



26 July 2018

Nuformix plc
("Nuformix" or "the Company"),
Final Results for year ended 31 March 2018

The Board of Nuformix plc, (LSE:NFX) is pleased to announce the Company's audited final results for the year ended 31 March 2018.

Summary

- On 13 October 2017 the Company successfully completed a reverse takeover of Nuformix Limited, now renamed Nuformix Technologies Limited (Nuformix),
- On re-listing a Placing of new shares was also completed, raising £2.3m before expenses to support:
 - Entry to clinical development for Nuformix's technology and associated lead programmes.
 - Further pre-clinical research and development to broaden Nuformix's underlying pipeline.
- Nuformix has added world class members to its team to support the Group's technical and commercial aspirations:
 - Creation of Nuformix Advisory Panel, with Dr Andy Richards joining as Chairman.
 - In research and development, Dr Alex Eberlin joined as Head of Chemistry.
 - Post year-end, key additions have followed, including Dr Chris Blackwell joining the Nuformix Board as a Non-Executive Director.
- Progression of Lead Programmes:
 - NXP001: Await confirmation that the pre-clinical milestone has been achieved triggering an initial payment of £500,000 from Newsummit Biopharma ("NSB").
 - Group is on track to deliver its first human pharmacokinetic data in early 2019. MHRA clearance is expected in November 2018 with patients scheduled for dosing in January 2019.
 - All clinical materials have been generated and are ready for the commencement of a study at Quotient. Demonstration of bioequivalence to the reference product will trigger a further £2 million payment from NSB, whilst the marketing of the Rest of World rights will commence in Q3 2018.
 - NXP002: Strategic Review combined with emerging pre-clinical data strongly supports primary development towards a treatment for Idiopathic Pulmonary Fibrosis ("IPF").
 - Expect to announce completion of pre-clinical IPF programme shortly, following initial positive pilot study results as previously announced.

- Formulation development activities are on-going as the Group positions itself for an initial patient proof-of-concept study in IPF prior to commercial out-licensing. Additional development opportunities and further partnerships are being explored in parallel.

Commenting on Outlook, Dr Dan Gooding said: “The Company is currently in commercial discussions with a number of companies in relation out-licensing and the formation of collaborative development partnerships where Nuformix will share future development risk with partner companies in supporting their development of proprietary assets using Nuformix technology. Collaborations allow rapid growth in the number and value of Nuformix assets and, in addition, generate upfront and near-term revenue.

“With licensing income of £2.5m due in 2019 and the formation of strategic collaborations, the foundations are in place for the next stage in our development and I believe that our strategy and business model will deliver significant growth in shareholder value.”

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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About Nuformix plc: www.nuformix.com

Nuformix is a pharmaceutical development company using cocrystal technology to unlock the therapeutic potential of approved small molecule drugs. Nuformix's risk-mitigated development strategy has resulted in a pipeline of discoveries through which it has developed and patented novel cocrystal forms of approved small molecules.

Nuformix has created an IP portfolio containing a range of granted patents covering cocrystal forms of five small molecule drugs. Nuformix is targeting high-value unmet needs with its lead programmes in oncology supportive care: NXP001 and fibrosis: NXP002.

Nuformix was established in Cambridge in 2009 and has invested into pharmaceutical cocrystal R&D, establishing world-class capability and know-how in cocrystal discovery and development, yielding multiple product opportunities. Nuformix plc shares are traded on the London Stock Exchange's Official List under the ticker: NFX.L.

Chairman's Statement

Overview

2017/18 was a year of both transition and breakthrough for Nuformix plc (the Company).

On 13 October 2017 the Company successfully completed both a reverse takeover of Nuformix Limited, now renamed Nuformix Technologies Limited (Nuformix), and a parallel placing of new shares, raising £2.3m to predominantly fund entry to clinical development for Nuformix's technology and associated lead programmes for the first time. The resulting enlarged group (the 'Group') conducts pharmaceutical development activities, minimising risk in clinical development by creating innovative new therapies based on known drugs.

The Group's innovative therapies are made possible via cocrystal technology, which provides new intellectual property plus performance and commercial advantages to enable the development of new products. The Group now seeks to maximise the value of its existing intellectual property portfolio by ultimately conducting patient proof-of-concept studies for a small number of compelling assets prior to out-licensing, leveraging its capital markets facing position to further develop and broaden its portfolio to maximise mid to long-term shareholder value.

Following completion of the transaction, the Board has been strengthened and a new early revenue generating licensing agreement was put in place and as such, the Group is now positioned for considerable future growth. The positive pilot results for NXP002 announced in January 2018 for liver and lung fibrosis provide further evidence of the exciting opportunities within the Group's product pipeline as it continues to execute its strategy of better harnessing the therapeutic potential of known drugs for the treatment of unmet patient needs.

Prior to the acquisition, the Company, previously called Levrett plc, was an investment company formed with the intention of acquiring a target company with realisable or developed commercial technologies in the pharmaceutical and biotechnology sector. The acquisition of Nuformix by the Company has been accounted for as a reverse acquisition. As part of the completion of this reverse merger, the name of the Company was changed from Levrett plc to Nuformix plc on 13th October 2017.

The total loss for the year amounted to £1,838,263 (2017: £286,913). The results for 2017/18 year-end are highly impacted by the expenses relating to the reverse acquisition and related due diligence. The operating loss (which includes the costs of the reverse merger completed in October 2017) for the year ended 31 March 2018 amounted to £1,961,506 (2017: £333,990). Assuming the costs relating to the acquisition were excluded, the operating loss would be £899,364 (2017: a loss of £333,990).

Board changes

During the year, the Company has made some changes in order to strengthen the Board of Directors:

On 13 October 2017 the Group completed the reverse takeover process and at that time appointed me as Chairman, Kirk Siderman-Wolter as non-executive director and CFO and Francis John Lidgley as non-executive director. Furthermore, Dan Gooding (CEO) and Joanne Holland (CSO) were appointed executive directors for the Company.

Subsequent to year-end, the Company announced that Chris Blackwell was appointed non-executive director on 10 May 2018.

Current trading and outlook

This year saw the Group achieve transformational change, putting it on a new path towards significant growth and is testament to the skills and experience of our people. With licensing income of £2.5m due in 2019 and the formation of strategic collaborations, the foundations are in place for the next stage of the journey and I believe that our strategy and business model will deliver significant growth in shareholder value.

David Tapolczay
Chairman
26 July 2018

Strategic Report

Nuformix plc, (the 'Company') a pharmaceutical development company, with shares are traded on the Main Market of the London Stock Exchange.

Objective and strategy

The Company is focussed on building value for shareholders through its activities in drug development and by out-licensing. Nuformix uses cocrystal technology to re-engineer the crystalline form of known small molecule drugs. The resulting novel drug cocrystals have new and improved physical properties that can enable advantageous new products, in addition to strategic benefits. Furthermore, the resulting drug cocrystals are protected with new 'substance of matter' intellectual property protection. Nuformix's cocrystal technology expertise generates value and revenue by developing new cocrystal-based therapies using known drugs and licensing them to pharmaceutical and biotechnology companies. The initial product development focus is in the fields of oncology supportive care and fibrosis. However, the Company is building a pipeline of additional products behind its lead programmes, which it will continue to develop both in-house and in collaboration with external partners.

Operational Highlights

2018 was a transformational year for the Company. Since completing its successful reverse takeover of Levrett plc and a placing of new ordinary shares raising £2.3m, the Company and its subsidiary, Nuformix Technologies Limited (the 'Group') immediately focused all efforts and resources into progressing its lead programmes and establishing key commercial relationships with both research partners and licensees.

Strategic Review

The Company has completed a full Strategic, Commercial and Operational Review in respect of Nuformix's lead programmes, its wider portfolio and early-stage pipeline. All previously planned research and development activities are fully supported by the newly formed Advisory Panel and the Board, as are the associated commercial objectives.

Team

Nuformix has added world class members to its team to support the Group's technical and commercial aspirations. Nuformix announced the creation of its Advisory Panel, with Dr Andy Richards as Chairman. Within Research and Development, Dr Alex Eberlin has joined the team as Head of Chemistry. Post year end, key additions have followed, including Dr Chris Blackwell joining the Nuformix Board as a Non-Executive Director. These additions bring a wealth of proven expertise in life sciences value creation and broadens the Group's network.

Lead Programmes

In respect of NXP001, the Group is currently awaiting confirmation that its first pre-clinical milestone has been achieved, which will result in an initial payment of £500,000 from Newsummit Biopharma ("NSB"). In addition, the Group is on track to deliver its first human pharmacokinetic data in early 2019. MHRA clearance is expected in November 2018 with patients scheduled for dosing in January 2019. All clinical materials have been generated and are ready for the commencement of a study at Quotient. Demonstration of bioequivalence to the reference product will trigger a further £2 million payment from NSB, whilst the marketing of the Rest of World rights will commence in Q3 2018.

In respect of NXP002, our Strategic Review combined with emerging pre-clinical data strongly supports primary development towards a treatment for Idiopathic Pulmonary Fibrosis (“IPF”). The Group expects to announce completion of its pre-clinical IPF programme shortly, following initial positive pilot study results as previously announced. Formulation development activities are on-going as the Group positions itself for an initial patient proof-of-concept study in IPF prior to commercial out-licensing. Additional development opportunities and further partnerships are being explored in parallel.

Pipeline Development

The Group has made additional progress with its product pipeline to maximise the opportunity to address unmet patient needs using cocrystal technology and de-risking commercial success. In pipeline development, we continue to validate a select number of early-stage cocrystal-based products to support future progression to clinic. The Group is pleased to announce that it has discovered new cocrystal drug forms for molecules of therapeutic and commercial interest.

Details on the Product Development Pipeline will be available in the full Annual Report for year-end 31 March 2018.

Commercial Highlights

On 15 December 2017, the Group announced its first licensing agreement with Newsummit Biopharma Group Company Limited, Shanghai (“Newsummit”) to license NXP001 exclusively for the Chinese market. Newsummit has agreed to pay an aggregate fee of £2,500,000, upon attainment of agreement milestones, in addition to double-digit royalties on all Newsummit revenues derived from NXP001. Nuformix is currently in commercial discussions with a number of companies in relation to the out-licensing of its NXP001 and NXP002 assets, in-line with its stated business strategy.

Furthermore, the Company is also currently in commercial discussions with a number of companies in relation to the formation of collaborative development partnerships where Nuformix will share future development risk with partner companies in supporting their development of proprietary assets using Nuformix technology. Collaborations allow rapid growth in the number and value of Nuformix assets and, in addition, generate upfront and near-term revenue.

Financial Highlights

- Net assets at year-end of £4,493,142 (2016: £221,512), which include £338,167 cash at bank (2016: £4,446). The Company has seen growth in the value of its patents following continued investment into its intellectual property portfolio.
- Loss on ordinary activities (after tax credit) of £1,838,263 (2017: loss of £286,913). Loss per share of 0.49p (2017: 0.10p). Loss is driven primarily by transaction costs but also the acceleration of product development costs post-merger in preparation for commencement of clinical studies.
- Successful completion of the acquisition of Nuformix Technologies Limited in October 2017 for £11.25 million in shares.
- Successful placing in October 2017 to raise £2.3 million before expenses.
- Transaction expenses of £360,000, which are higher than expected due to the protracted nature of the transaction. A significant time passed following the initial announcement of the

merger, largely spent satisfying regulatory requirements to allow completion. An opportunity arose for early settlement of the Corvus success fee resulting in a 35% discount, which the Directors accepted. While this has impacted the Company's cash position, the discount achieved has helped to offset the increase in costs of the business combination.

- Share based payment charges, which are not cash reducing, to incentivise directors and key management of £702,142.
- Licensing agreement signed with Newsummit will generate £2.5 million in income in 2019. The Company is in commercial discussions with a number of organisations regarding additional out-licensing and collaborative development opportunities, which will also be revenue generating in 2019.

Performance

The following are the key performance indicators ("KPIs") considered by the Board in assessing the Group's performance against its objectives. These KPIs are:

Progress of Lead Programmes: Lead programmes are progressing at an acceptable rate. Clinical data from NXP001 will shortly trigger commercial milestones to support the Company's development and commercial objectives.

Financial Resources: Company cash position of £338,167 allows lead programmes to maintain progression towards their key milestones.

Dan Gooding

CEO

26 July 2018

Nuformix plc

**Consolidated Income Statement and Statement of Comprehensive Income for the Year
Ended 31 March 2018**

	Note	2018 £	2017 £
Revenue	5	15,000	-
Cost of sales		(203,868)	(86,187)
Gross loss		(188,868)	(86,187)
Administrative expenses before exceptional items		(729,016)	(282,975)
Exceptional items	4	(1,062,142)	-
Total administrative expenses		(1,791,158)	(282,975)
Other operating income	6	18,520	35,172
Operating loss	7	(1,961,506)	(333,990)
Finance costs	8	(3,547)	(21,363)
Loss before tax		(1,965,053)	(355,353)
Income tax receipt	12	126,790	68,440
Loss for the year and total comprehensive income for the year		(1,838,263)	(286,913)
Loss per share – basic and diluted	13	(0.49)p	(0.10)p

The above results were derived from continuing operations

The accompanying notes to the financial statements form an integral part of the financial statements.

Nuformix plc
(Registration number: 09632100)

Consolidated Statement of Financial Position as at 31 March 2018

	Note	31 March 2018 £	31 March 2017 £
Assets			
Non-current assets			
Property, plant and equipment	14	37,494	1,733
Intangible assets	15	4,275,920	234,334
		4,313,414	236,067
Current assets			
Trade and other receivables	16	180,322	84,175
Income tax asset		195,236	-
Cash and cash equivalents	17	338,167	4,446
		713,725	88,621
Total assets		5,027,139	324,688
Equity and liabilities			
Equity			
Share capital	18	460,750	95,750
Share premium		2,932,590	737,440
Merger relief reserve		10,950,000	-
Reverse acquisition reserve		(8,005,195)	(345,820)
Share option reserve		724,837	22,695
Retained earnings		(2,569,840)	(731,577)
Total equity		4,493,142	221,512
Current liabilities			
Trade and other payables	23	511,041	358,289
Loans and borrowings	20	22,956	187,911
		533,997	546,200
Total equity and liabilities		5,027,139	324,688

These financial statements were approved by the board on 26 July 2018 and were signed on its behalf by:

Dan Gooding
CEO

The accompanying notes to the financial statements form an integral part of the financial statements.

Nuformix plc

Consolidated Statement of Changes in Equity for the Year Ended 31 March 2018

	Share capital £	Share premium £	Merger relief reserve £	Reverse acquisition reserve £	Share option reserve £	Retained earnings £	Total £
At 1 April 2017	95,750	737,440	-	(345,820)	22,695	(731,577)	(221,512)
Loss for the year and total comprehensive loss	-	-	-	-	-	(1,838,263)	(1,838,263)
Issue of shares as consideration	300,000	-	10,950,000	-	-	-	11,250,000
Share issue costs	-	(339,850)	-	-	-	-	(339,850)
Arising on reverse acquisition	-	-	-	(7,659,375)	-	-	(7,659,975)
Issue of share capital	57,500	2,242,500	-	-	-	-	2,300,000
Share based payment	7,500	292,500	-	-	702,142	-	1,002,142
At 31 March 2018	460,750	2,932,590	10,950,000	(8,005,195)	724,837	(2,569,840)	4,493,142
	Share capital £	Share premium £	Merger relief reserve £	Reverse acquisition reserve £	Share option reserve £	Retained earnings £	Total £
At 1 April 2016	100	509,965	-	-	-	(444,664)	65,401
Loss for the year and total comprehensive loss	-	-	-	-	-	(286,913)	(286,913)
At 31 March 2017	100	509,965	-	-	-	(731,577)	(212,512)

Arising on reverse acquisition	95,650	227,475	-	(345,820)	22,695	-	-
At 31 March 2017	95,750	737,440	-	(345,820)	22,695	(731,577)	(221,512)

The accompanying notes to the financial statements form an integral part of the financial statements.

Nuformix plc

Consolidated Statement of Cash Flows for the Year Ended 31 March 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Loss for the year		(1,838,263)	(286,913)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	7	47,433	35,030
Finance costs	8	3,547	21,363
Income tax expense	12	(126,790)	(68,440)
Share based payment		1,002,142	-
		<u>(911,992)</u>	<u>(298,960)</u>
Working capital adjustments			
Decrease in trade and other receivables	16	80,434	109,943
(Decrease) / increase in trade and other payables	23	(631,321)	205,819
		<u>(1,462,819)</u>	<u>16,802</u>
Cash generated from operations		(1,462,819)	16,802
Income taxes (paid)/received	12	(68,445)	100,693
		<u>(1,531,264)</u>	<u>117,495</u>
Net cash flow from operating activities		(1,531,264)	117,495
Cash flows from investing activities			
Cash acquired on reverse acquisition		678	-
Acquisitions of property plant and equipment		(44,094)	(751)
Acquisition of intangible assets	15	(57,202)	(92,503)
		<u>(100,618)</u>	<u>(93,254)</u>
Net cash flows from investing activities		(100,618)	(93,254)
Cash flows from financing activities			
Proceeds of share issue		1,960,150	-
Interest paid	8	(2,061)	(1,765)
Foreign exchange (gains) / losses	8	7,514	(19,598)
		<u>1,965,603</u>	<u>(21,363)</u>
Net cash flows from financing activities		1,965,603	(21,363)
Net increase in cash and cash equivalents		333,721	2,878
Cash and cash equivalents at 1 April		4,446	1,568
		<u>4,446</u>	<u>1,568</u>
Cash and cash equivalents at 31 March		338,167	4,446
		<u>338,167</u>	<u>4,446</u>

The accompanying notes to the financial statements form an integral part of the financial statements.

Nuformix plc

Notes to the Consolidated Financial Statements for the Year Ended 31 March 2018

1 General information

Nuformix plc ("the Company") and its subsidiary (together, "the Group") operate in the field of complex scientific research, specifically drug development through the use of cocrystallisation.

The company is a public limited company which is listed on the London Stock Exchange, domiciled in the United Kingdom ("the UK") and incorporated in England and Wales.

The address of its registered office is:

6th Floor
60 Gracechurch Street
London
EC3V 0HR

2 Accounting policies

Basis of preparation

The financial statements have been prepared in accordance with adopted IFRSs and under historical cost accounting rules. The financial statements are presented in Pounds Sterling which is the Group's functional and presentational currency.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

Statement of compliance

The Group financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the European Union ("adopted IFRS's"). At the date of the authorisation of these financial statements the following Standards and Interpretations affecting the Group, which have not been applied in these financial statements, were in issue, but not yet effective. The Group does not plan to adopt these standards early.

- Amendments to IFRS 2 Share based payments (effective for accounting period beginning on or after 1 January 2018)
- IFRS 9 Financial Instruments (effective for accounting period beginning on or after 1 January 2018)
- IFRS 15 Clarification of Revenue from Contracts with Customers (effective for accounting period beginning on or after 1 January 2018)
- IFRS 16 Leases (effective for accounting period beginning on or after 1 January 2019)

Critical Accounting Estimates and Judgements

The preparation of financial statement in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates and assumptions are based upon management's knowledge and experience of the amounts, events or actions. Actual results may differ from such estimates.

The critical accounting estimates are considered to relate to the following:

Intangible assets

The Group recognises intangible assets in respect of goodwill arising on consolidation. This recognition requires the use of estimates, judgements and assumptions in determining whether the goodwill is impaired at each year end.

Share options

The Group fair values equity settled share based payments transactions using the Black Scholes model. The use of the model involves judgements and estimates including an assessment of whether the shares will vest. Should actual future outcomes differ from these assessments the amounts recognised on a straight line basis would vary from those currently recognised.

Basis of consolidation

On 16 October 2017 the Company acquired the entire issued ordinary share capital of Nuformix Technologies Limited and became the legal parent of Nuformix Technologies Limited. The accounting policy adopted by the Directors applies the principles of IFRS 3 (Revised) “Business Combinations” in identifying the accounting parent as Nuformix Technologies Limited and the presentation of the Group consolidated statements of the Company (the legal parent) as a continuation of financial statements of the accounting parent or legal subsidiary (Nuformix Technologies Limited).

This policy reflects the commercial substance of this transaction as follows:

- The original shareholders of the legal subsidiary undertaking were the most significant shareholders following admission to the London Stock Exchange, owning 65.1% of the issued share capital;
- The assets and liabilities of the legal subsidiary Nuformix Technologies Limited are recognised and measured in the Group financial statements at the pre-combination carrying amounts without restatement to fair value;
- The retained earnings and other equity balances recognised in the Group financial statements reflect the retained earnings and other equity balances of Nuformix Technologies Limited immediately before the business combination;
- The results of the period from 1 April 2017 to the date of the business combination are those of Nuformix Technologies Limited;
- The equity structure appearing in the Group financial statements reflects the equity structure of the legal parent, including the equity instruments issued under the share-for-share exchange to effect the business combination and adjusted in accordance with IFRS 3. This results in the creation of a “reverse acquisition reserve” as at 1 April 2017, being the difference between the Company equity structure and that of Nuformix Technologies Limited.

The consolidated financial statements cover the year ended 31 March 2018. The financial statements for the comparative year ended 31 March 2017 represent the substance of the reverse acquisition and are those of Nuformix Technologies Limited.

Going concern

The financial statements have been prepared on the going concern basis of preparation which, inter alia, is based on the directors’ reasonable expectation that the Group has adequate resources to continue to operate as a going concern for at least twelve months from the date of their approval. In forming this assessment, the directors have prepared cashflow forecasts covering the period ending 31 July 2019 which take into account the likely run rate on overheads and research expenditure and the prudent expectations of income from its lead programmes. Whilst there can be no guarantee of the successful outcome of future trials, in compiling the cashflow forecasts the directors have made cautious estimates of the likely outcome of such trials, when income might be generated and have considered alternative strategies should projected income be delayed or fails to

materialise. These strategies include postponing non-committed research expenditure, securing alternative licensing arrangements from those currently planned and using the Group's established network of licensed brokers for fundraising.

After careful consideration, the directors consider that they have reasonable grounds to believe that the Group can be regarded as a going concern and, for this reason, they continue to adopt the going concern basis in preparing the Group's financial statements.

Exceptional items

Exceptional items are defined as items which are non-recurring in nature and material.

Changes in accounting policy

None of the standards, interpretations and amendments effective for the first time from 1 April 2017 have had a material effect on the financial statements.

Other than the adoption of IFRS 16 Leases, none of the standards, interpretations and amendments which are effective for periods beginning after 1 April 2017 and which have not been adopted early, are expected to have a material effect on the financial statements. The directors are evaluating the impact of IFRS 16 and will report on its impact in the results for the year ending 31 March 2019.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Group's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and,
- specific criteria have been met for each of the Group activities.

Segmental information

There is one continuing class of business, being the research and experimental development on biotechnology.

Given that there is only one continuing class of business, operating within the UK no further segmental information has been provided.

Tax

The tax expense represents the sum of tax currently payable and deferred tax.

Tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred income taxes are calculated using the liability method on temporary differences. Deferred tax is generally provided on the difference between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Temporary differences include those associated with shares in subsidiaries and joint ventures and are only not recognised if the Group controls the reversal of the difference and it is not expected for the foreseeable future. In addition, tax losses available to be carried forward as well as other income tax credits to the Group are assessed for recognition as deferred tax assets.

Deferred tax liabilities are provided in full, with no discounting. Deferred tax assets are recognised to the extent that it is probable that the underlying deductible temporary differences will be able to be offset against future taxable income. Current and deferred tax assets and liabilities are calculated at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted at the statement of financial position date. Changes in deferred tax assets or liabilities are recognised as a component of tax expense in the income statements, except where they relate to items that are charged or credited to equity in which case the related deferred tax is also charged or credited directly to equity.

Property, plant and equipment

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Lab equipment	25% straight line
Computer and office equipment	33.33% straight line
Leasehold improvements	20% straight line

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units ('CGUs') for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The Group currently only has one CGU.

Separately acquired trademarks and licences are shown at historical cost. Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Patents	10% straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call 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 of changes in value.

Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Equity

Equity comprises the following:

- “Share capital” represents the nominal value of equity shares.
- “Share Premium” represents the amount paid for equity shares over the nominal value.
- “Reverse acquisition reserve” arises due to the elimination of the Company’s investment in Nuformix Technologies Limited.
- “Merger relief reserve” represents the share premium arising on issue of shares in respect of the reverse acquisition takeover
- “Share option reserve” represents the fair value of options issued.
- “Retained losses” represents retained losses.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid into publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee

benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

Financial assets and liabilities

The Group's financial assets comprise intangible and tangible fixed assets, trade and other receivables and cash and cash equivalents.

The Group's financial liabilities comprise trade payables. Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instruments.

3 Business combinations

On 16 October 2017 Nuformix plc acquired 100% of the share capital of Nuformix Technologies Limited for a total consideration of £11,250,000, satisfied through a share-for-share exchange. The acquisition of Nuformix Technologies Limited by Nuformix plc is deemed to be a reverse acquisition under the provisions of IFRS 3 "Business Combinations".

In accounting for a reverse acquisition (rather than an acquisition) the combined financial statements are deemed to be a continuation of the books of the legal acquiree (Nuformix Technologies Limited) rather than a continuation of those of the legal acquirer (Nuformix plc).

The assets and liabilities of Nuformix Technologies Limited are recognised and measured in the Group financial statements at the pre-combination carrying amounts, without restatement to fair value and no goodwill arises in relation to them.

Conversely, the assets of Nuformix plc are consolidated at their fair values.

The overall effect is that the consolidated financial statements are prepared from a Nuformix Technologies Limited perspective rather than Nuformix plc, and in summary this means:

- the comparative consolidated financial information is that of Nuformix Technologies Limited rather than that of Nuformix plc;
- the result for the year and consolidated cumulative profit and loss reserves are those of the Nuformix Technologies Limited plus the post-acquisition results of the Nuformix plc;
- a reverse acquisition reserve of (£8,005,195) has been created;
- the share capital, share premium account and the share option reserve are that of Nuformix plc; and,
- the cost of the combination has been determined from the perspective of Nuformix Technologies Limited.

Goodwill arises on the reverse acquisition when comparing the consideration of Nuformix plc acquiring the shares of Nuformix Technologies Limited. The fair value of the consideration is the market capitalisation of Nuformix plc at the acquisition date based on the closing share price on 16 October 2017 of 3.75p per share.

	£
Consideration effectively paid (95,750,000 at 3.75p per share)	3,590,625
Add net liabilities acquired (no difference between book and fair value):	
Trade and other receivables	176,582
Cash and cash equivalents	678
Trade and other payables	(610,119)
	<hr/> 432,859
Goodwill arising on consolidation	<hr/> 4,023,484 <hr/>

The Group incurred share issue costs of £339,850 in respect of the fund raising in relation to the reverse acquisition.

4 Exceptional items

As part of the reverse acquisition the Group issued a number of options and warrants to existing directors, new directors and for the provision of professional services in relation to the successful completion of the transaction and in respect of the new directors' future service. Details of the share

based payments can be found in note 19. The Group also incurred stamp duty of £60,000 which has been expensed.

	2018	2017
	£	£
Share option charge	702,142	-
Acquisition costs	360,000	-
	<u>1,062,142</u>	<u>-</u>

5 Revenue

The analysis of the Group's revenue for the year from continuing operations is as follows:

	2018	2017
	£	£
Rendering of services	<u>15,000</u>	<u>-</u>

6 Other operating income

The analysis of the Group's other operating income for the year is as follows:

	2018	2017
	£	£
Miscellaneous other operating income	<u>18,520</u>	<u>35,172</u>

7 Operating profit

	2018	2017
	£	£
Arrived at after charging/(crediting)	£	£
Depreciation expense	8,333	1,651
Amortisation expense	39,100	33,379
Research and development expenditure	876,580	471,999
Operating lease expense - plant and machinery	-	49
Operating lease expense - property	<u>19,784</u>	<u>-</u>

8 Finance income and costs

	2018	2017
	£	£
Finance costs		
Interest expense on other financing liabilities	(11,061)	(1,765)
Foreign exchange gains/(losses)	7,514	(19,598)
Total finance costs	<u>(3,547)</u>	<u>(21,363)</u>

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2018	2017
	£	£
Wages and salaries	244,516	146,143
Social security costs	26,968	13,870
Pension costs, defined contribution scheme	1,318	-
Other employee expense	5,180	4,968
	<u>277,982</u>	<u>164,981</u>

The average number of persons employed by the Group (including directors) during the year, analysed by category was as follows:

	2018	2017
	No.	No.
Research and development	3	2

The Company has one employee other than the executive directors who are employed by Nuformix Technologies Limited. The non executive directors are engaged under service, not employment contracts.

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018	2017
	£	£
Remuneration	209,705	127,209

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2018	2017
	No.	No.
Accruing benefits under money purchase pension scheme	2	-

In respect of the highest paid director:

	2018	2017
	£	£
Remuneration	109,519	79,254

11 Auditors' remuneration

	2018	2017
	£	£
Audit of the financial statements - Group	24,950	6,000
Audit of the financial statement - company	13,500	6,000

In addition to the above, the auditors charged fees of £65,750 (2017 – nil) in respect of corporate finance work which is included in the acquisition costs.

12 Income tax

Tax charged/(credited) in the income statement

2018	2017
£	£

Current taxation

UK corporation tax	<u>(126,790)</u>	<u>(68,440)</u>
--------------------	------------------	-----------------

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2017 - the same as the standard rate of corporation tax in the UK) of 19% (2017 - 20%).

The differences are reconciled below:

	2018	2017
	£	£
Loss before tax	(1,965,053)	(355,353)
Corporation tax at standard rate	(373,360)	(71,071)
Excess of capital allowances over depreciation	(6,428)	(85)
Expenses not deductible in determining taxable profit (tax loss)	147,422	941
Tax losses for which no deferred tax asset was recognised	161,604	29,172
Adjustment in respect of research development tax credit	(56,027)	(27,397)
Total tax credit	(126,790)	(68,440)

No deferred tax asset has been recognised as Directors cannot be certain that future profits will be sufficient for this asset to be realised. As at 31 March 2018 the Group has tax losses carried forward of approximately £2,430,000 (2017 - £610,000).

13 Loss per share

Loss per share is calculated by dividing the loss after tax attributable to the equity holders of the Group by the weighted average number of shares in issue during the year. In calculating the weighted average number of shares during the period in which the reverse acquisition occurs:

- a) The number of shares outstanding from the beginning of the period to the acquisition date is computed on the basis of the weighted average number of shares of the legal acquirer (accounting acquirer) outstanding during the period multiplied by the exchange ratio established in the merger agreement; and,
- b) The number of shares outstanding from the acquisition date to the end of that period is the actual number of shares of the legal acquirer (accounting acquiree) outstanding during the period.

The basic earnings per share for each comparative period before the acquisition date shall be calculated by dividing the profit of the legal acquiree in each of those period by the legal acquiree's historical weighted average number of shares outstanding multiplied by the exchange ratio.

	2018	2017
	£	£
Loss before tax	(1,838,263)	(286,913)
Weighted average number of shares – basic and diluted	373,548,630	300,000,000
Basic and diluted loss per share	(0.49)p	(0.10)p

On 18 April 2017, the company announced that it entered into a convertible loan note agreement for £200,000 with a private investor. The loan can be converted into new ordinary shares at 4p per share. If conversion into ordinary shares of the company occurs, the lender will be granted a one for one warrant to subscribe for new ordinary shares at 4p per share, exercisable for a three-year period from conversion. These warrants are currently anti-dilutive.

14 Property, plant and equipment

	Leasehold improvements £	Computer equipment £	Lab equipment £	Total £
Cost or valuation				
At 1 April 2016	-	12,358	9,923	22,281
Additions	-	750	-	750
Disposals	-	(250)	(2,355)	(2,605)
At 31 March 2017	-	12,858	7,568	20,426
At 1 April 2017	-	12,858	7,568	20,426
Additions	32,204	10,696	1,194	44,094
Disposals	-	(6,209)	-	(6,209)
At 31 March 2018	32,204	17,345	8,762	58,311
Depreciation				
At 1 April 2016	-	11,314	8,333	19,647
Charge for year	-	907	744	1,651
Eliminated on disposal	-	(250)	(2,355)	(2,605)
At 31 March 2017	-	11,971	6,722	18,693
At 1 April 2017	-	11,971	6,722	18,693
Charge for the year	5,367	2,427	539	8,333
Eliminated on disposal	-	(6,209)	-	(6,209)
At 31 March 2018	5,367	8,189	7,261	20,817
Carrying amount				
At 31 March 2018	26,837	9,156	1,501	37,494
At 31 March 2017	-	887	846	1,733

15 Intangible assets

	Goodwill £	Patents £	Total £
Cost			
At 1 April 2016	-	241,287	241,287
Additions	-	92,504	92,504
At 31 March 2017	-	333,791	333,791
At 1 April 2017	-	333,791	333,791
Additions	4,023,484	57,202	4,080,686
At 31 March 2018	4,023,484	390,993	4,414,477
Amortisation			
At 1 April 2016	-	66,078	66,078
Amortisation charge	-	33,379	33,379
At 31 March 2017	-	99,457	99,457
At 1 April 2017	-	99,457	99,457
Amortisation charge	-	39,100	39,100
At 31 March 2018	-	138,557	138,557
Net book value			
At 31 March 2018	4,023,484	252,436	4,275,920
At 31 March 2017	-	234,334	234,334

For impairment testing purposes, management consider the operations of the Group to represent a single CGU focused on the research and development. Consequently, the goodwill is effectively allocated and considered for impairment against the business as a whole being the single CGU.

The fair value of the CGU as at 31 March 2018 is considered to be the market value of Nuformix plc. The shares price of Nuformix plc as at 31 March 2018 was 2.00 p per share and there were 460,750,000 shares giving a fair value of £9,215,000 substantially in excess of the Group's net assets, including goodwill, of £4,493,142.

As such, the directors do not consider there to be any indication that the Goodwill is impaired.

16 Trade and other receivables

	31 March 2018	31 March 2017
	£	£
Trade receivables	9,233	-
Accrued income	3,449	-
Prepayments	25,522	1,002
Other receivables	142,118	83,173
	<u>180,322</u>	<u>84,175</u>

The fair value of trade and other receivables is considered by the Directors not to be materially different to the carrying amounts. No trade receivables are overdue and not impaired.

17 Cash and cash equivalents

	31 March 2018	31 March 2017
	£	£
Cash at bank	<u>338,167</u>	<u>4,446</u>

The Directors consider that the carrying value of cash and cash equivalents represents their fair value.

18 Share capital

Allotted, called up and fully paid shares

	31 March 2018		31 March 2017	
	No.	£	No.	£
Ordinary shares of £0.001 each	460,750,000	460,750	95,750,000	95,750

The following share transactions have taken place during the period ended 31 March 2018:

	No.
As at 1 April 2016 and 1 April 2017	95,750,000
Acquisition of Nuformix Technologies Limited	365,000,000
At 31 March 2018	<u>460,750,000</u>

On 16 October 2017 the Company announced that it completed the reverse acquisition of Nuformix Technologies Limited. In aggregate, 365,000,000 new Ordinary Shares were allotted and issued comprising 57,500,000 new placing shares, 5,250,000 Success fee shares, 2,250,000 Whitman Howard shares and 300,000,000 consideration shares. The Success fee shares were issued to Messrs P Hughes and A H Reeves in connection with services rendered for the acquisition of Nuformix

Technologies Limited. The Whitman Howard shares were issued to Whitman Howard in connection with services rendered for the acquisition of Nuformix Technologies Limited

19 Share options and warrants

The Group operates share-based payments arrangements to remunerate directors and key employees in the form of a share option scheme. Equity-based share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at the date of grant. The fair value is determined at the grant date of the equity-settled share-based payments is expensed on a straight line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

As part of the reverse acquisition of Nuformix Technologies Limited the following share-based payments were made in the year:

- 5,250,000 Success Fee shares were issued on 16 October 2017. The fair value of the shares awarded was £210,000 based on the placement price of 4 p per share and was recognised in the year.
- 2,250,000 Whitman Howard fee shares were issued in connection with the placing on 16 October 2017. The fair value of the shares awarded was £90,000 based on the placement price of 4 p per share and was recognised in the year.
- 79,650,050 unapproved share options were issued on 16 October 2017. The options have a 1 year vesting period, an exercise price of 4 p per share and a 4 year exercise period from vesting. The fair value of the options was determined as 1.7p per share and a charge of £583,082 has been recognised in the current year.
- 12,499,950 options under an EMI share options scheme were issued on 16 October 2017. The options have a 1 year vesting period, an exercise price of 4 p per share and a 4 year exercise period from vesting. The fair value of the options was determined as 1.6 p per share and a charge of £97,726 has been recognised in the current year.
- 1,625,000 Existing director warrants were issued on 15 September 2017. The warrants have a 1 year vesting period, an exercise price of 4 p per share and a 2 year exercise period from vesting. The fair value of the warrants was determined as 1.4 p per share and a charge of £12,341 has been recognised in the current year.
- 1,250,000 Shakespeare Martineau warrants were issued on 15 September 2017. The warrants have a 1 year vesting period, an exercise price of 4 p per share and a 2 year exercise period from vesting. The fair value of the options was determined as 1.4 p per share and a charge of £9,493 has been recognised in the current year.

The fair value of the options and warrants was determined using the Black-Scholes option pricing model and was an average of 1.61 p per option (2017: 1.25p per option). The significant inputs into the model in respect of the options and warrants granted in the year ended 31 March 2018 and the year ended 31 March 2017 were as follows:

2018	2018	2018	2018	2017
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	Unapproved options	EMI options	Existing director warrants	Shakespeare Martineau warrants	Howard Whitman warrants
Grant date share price	4p	4p	4p	4p	4p
Exercise price	4p	4p	4p	4p	4p
No. of share options	79,650,050	12,499,950	1,625,000	1,250,000	250,000
Risk free rate	0.5%	0.5%	0.5%	0.5%	0.5%
Expected volatility	50%	50%	50%	50%	50%
Expected option life	5 years	5 years	3 years	3 years	2 years

The following table sets out details of the warrants and options granted:

Warrant holder	Number of warrants / options at 1 April 2017	Issued in the year	Number of warrants / options at 31 March 2018	Exercise price	Expiry date
<i>Directors during the year</i>					
David Tapolczay	-	18,430,000	45,000,000	4p	16/10/22
Joanne Holland	-	36,860,000	36,830,000	4p	16/10/22
Daniel Gooding	-	36,860,000	36,830,000	4p	16/10/22
Pascal Hughes	5,000,000	1,625,000	6,625,000	4p	17/12/18
Anthony Reeves	1,000,000	-	1,000,000	4p	17/12/18
<i>Success warrants</i>					
Whitman Howard	250,000	-	250,000	4p	16/10/19
Shakespeare Martineau	-	1,250,000	1,250,000	4p	16/10/20
<i>Other warrants</i>					
	44,000,000	-	44,000,000	4p	17/12/18
	<u>51,207,500</u>	<u>95,025,000</u>	<u>146,232,500</u>		

20 Loans and borrowings

	31 March 2018	31 March 2017
	£	£
Current loans and borrowings		

Other borrowings	<u>22,956</u>	<u>187,911</u>
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The fair value of other borrowings is considered by the Directors not to be materially different to the carrying amounts.

21 Obligations under leases and hire purchase contracts

Operating leases

The Group signed a lease for rental of business premises for 5 years from 17 July 2017. There is a break clause in the lease allowing notice to be given at the 3 year mark. The total future value of minimum lease payments is as follows:

	31 March 2018	31 March 2017
	£	£
Within 1 year	29,400	-
In two to five years	38,542	-

The amount of non-cancellable operating lease payments recognised as an expense during the year was £19,784 (2017 - £Nil).

22 Pension and other schemes

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the Group to the scheme and amounted to £1,318 (2017 - £880).

Contributions totalling £853 (2017 - £Nil) were payable to the scheme at the end of the year and are included in creditors.

23 Trade and other payables

	31 March 2018	31 March 2017
	£	£
Trade payables	89,613	270,002
Accrued expenses	87,697	35,684
Social security and other taxes	109,398	39,428
Outstanding defined contribution pension costs	853	-
Other payables	223,480	13,175
	<u>511,041</u>	<u>358,289</u>

The fair value of trade and other payables is considered by the Directors not to be materially different to the carrying amounts. All payables are due within 3 months.

24 Financial instruments

Credit risk

The main credit risk relates to liquid funds held at banks. The credit risk in respect of these bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Liquidity risk

The Group seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs.

An analysis of trade and other payables is given in note 23.

Capital risk management

The Group's objectives when managing capital are:

- to safeguard the Group's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
- to support the Group's growth; and
- to provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities.

Management regards total equity as capital and reserves, for capital management purposes.

25 Related party transactions

All transactions with related parties are conducted on an arms length basis.

The remuneration of the key management personnel of the Group, who are defined as the directors, is set out in the directors' remuneration report.

Transactions with directors

During the year the Group was invoiced £14,000 for management services by John Lidgley, a director, £24,000 for management services by Pascal Hughes, a director and £2,000 by Anthony Reeves, a director.

Other transactions with directors

During the period the Group made the following related party transactions:

Dr D Gooding (Director)

Included in creditors due in less than one year is an interest free loan from Dr D Gooding. At the balance sheet date the amount owed to Dr D Gooding was £5,520 (2017 - £43,734).

Dr J Holland (Director)

Included in creditors due in less than one year is an interest free loan from Dr J Holland. At the balance sheet date the amount owed to Dr J Holland was £1,836 (2017 - £24,979).

Dr D Tapolczay (Director)

Included in creditors last year was an interest free loan of £93,700 which was repaid in the year. At the balance sheet date the amount owed to Dr D Tapolczay was £nil (2017 - £93,700).

26 Ultimate controlling party

The Directors do not consider there to be a single ultimate controlling party.

Nuformix plc
(Registration number: 09632100)

Company Statement of Financial Position as at 31 March 2018

	Note	31 March 2018 £	31 March 2017 £
Assets			
Non-current assets			
Investment in subsidiary	30	11,250,000	-
		<u>11,250,000</u>	<u>-</u>
Current assets			
Trade and other receivables	31	1,476,945	13,727
Cash and cash equivalents	32	567	5,895
		<u>1,477,512</u>	<u>19,622</u>
Total assets		<u>12,727,512</u>	<u>19,622</u>
Equity and liabilities			
Equity			
Share capital	18	460,750	95,750
Share premium		2,932,590	37,440
Merger relief reserve		10,950,000	-
Share option reserve		724,837	22,695
Retained earnings		(2,623,105)	(1,035,477)
Total equity		<u>12,445,072</u>	<u>(179,592)</u>
Current liabilities			
Trade and other payables	33	282,440	199,214
		<u>282,440</u>	<u>199,214</u>
Total equity and liabilities		<u>12,727,512</u>	<u>19,622</u>

The loss attributable to the company in the year was £1,587,628 (2017: loss £685,057)

These financial statements were approved by the board on 26 July 2018 and were signed on its behalf by:

Dan Gooding
CEO
26 July 2018

The accompanying notes to the financial statements form an integral part of the financial statements.

Nuformix plc

Company Statement of Changes in Equity for the Year Ended 31 March 2018

	Share capital	Share premium	Merger relief	Share option	Retained earnings	Total
	£	£	reserve	reserve	£	£
			£	£		
At 1 April 2017	95,750	737,440	-	22,695	(1,035,477)	(179,592)
Loss for the year and total comprehensive income	-	-	-	-	(1,587,628)	(1,587,627)
Share issues	357,500	2,242,500	10,950,000	-	-	13,550,000
Share issue costs	-	(339,850)	-	-	-	(339,850)
Share based payment	7,500	292,500	-	701,542	-	1,002,142
At 31 March 2018	460,750	2,932,590	10,950,000	724,837	(2,623,105)	12,445,072

	Share capital	Share premium	Merger relief	Share option	Retained earnings	Total
	£	£	reserve	reserve	£	£
			£	£		
At 1 April 2016	95,750	737,440	-	19,570	(350,420)	502,340
Loss for the year and total comprehensive income	-	-	-	-	(685,057)	(685,057)
Share based payment	-	-	-	3,125	-	3,125

At 31 March 2017

95,750	737,440	-	22,695	(1,035,477)	(179,592)
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The accompanying notes to the financial statements form an integral part of the financial statements.

Nuformix plc

Company Statement of Cash Flows for the Year Ended 31 March 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Loss for the year		(1,587,628)	(685,057)
Adjustments to cash flows from non-cash items			
Share based payments		1,002,142	3,125
Finance costs		18,000	-
		(567,486)	(681,932)
Working capital adjustments			
(Increase) / decrease in trade and other receivables	31	(73,850)	28,851
(Decrease) / increase in trade and other payables	32	(134,775)	156,763
Net cash flow from operating activities		(776,111)	(496,318)
Cash flows from investing activities			
Loan to subsidiary		(2,338,750)	-
Loan repayments from subsidiary		949,382	-
Net cash used in investing activities		(1,389,368)	-
Cash flows from financing activities			
Issue of shares (net of costs)		1,960,150	-
Issue of convertible debt		200,000	-
Net cash flows from financing activities		2,160,150	-
Net increase in cash and cash equivalents		(5,328)	(496,318)
Cash and cash equivalents at 1 April		5,895	502,213
Cash and cash equivalents at 31 March		567	5,895

The accompanying notes to the financial statements form an integral part of the financial statements.

Nuformix plc

Notes to the Company Financial Statements for the Year Ended 31 March 2018

27 Significant accounting policies

Basis of preparation

The separate financial statements of the company are presented as required by the Companies Act 2006. As permitted by that Act, the separate financial statements have been prepared in accordance with IFRSs as adopted by the EU.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in note 2 to the consolidated financial statements. In addition, Investments in subsidiaries are stated at cost less, where appropriate, provision for impairment.

28 Loss attributable to shareholders

Under section 408 of the Companies Act 2006 the Company is exempt from the requirement to present its own income statement. The loss attributable to the Company in the year was £1,587,628 (2017: loss £685,057).

29 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2018	2017
	£	£
Wages and salaries	-	24,000

The average number of persons employed by the Group (including directors) during the year was as follows:

	2018	2017
	No.	No.
	0	1

30 Investment in Subsidiary

	£
As at 1 April 2016 and 1 April 2017	-
Acquisition of Nuformix Technologies Limited	11,250,000
As at 31 March 2018	<u>11,250,000</u>

Details in respect of the reverse acquisition of Nuformix Technologies Limited, registered offices at

Unit 153, Cambridge Science Park, Milton Road, Cambridge, England, CB4 0GN, which was completed on 16 October 2017, are shown in note 3 to the Consolidated Financial Statements.

The Company has the following interests in subsidiaries:

Name	Country of Incorporation	Equity interest	
		2018	2017
Nuformix Technologies Limited	United Kingdom	100%	0%

31 Trade and other receivables

	31 March 2018 £	31 March 2017 £
Amount owed by Group undertakings	1,389,368	-
Prepayments	13,579	-
Other receivables	73,998	13,727
	<u>1,476,945</u>	<u>13,727</u>

The fair value of trade and other receivables is considered by the Directors not to be materially different to the carrying amounts.

32 Cash and cash equivalents

	31 March 2018 £	31 March 2017 £
Cash at bank	<u>567</u>	<u>5,895</u>

The Directors consider that the carrying value of cash and cash equivalents represents their fair value.

33 Trade and other payables

	31 March 2018 £	31 March 2017 £
Trade payables	8,281	163,414
Accrued expenses	56,059	35,800
Other payables	218,100	-
	<u>282,440</u>	<u>199,914</u>

The fair value of trade and other payables is considered by the Directors not to be materially different to the carrying amounts.

34 Financial instruments

Credit risk

The main credit risk relates to liquid funds held at banks. The credit risk in respect of these bank balances is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

Liquidity risk

The Company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs.

An analysis of trade and other payables is given in note 33.

Capital risk management

The Company's objectives when managing capital are:

- to safeguard the Company's ability to continue as a going concern, so that it continues to provide returns and benefits for shareholders;
- to support the Company's growth; and
- to provide capital for the purpose of strengthening the Company's risk management capability.

The Company actively and regularly reviews and manages its capital structure to ensure an optimal capital structure and equity holder returns, taking into consideration the future capital requirements of the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. Management regards total equity as capital and reserves, for capital management purposes.

35 Related parties

The company's related parties are the directors and other Group companies.

The remuneration of the key management personnel of the group, who are defined as the directors, is set out in the directors' remuneration report. Details of the fair value of transaction with key management and their close family members is included in note 25.

All amounts outstanding with related parties are unsecured and will be settled in cash. No guarantees have been given or received in respect of amounts outstanding. No provisions have been made for doubtful debts in respect of the amounts owed by the related parties.

At the balance sheet date, the amounts due from other Group companies were as follows:

	31 March 2018	31 March 2017
	£	£
Nuformix Technologies Limited	1,389,368	-