

REGISTERED NUMBER: 08479256 (England and Wales)

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2019

FOR

TERRASCOPE LIMITED

TERRASCOPE LIMITED (REGISTERED NUMBER: 08479256)

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FOR THE YEAR ENDED 30 SEPTEMBER 2019

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TERRASCOPE LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2019

DIRECTORS:

M Gopaul
M Halbherr
P A McNabb

REGISTERED OFFICE:

Third Floor
20 Old Bailey
London
EC4M 7AN

REGISTERED NUMBER:

08479256 (England and Wales)

ACCOUNTANTS:

Horizon Accounts Ltd
Stapleton House Second Floor
110 Clifton Street
London
EC2A 4HT

STATEMENT OF FINANCIAL POSITION
30 SEPTEMBER 2019

		30.9.19		30.9.18 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	5		7,753		12,275
Investments	6		<u>13,155</u>		<u>13,155</u>
			20,908		25,430
CURRENT ASSETS					
Debtors	7	1,008,079		934,764	
Cash at bank		<u>669,738</u>		<u>842,869</u>	
		1,677,817		1,777,633	
CREDITORS					
Amounts falling due within one year	8	<u>1,132,699</u>		<u>166,684</u>	
NET CURRENT ASSETS			<u>545,118</u>		<u>1,610,949</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>566,026</u>		<u>1,636,379</u>
CAPITAL AND RESERVES					
Called up share capital	10		362		362
Share premium			6,625,297		6,647,735
CLN equity			568,573		-
Equity liability			22,508		-
Share option			1,000,613		689,780
Retained earnings			<u>(7,651,327)</u>		<u>(5,701,498)</u>
SHAREHOLDERS' FUNDS			<u>566,026</u>		<u>1,636,379</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 30 September 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 September 2019 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
30 SEPTEMBER 2019

The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

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 20 December 2019 and were signed on its behalf by:

M Gopaul - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

1. STATUTORY INFORMATION

Terrascope 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 Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" 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.

Preparation of consolidated financial statements

The financial statements contain information about Terrascope Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Significant judgements and estimates

Share based payments as set out in note 13 to the accounts have been made to employees of the company. As disclosed in the Share Based Payments accounting policy note below, the fair value of any vested share options is recognised in the income statement and for the accounting period ending 30 September 2019 the fair value has been estimated as £0.34987 per share. This is based on the value of Ordinary shares issued.

There have been no other significant judgements or estimates applied to the numbers contained within these financial statements.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Other income

Other income represents grant income received in the year and is recognised in the profit and loss account at the time the matching expenditure is incurred.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

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

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

3. ACCOUNTING POLICIES - continued

Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Income Statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Income Statement.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in, the Income Statement, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, loans from fellow Group companies that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are classified as current liabilities if payment is due within one year. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

3. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year comprises current 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 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.

Tax credits disclosed on the income statement represents tax losses surrendered for research and development tax credits.

Research and development

Revenue expenditure on research and development is written off in the period 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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

Going concern

The financial statements have been prepared on the going concern basis. The company has incurred losses during the year. During the year end, the directors have been successful in raising additional investment, resulting in a significant improvement to the company's cash resources. As a result of this they believe the company has sufficient resources to meet its future obligations, if and when, they become due. It is on this basis that they are of the opinion that they should continue to adopt the going concern basis in preparing the annual financial statements.

Share-based payments

The company operates an equity-settled 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 statement of financial position 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 5 (2018 - 5) .

5. TANGIBLE FIXED ASSETS

	Office equipment £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 October 2018	4,419	2,877	32,941	40,237
Additions	753	-	4,639	5,392
Disposals	(103)	-	(4,409)	(4,512)
At 30 September 2019	<u>5,069</u>	<u>2,877</u>	<u>33,171</u>	<u>41,117</u>
DEPRECIATION				
At 1 October 2018	2,844	1,811	23,307	27,962
Charge for year	1,267	848	7,799	9,914
Eliminated on disposal	(103)	-	(4,409)	(4,512)
At 30 September 2019	<u>4,008</u>	<u>2,659</u>	<u>26,697</u>	<u>33,364</u>
NET BOOK VALUE				
At 30 September 2019	<u>1,061</u>	<u>218</u>	<u>6,474</u>	<u>7,753</u>
At 30 September 2018	<u>1,575</u>	<u>1,066</u>	<u>9,634</u>	<u>12,275</u>

6. FIXED ASSET INVESTMENTS

	Shares in group undertaking £
COST	
At 1 October 2018 and 30 September 2019	<u>13,155</u>
NET BOOK VALUE	
At 30 September 2019	<u>13,155</u>
At 30 September 2018	<u>13,155</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

7.	DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	30.9.19	30.9.18
		£	as restated £
	Trade debtors	15,047	22,393
	Amounts owed by group undertakings	382,666	342,504
	Other debtors	610,366	569,867
		<u>1,008,079</u>	<u>934,764</u>

8.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	30.9.19	30.9.18
		£	as restated £
	Trade creditors	165,687	98,939
	Taxation and social security	8,667	11,406
	Other creditors	958,345	56,339
		<u>1,132,699</u>	<u>166,684</u>

9.	LEASING AGREEMENTS		
	Minimum lease payments under non-cancellable operating leases fall due as follows:	30.9.19	30.9.18
		£	as restated £
	Within one year	<u>13,142</u>	<u>-</u>

10.	CALLED UP SHARE CAPITAL			
	Allotted, issued and fully paid:			
	Number:	Class:	Nominal value:	30.9.19
				as restated
				£
	2,073,309	Ordinary shares	£0.0001	207
	1,547,546	Seed shares	£0.0001	155
				<u>362</u>
				<u>362</u>

In the event of a capital distribution, allocations are made first to holders of Seed shares, at the greater of the original subscription price for the shares and an amount equal to the pro rata entitlement as if the Seed shares and Ordinary shares constituted a single class of shares.

Both classes of share are ranked equally in all other respect.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2019

11. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

12. ULTIMATE CONTROLLING PARTY

During the year there is no ultimate controlling party.

13. SHARE-BASED PAYMENT TRANSACTIONS

The company operates an EMI qualifying share option scheme. The company had not granted any additional EMI qualifying share options in this financial year. The company has issued 189,500 options to 6 employees with exercise prices ranging from £0.12 to £2.20 per share. As at the year end, 16,551 share options vested during the period and there were no share options exercised and 9,876 options lapsed. Share options vest under varying terms over a period ranging from the date of grant to 4 years.

The company also operates an unapproved share option scheme. As at the date of the statement of financial position, the company had granted 524,124 unapproved share options to 33 employees and contractors with an exercise price ranging from £0.244 to £2.20 per share. As at the year end, 72,872 share options vested, 4,365 share options lapsed and there were no share options exercised. Share options vest under varying terms over a period ranging from the date of grant to 4 years.

The share options are exercisable on the share capital of the company.

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.