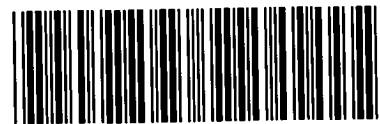


Antidote Technologies Ltd

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2017

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Company Information

Directors: P Graiver Brodsky
J Mayo
D Currie
M Ferguson
P Socha (resigned 28 November 2017)
J Hewett (resigned 27 November 2017)
K Lovell
F Wuttke (appointed 28 November 2017)

Registered Office: 39 Earlham Street
London
WC2H 9LT

Registered Number: 07611221 (England)

Auditor: KPMG LLP
15 Canada Square
Canary Wharf
London
E14 5GL

Directors' report

Principal activities

The principal activity of the Group during the period was that of developing a search and referral engine for clinical trials, dedicated to making clinical trials easy to find, understand and access from the patient's perspective, and providing high quality subjects for researchers. This will underpin the aim of the Group to provide a unique marketplace in which patients interested in participating in trials can connect with researchers looking for patients (and vice versa), addressing a major problem in current patient recruitment dynamics and accelerating the pace at which medical trials can be completed and new treatments made available.

Review of business

During the year, the Group continued to invest in new product development and continues to improve upon the services provided. The majority of services are currently concentrated in the United States, although can be provided on a global basis as required. A self-service portal for sites and researchers was beta tested during the year, and will be launched in July 2018. The Group expects to have its marketplace concept fully operational by the end of 2018 allowing the commercialisation of this platform.

Going Concern

As fully described in note 2.2 on page 13, these accounts have been prepared on a going concern basis. In arriving at the conclusion, the Board of Directors have concluded that, based on their working capital forecasts, together with the planned additional financing and substantial achievement of cash flow forecasts, the Directors believe that the Group will be able to have sufficient liquidity and will be able to meet its obligations as they fall due. The Directors have accordingly formed the judgement that it is appropriate to prepare the financial statements on a going concern basis. There can, however, be no certainty that the planned financing will be successfully completed. Accordingly, successful completion of the planned financing and the substantial achievement of cash flow forecasts represent a material uncertainty that may cast doubt on the group and the parent company's ability to continue as a going concern. The group and the parent company may, therefore, be unable to continue realising their assets and discharging their liabilities in the normal course of business, but the financial statements do not include any adjustments that would result if the going concern basis of preparation is inappropriate.

Strategic report

The directors have not prepared a Strategic report as the Company and its subsidiaries are entitled to the special provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Political contributions

Neither the Company nor any of its subsidiaries made any political contributions during the year (2016: £nil).

Proposed dividend

The directors do not recommend the payment of a dividend (2016: £nil).

Directors

The following directors held office during the whole period from 1 January 2017 to the date of this report:

P Graiver Brodsky
J Mayo
D Currie
K Lovell

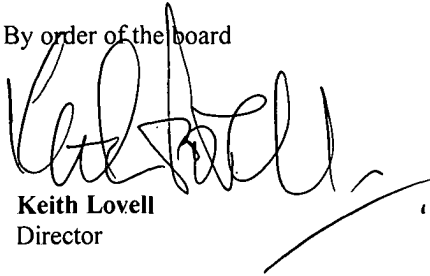
Disclosure of information to auditor

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 ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

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

By order of the board



Keith Lovell
Director

39 Earlham Street
London
WC2H 9LT
18 September 2018

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 applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- 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 that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible 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, 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.

Independent auditor's report to the members of Antidote Technologies Ltd

Opinion

We have audited the financial statements of Antidote Technologies Ltd ("the company") for the year ended 31 December 2017, which comprise the consolidated profit and loss account and other comprehensive income, consolidated balance sheet, company balance sheet, consolidated statement of changes in equity and company statement of changes in equity, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Material uncertainty relating to going concern

We draw attention to note 2.2 in the financial statements, which indicates that, given its current cash position and rate of cash utilisation, the entity is reliant on its ability to secure additional funding until such time as they can attract new customers and become profitable and cash generative. The directors are planning to obtain additional funding, but have not yet secured an additional source of funding. These events and conditions, along with the other matters explained in note 2.2, constitute a material uncertainty that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that 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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the 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

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.



Tudor Aw (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

24 September 2018

Consolidated Profit and Loss Account and Other Comprehensive Income *for the year ended 31 December 2017*

	<i>Note</i>	2017 £	2016 £
Turnover	3	2,154,338	2,409,168
Cost of sales		(892,318)	(1,132,856)
Gross profit		1,262,020	1,276,312
Administrative expenses		(6,209,839)	(4,914,683)
Share based payment charge	15	(27,856)	(21,092)
Group operating loss		(4,975,675)	(3,659,463)
Other interest receivable and similar income	7	-	2,198
Interest payable and similar expenses	8	(24,555)	(1)
Loss on ordinary activities before taxation		(5,000,230)	(3,657,266)
Tax on loss on ordinary activities	9	(396,423)	375,310
Loss for the financial year		(4,603,807)	(3,281,956)
Other comprehensive income			
Currency translation differences		(1,947)	-
Total comprehensive income for the year		(4,605,754)	(3,281,956)

All results derive from continuing operations.

The loss for the Company for the year was £4,652,052 (2016: £3,281,956).

There are no recognised gains and losses other than those stated above and therefore no separate statement of other comprehensive income has been prepared.

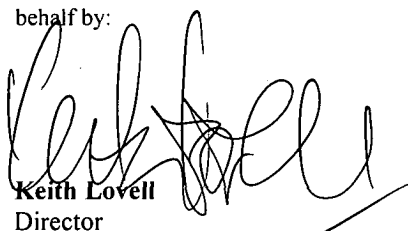
The notes on pages 13 to 23 form part of these consolidated financial statements.

Consolidated Balance Sheet at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	10	66,360	77,042
		<u>66,360</u>	<u>77,042</u>
Current assets			
Debtors (including £90,300 (2016: £90,300) due after more than one year)	12	1,185,358	1,537,492
Cash at bank and in hand		6,137,324	2,258,386
		<u>7,322,682</u>	<u>3,795,878</u>
Creditors: amounts falling due within one year	13	<u>(641,442)</u>	<u>(638,842)</u>
Net current assets		<u>6,681,240</u>	<u>3,157,036</u>
Total assets less current liabilities		<u>6,747,600</u>	<u>3,234,078</u>
Creditors: amounts falling due after more than one year	14	<u>(90,724)</u>	<u>(132,545)</u>
		<u>(90,724)</u>	<u>(132,545)</u>
Net assets		<u>6,656,876</u>	<u>3,101,533</u>
Capital and reserves			
Called up share capital	16	48,659	45,910
Share premium account	16	19,873,096	11,742,603
Other reserves		49,789	21,933
Profit and loss account		<u>(13,314,668)</u>	<u>(8,708,913)</u>
Shareholders' funds		<u>6,656,876</u>	<u>3,101,533</u>

The notes on pages 13 to 23 form part of these consolidated financial statements.

These consolidated financial statements were approved by the board of directors on 18th September 2018 and were signed on its behalf by:


Keith Lovell
Director

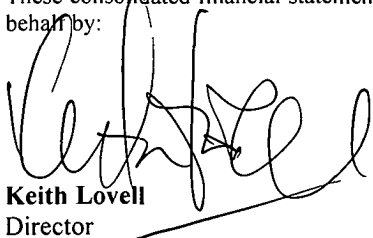
Company registered number: 07611221

Company Balance Sheet
at 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	10	46,375	60,484
Investments	11	1	1
		<u>46,376</u>	<u>60,485</u>
Current assets			
Debtors (including £90,300 (2017: £90,300) due after more than one year)	12	1,255,211	1,561,614
Cash at bank and in hand		5,958,169	2,191,028
		<u>7,213,380</u>	<u>3,752,642</u>
Creditors: amounts falling due within one year	13	(558,453)	(579,049)
Net current assets		<u>6,654,927</u>	<u>3,173,593</u>
Total assets less current liabilities		<u>6,701,303</u>	<u>3,234,078</u>
Creditors: amounts falling due after more than one year	14	(90,724)	(132,545)
		<u>(90,724)</u>	<u>(132,545)</u>
Net assets		<u>6,610,579</u>	<u>3,101,533</u>
Capital and reserves			
Called up share capital	16	48,659	45,910
Share premium account	16	19,873,096	11,742,603
Other reserves		49,789	21,933
Profit and loss account		(13,360,965)	(8,708,913)
Shareholders' funds		<u>6,610,579</u>	<u>3,101,533</u>

The notes on pages 13 to 23 form part of these consolidated financial statements.

These consolidated financial statements were approved by the board of directors on 18th September 2018 and were signed on its behalf by:


Keith Lovell
Director

Company registered number: 07611221

Company Statement of Changes in Equity

	Called up Share Capital £	Share Premium account £	Other reserves £	Profit and loss account £	Total equity £
Balance at 1 January 2016	44,975	7,277,432	841	(5,426,957)	1,896,291
Total comprehensive income for the period					
Loss for the financial year	-	-	-	(3,281,956)	(3,281,956)
Share issue	935	4,499,066	-	-	4,500,001
Expenses of share issue	-	(33,895)	-	-	(33,895)
Share based payment charge	-	-	21,092	-	21,092
Balance at 31 December 2016 and 1 January 2017	45,910	11,742,603	21,933	(8,708,913)	3,101,533
Total comprehensive income for the period					
Loss for the financial year	-	-	-	(4,652,052)	(4,652,052)
Share issue	2,749	8,271,080	-	-	8,273,829
Expenses of share issue	-	(140,587)	-	-	(140,587)
Share based payment charge	-	-	27,856	-	27,856
Balance at 31 December 2017	48,659	19,873,096	49,789	(13,360,965)	6,610,579

Notes

(forming part of the consolidated financial statements)

1 General Information

Antidote Technologies Ltd (the “Company”) together with its subsidiary (the “Group”) provides a search and referral engine for clinical trials, dedicated to making clinical trials easy to find, understand and access. Antidote Technologies Ltd is a private company, limited by shares and incorporated, domiciled and registered in England in the UK. The registered number is 07611221 and the registered address is 39 Earlham Street, London, WC2H 9LT.

2 Accounting policies

These Group and parent company consolidated financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) Section 1A Small Entities as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied. The presentation currency of these consolidated financial statements is sterling. All amounts in the consolidated financial statements have been rounded to the nearest pound.

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

2.1 Measurement convention

The consolidated financial statements are prepared on the historical cost basis and in accordance with the Companies Act 2006 and applicable accounting standards.

2.2 Going concern

Notwithstanding a cash balance of £6.1m as at the balance sheet date (31 August 2018: £2.6m (unaudited)) and a trading loss run rate to date that is in line with last year, the Directors have prepared the financial statements on a going concern basis for the reasons set out below.

The Directors have assessed the Group’s need for further funding in order to support the group’s ongoing operations and continued revenue growth and have prepared cash flow forecasts to assess both the immediate and long-term capital requirements.

Additional financing will be required by the end of the second quarter in 2019 to cover operations until the Group achieves profitability and positive operating cash flow. The Directors are assessing the optimum structure and timing of this. This additional financing is intended to help cover the company’s operational expenditure and investment in product development for the next 12 to 18 months, during which time it is expected that its marketplace concept will be launched and commercialised.

The current investors have indicated that they are supportive of the business given the expected size of the market opportunity, and whilst the directors are confident of obtaining additional investment sufficient to support for the business to achieve planned revenue growth and ongoing operations, the amount, timing and structure of which is uncertain, and like any new investment, the ability to raise new financing is also uncertain.

If not achieved by the end of the second quarter of 2019, the Directors will reduce the level of costs in the business to reduce the cash burn and extend the period available to identify and implement new financing options. The Directors are considering financing options including further investment from the current investors, overdrafts, loans, equity investment, venture funding, private equity investment and factoring.

The Directors recognise that the ability of the group to attract new customers and so become profitable and cash generative and to raise finance to cover their operations until that time constitute a material uncertainty that may cast significant doubt on the group’s and company’s ability to continue as a going concern and, therefore, to continue realising their assets and discharging their liabilities in the normal course of business. The financial statements do not include any adjustments that would result if the group and company were unable to continue as a going concern. .

Notes (continued)

2.3 Basis of consolidation

The Group consolidated financial statements contain the financial statements of the company and all its subsidiary undertakings as at 31 December 2017. A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The results of subsidiary undertakings are included in the consolidated profit and loss account from the date that control commences until the date that control ceases. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

Under Section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own profit and loss account.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

2.4 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, net of discounts, rebates and value added taxes. The Group recognises revenue when a) the amount can be reliably measured; (b) it is probable that the economic benefits associated with the transaction will flow to the entity; (c) the stage of completion of the transaction at the end of the reporting period can be measured reliably; and (d) the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

2.5 Foreign currency

Transactions in foreign currencies are translated to the Group and 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. Foreign exchange differences arising on translation are recognised in the profit and loss account.

The assets and liabilities of foreign operations, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Foreign exchange differences arising on retranslation are recognised in other comprehensive income.

2.6 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.

Notes (continued)

2.7 Tangible fixed assets

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

The Group 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:

- plant and equipment - 3 years
- fixtures and fittings - 4 years

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

2.8 Intangible assets

Research and development

The Group invested significantly in the development of new products and services in the year. Expenditure on research and development activities is recognised in the profit and loss account as an expense as incurred.

2.9 Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement under the terms of FRS 102 Section 1A Small Entities.

2.10 Employee benefits

Defined contribution plans

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.

Group Plans

Share-based payment transactions

Share-based payment arrangements in which the entity receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the entity.

Where the entity is part of a group share-based payment plan, it recognises and measures its share-based payment expense on the basis of a reasonable allocation of the expense recognised for the group.

Notes (continued)

2.11 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 receivable on the taxable 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 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 it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

3 Turnover

	2017 £	2016 £
Rendering of services	2,154,338	2,409,168
Total turnover	<u>2,154,338</u>	<u>2,409,168</u>

4 Expenses and auditor's remuneration

Included in the operating loss are the following:

	2017 £	2016 £
Research & development expensed as incurred	1,214,093	1,125,368

Auditors remuneration:

Audit of these consolidated financial statements	<u>20,000</u>	<u>15,000</u>
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Amounts receivable by the company's auditor and its associates in respect of:

Taxation compliance services	21,592	14,756
Other tax advisory services	12,500	5,153
Other corporate finance services	<u>-</u>	<u>10,000</u>

Notes (continued)

5 Staff numbers and costs

Average monthly number of persons employed by the Group during the year:

	2017	2016
Employees including executive directors	43	34

The aggregate payroll costs of these persons were as follows:

	2017 £	2016 £
Wages and salaries	3,533,717	2,660,681
Social security costs	379,177	286,684
Contributions to defined contribution plans	31,711	5,217
	<u>3,944,605</u>	<u>2,952,582</u>

6 Directors remuneration

	2017 £	2016 £
Directors' remuneration	438,757	351,856
Contributions to defined contribution plans	3,362	544
Amounts paid to third parties in respect of directors' services	71,472	64,417
	<u>513,591</u>	<u>416,817</u>

The remuneration of the highest paid director was £243,920 (2016: £169,920).

7 Other interest receivable and similar income

	2017 £	2016 £
Bank interest received	-	2,198
	<u>-</u>	<u>2,198</u>

8 Interest payable and similar charges

	2017 £	2016 £
Bank interest paid	3	1
Interest payable on financial liabilities	24,552	-
	<u>24,555</u>	<u>1</u>

Notes (continued)

9 Taxation

	2017 £	2016 £
Tax credit for the period included in profit and loss account	(404,900)	(375,310)
Current tax on income for the period	5,741	-
Adjustments in respect of prior periods	2,736	-
	<u>(396,423)</u>	<u>(375,310)</u>

Reconciliation of effective tax rate

	2017 £	2016 £
Loss on ordinary activities before tax	(5,056,953)	(3,636,174)
Tax on loss on ordinary activities at standard CT rate of 19.25% (PY: 20.00%)	(973,290)	(727,235)
Expenses not deductible for tax purposes	11,370	1,167
Other permanent differences	250	15
Additional deduction for R&D expenditure	(303,773)	(292,595)
Surrender of tax losses for R&D tax credit refund	132,544	142,359
Adjust closing deferred tax to average rate of 19.25%	231,985	196,310
Adjust opening deferred tax to average rate of 19.25%	(147,008)	(80,775)
Deferred tax not recognised	643,022	385,444
Tax charge/(credit) for the period	<u>(404,900)</u>	<u>(375,310)</u>

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future tax charge accordingly. The deferred tax asset/(liability) at 31 December 2017 has been calculated on these rates.

The Group has accumulated tax losses available for offset against future profits of £10.2m (2016: £6.6m). A deferred tax asset has not been recognised in respect of these losses as there is uncertainty regarding the timing of when these losses will be recovered.

Notes (continued)

10 Tangible fixed assets - Group

	Plant and Equipment £	Fixtures & fittings £	Total £
Cost			
Balance at 1 January 2017	77,422	61,340	138,762
Other acquisitions	31,241	-	31,241
Disposals	(16,047)	-	(16,047)
Effect of movements in foreign exchange	(2,184)	(153)	(2,337)
Balance at 31 December 2017	90,432	61,187	151,619
Depreciation and impairment			
Balance at 1 January 2017	44,643	17,077	61,720
Depreciation charge for the year	22,726	15,394	38,120
Disposals	(13,324)	-	(13,324)
Effect of movements in foreign exchange	(1,169)	(88)	(1,257)
Balance at 31 December 2017	52,876	32,383	85,259
Net book value			
At 1 January 2017	32,779	44,263	77,042
At 31 December 2017	37,556	28,804	66,360

Tangible fixed assets - Company

	Plant and Equipment £	Fixtures & fittings £	Total £
Cost			
Balance at 1 January 2017	52,327	59,579	111,906
Other acquisitions	14,613	-	14,613
Disposals	(13,552)	-	(13,552)
Balance at 31 December 2017	53,388	59,579	112,967
Depreciation and impairment			
Balance at 1 January 2017	35,196	16,226	51,422
Depreciation charge for the year	12,370	14,978	27,348
Disposals	(12,178)	-	(12,178)
Balance at 31 December 2017	35,388	31,204	66,592
Net book value			
At 1 January 2017	17,131	43,353	60,484
At 31 December 2017	18,000	28,375	46,375

Notes (continued)

11 Fixed asset investments - Company

	Shares in group undertakings £
At beginning of year	1
At end of year	1

The undertakings in which the Company's interest at the year-end is more than 20% are as follows.

<i>Subsidiary name</i>	<i>Country of Incorporation</i>	<i>Principal Activity</i>	<i>Class of shares held</i>	<i>Percentage of shares held</i>
Antidote Technologies Inc	USA	Support Services	Ordinary	100%

Registered address of Antidote Technologies Inc; C/O NRAI Inc, 160 Greentree DR STE 101, Dover, DE 19904, USA
Profit for the year was £48,244 (2016: £0). Balance of reserves for the year was £46,297 (2016: £0).

12 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
Trade debtors	509,575	967,541	509,575	967,541
Amounts owed by group undertakings	-	-	124,765	43,700
Other debtors	124,746	107,125	94,023	92,671
Corporation tax repayable	404,900	375,310	404,900	375,310
Prepayments and accrued income	146,138	87,516	121,948	82,392
	<u>1,185,358</u>	<u>1,537,492</u>	<u>1,255,211</u>	<u>1,561,614</u>
Due within one year	1,095,059	1,447,192	1,164,911	1,471,314
Due after more than one year	90,300	90,300	90,300	90,300
	<u>1,185,358</u>	<u>1,537,492</u>	<u>1,255,211</u>	<u>1,561,614</u>

13 Creditors: amounts falling due within one year

	Group 2017 £	2016 £	Company 2017 £	2016 £
Trade creditors	197,310	77,462	192,121	64,649
Amounts owed to group undertakings	-	-	-	-
Taxation and social security	78,253	129,796	73,514	120,084
Other creditors	10	10	10	10
Accruals and deferred income	365,869	431,574	292,808	394,306
	<u>641,442</u>	<u>638,842</u>	<u>558,453</u>	<u>579,049</u>

Notes (continued)

14 Creditors: amounts falling after more than one year

	Group 2017 £	2016 £	Company 2017 £	2016 £
Other creditors				
Accruals and deferred income	90,724	132,545	90,724	132,545
	<u>90,724</u>	<u>132,545</u>	<u>90,724</u>	<u>132,545</u>

15 Employee benefits

Defined contribution pension plans

The Group operates a number of defined contribution pension plans for its employees.

The total expense relating to the plans in the current year was £31,711 (2016: £5,217)

Other long-term benefits

Share options scheme

The Company has established an Enterprise Management Incentive Scheme ("EMI") and an Unapproved Share Option Scheme ("Unapproved"). Generally, options vest over a four-year period, with a one year cliff, and expire on the tenth anniversary from date of grant. Options granted become exercisable on vesting subject to the employee remaining in employment of the group.

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 2017	Number of options 2017	Weighted average exercise price 2016	Number of options 2016
Outstanding at the beginning of the year	£0.27638	3,731,640	£0.28729	1,471,318
Forfeited during the year	-	-	-	-
Exercised during the year	£0.25000	4,833	-	-
Granted during the year	£0.03406	2,495,456	£0.09945	2,384,808
Expired during the year	£0.25000	105,517	£0.25000	124,486
	<u>£0.11218</u>	<u>6,116,746</u>	<u>£0.16850</u>	<u>3,731,640</u>
Outstanding at the end of the year	£0.11218	6,116,746	£0.16850	3,731,640
Exercisable at the end of the year	£0.18476	2,155,446	£0.27638	882,725

Notes (continued)

15 Employee benefits (continued)

Share options (continued)

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The fair value of employee share options granted was arrived at by taking into account the price of shares in recent investment rounds together with historic and future expected volatility using a Black-Scholes pricing model.

The total expenses for the year arising from share-based payments are as follows:

	2017	2016
	£	£
Total share based payment expense	27,856	21,092

16 Capital and reserves

Share capital

	2017	2016
	£	£
<i>Allotted, called up and fully paid;</i>		
4,313,946 ordinary shares of £0.01 each	43,139	42,259
2,242,847 "A" shares of £0.001 each	2,242	2,220
5,006,007 "B" shares of £0.0001 each	501	496
9,450,010 "C" shares of £0.0001 each	945	935
17,737,998 "D1" shares of £0.0001 each	1,774	-
577,018 "D2" shares of £0.0001 each	58	-
	<u>48,659</u>	<u>45,910</u>

During the year, the Company issued 17,737,998 "D1" shares and 577,018 "D2" shares for cash consideration of US\$11,000,000.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Share premium

	2017	2016
	£	£
Balance brought forward	11,742,603	7,277,432
Premium on shares issued in the year	8,130,493	4,465,171
	<u>19,873,096</u>	<u>11,742,603</u>

Notes (continued)

17 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Less than one year	161,237	222,092	150,650	116,393
Between one and five years	157,935	298,890	147,348	297,998
More than five years	-	-	-	-
	<u>319,172</u>	<u>520,982</u>	<u>297,998</u>	<u>414,391</u>

During the year £262,636 was recognised as an expense in the profit and loss account in respect of operating leases (2016: £286,074).

The Group had no other off-balance sheet commitments.

18 Related parties

Identity of related parties with which the Group has transacted

There are no related party transactions other than those noted below with key management personnel.

Transactions with key management personnel

Total compensation of key management personnel in the year amounted to £442,119 (2016: £352,400).

19 Ultimate parent company and parent company of larger group

No other group financial statements include the results of the Company.