

REGISTERED NUMBER: 08502405 (England and Wales)

UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2016 TO 31 DECEMBER 2016
FOR
CHIARO TECHNOLOGY LIMITED

	Page
Company Information	1
Statement of Financial Position	2
Notes to the Financial Statements	4

CHIARO TECHNOLOGY LIMITED

COMPANY INFORMATION

FOR THE PERIOD 1 APRIL 2016 TO 31 DECEMBER 2016

DIRECTORS:

T Aube
T M Adeyoola
A Asscily
S P King

SECRETARY:

J D Aube

REGISTERED OFFICE:

63 - 66 Second Floor
Hatton Garden
London
EC1N 8LE

REGISTERED NUMBER:

08502405 (England and Wales)

ACCOUNTANTS:

Horizon Accounts Limited
Stapleton House
Block A, 2nd Floor
110 Clifton Street
London
EC2A 4HT

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2016

	Notes	31.12.16		31.3.16	
		£	£	£	£
FIXED ASSETS					
Intangible assets	5		31,678		24,955
Tangible assets	6		<u>26,820</u>		<u>22,413</u>
			58,498		47,368
CURRENT ASSETS					
Stocks		328,700		314,741	
Debtors	7	288,163		183,675	
Cash at bank and in hand		<u>4,873,556</u>		<u>606,389</u>	
		5,490,419		1,104,805	
CREDITORS					
Amounts falling due within one year	8	<u>1,104,598</u>		<u>576,058</u>	
NET CURRENT ASSETS			<u>4,385,821</u>		<u>528,747</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,444,319</u>		<u>576,115</u>
CAPITAL AND RESERVES					
Called up share capital			181,913		138,436
Share premium			7,084,381		2,348,693
Share option reserve			806,688		532,623
Retained earnings			<u>(3,628,663)</u>		<u>(2,443,637)</u>
SHAREHOLDERS' FUNDS			<u>4,444,319</u>		<u>576,115</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 December 2016.

The members have not required the company to obtain an audit of its financial statements for the period ended 31 December 2016 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

STATEMENT OF FINANCIAL POSITION - continued
31 DECEMBER 2016

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 27 September 2017 and were signed on its behalf by:

T Aube - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2016 TO 31 DECEMBER 2016**

1. STATUTORY INFORMATION

Chiaro Technology Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

No significant judgements or estimates have been used in order to arrive at the figures contained within the financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Other operating income

Other operating income represents grants received in the period and are recognised in the profit and loss account so as to match them with the expenditure towards which they are intended to contribute.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Intellectual property are being amortised evenly over their estimated useful life of ten years.

Computer software is being amortised evenly over its estimated useful life of three years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property	- 20% on straight line
Office equipment	- 33.33% on straight line
Fixtures and fittings	- 33.33% on straight line
Computer equipment	- 33.33% on straight line

Stocks

Stocks are valued on a weighted average cost model, after making allowance for obsolete and slow moving stock.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2016 TO 31 DECEMBER 2016

3. ACCOUNTING POLICIES - continued

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

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.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Share based payments

The company operates an equity-settled, cash-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement. The credit entry is taken to reserves because the share options are equity-settled.

Going concern

The financial statements have been prepared on the going concern basis. The company has incurred losses during the period, however the directors have a reasonable expectation that the performance of the company will be reversed when the research and development stage has been completed. During the period, the directors have been successful in raising additional share capital which has directly contributed to significant cash balances on hand, giving the directors a reasonable expectation that the company will have sufficient resources to be able to meet its future liabilities, if and when they become due. It is on this basis that the directors are therefore of the opinion that they should continue to adopt the going concern basis in preparing the annual financial statements.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the period was 17 (2016 - 10).

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2016 TO 31 DECEMBER 2016**

5. INTANGIBLE FIXED ASSETS

	Intellectual property £	Computer software £	Totals £
COST			
At 1 April 2016	25,253	2,020	27,273
Additions	<u>9,461</u>	<u>-</u>	<u>9,461</u>
At 31 December 2016	<u>34,714</u>	<u>2,020</u>	<u>36,734</u>
AMORTISATION			
At 1 April 2016	1,028	1,290	2,318
Amortisation for period	<u>2,231</u>	<u>507</u>	<u>2,738</u>
At 31 December 2016	<u>3,259</u>	<u>1,797</u>	<u>5,056</u>
NET BOOK VALUE			
At 31 December 2016	<u>31,455</u>	<u>223</u>	<u>31,678</u>
At 31 March 2016	<u>24,225</u>	<u>730</u>	<u>24,955</u>

6. TANGIBLE FIXED ASSETS

	Leasehold property £	Office equipment £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 April 2016	4,540	10,602	3,941	16,303	35,386
Additions	<u>-</u>	<u>700</u>	<u>-</u>	<u>12,097</u>	<u>12,797</u>
At 31 December 2016	<u>4,540</u>	<u>11,302</u>	<u>3,941</u>	<u>28,400</u>	<u>48,183</u>
DEPRECIATION					
At 1 April 2016	528	8,091	840	3,514	12,973
Charge for period	<u>684</u>	<u>1,175</u>	<u>990</u>	<u>5,541</u>	<u>8,390</u>
At 31 December 2016	<u>1,212</u>	<u>9,266</u>	<u>1,830</u>	<u>9,055</u>	<u>21,363</u>
NET BOOK VALUE					
At 31 December 2016	<u>3,328</u>	<u>2,036</u>	<u>2,111</u>	<u>19,345</u>	<u>26,820</u>
At 31 March 2016	<u>4,012</u>	<u>2,511</u>	<u>3,101</u>	<u>12,789</u>	<u>22,413</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16 £	31.3.16 £
Trade debtors	91,674	12,077
Other debtors	<u>196,489</u>	<u>171,598</u>
	<u>288,163</u>	<u>183,675</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2016 TO 31 DECEMBER 2016

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.16	31.3.16
	£	£
Bank loans and overdrafts	500,000	-
Trade creditors	85,459	189,429
Taxation and social security	40,003	16,290
Other creditors	479,136	370,339
	<u>1,104,598</u>	<u>576,058</u>

9. RELATED PARTY DISCLOSURES

During the period, there were no related party disclosures to be made.

10. ULTIMATE CONTROLLING PARTY

In the opinion of the directors, there is no ultimate controlling party.

11. SHARE-BASED PAYMENT TRANSACTIONS

The company operates an EMI qualifying share option scheme. As at the date of the Statement of Financial Position, the company had granted 945,930 EMI qualifying share options to 14 employees with an exercise price of £0.10 per share. Share options range over different vesting periods and cliffs per level of staff ranging from 1 to 3 years while some without cliffs.

The company has issued warrants to subscribe for shares at a fixed price in the future on the occurrence of certain events set out in the warrant agreement. As at the date of the Statement of Financial Position, the company had granted and issued 247,112 warrants to four advisors with an exercise price of £0.10 per share.

12. FIRST YEAR ADOPTION

Transitional relief

On transition to FRS 102, the company has taken advantage of the following transitional relief:

- not to apply the requirements of Section 26 Share-based Payment.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.