 £*
Bank overdrafts	-	*11*
Trade creditors	**94,936**	*90,475*
Amounts owed to group undertakings	**1,887,731**	*1,674,411*
Taxation and social security	**82,590**	*47,272*
Other creditors	**20,884**	*85,416*
Accruals and deferred income	**283,450**	*234,437*
	2,369,591	*2,132,022*

17. Reserves

Share premium account

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

18. Share capital

	2017 £	*2016* *£*
Shares classified as equity		
Authorised, allotted, called up and fully paid		
1,664,599 (2016- 1,664,599) Ordinary shares of £1 each	**1,664,599**	*1,664,599*

19. Pension Commitments

The total pension cost for the year was £60,613 (2016- £56,836). The pension cost was in respect of contributions made to defined contribution pension schemes. There was no pension accrual at 31 December 2017 (2016- £nil).

20. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	*2016* *£*
Not later than 1 year	**65,476**	*41,818*
Later than 1 year and not later than 5 years	**-**	*37,350*
	65,476	*79,168*

21. Related party transactions

In accordance with Financial Reporting Standard FRS102 (section 33), the Company has taken advantage of the exemption for the subsidiary undertakings, whose 100% voting rights are controlled within a group, from the requirement to disclose related party transactions.

Disclosure of Key Management Personnel

Key management personnel are those persons having authority for planning, controlling and directing the activities of the Company. The remuneration of key management personnel during the year was as follows:

	2017 £	2016 £
Key management personnel remuneration	**202,374**	**200,780**

22. Controlling party

The immediate parent of the Company is Dalet SA, a company incorporated and registered in France. This entity is also the ultimate parent by virtue of its majority shareholding in Dalet UK Limited. The directors do not consider there to be a controlling party. Group financial statements for Dalet SA are available from 16, rue Rivay, 92300 Levallois-Perret, France.