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Levrett plc

Report and Financial Statements

For the Year Ended 31 March 2017

Company Number: 09632100

Contents

Company Information

Directors	Pascal Hughes Francis Lidgey Anthony Reeves
Secretary	St James Corporate Services Limited
Registered Office	Suite 31 Second Floor 107 Cheapside London EC2V 6DN
Company number	09632100
Auditors	haysmacintyre 26 Red Lion Square London WC1R 4AG

Chairman's Statement

The Company announced on 16 September 2016 that it was in advanced discussions relating to the possible acquisition of Nuformix Limited.

Levrett announced on 15 September 2017 the conclusion of this process and that it has entered into a conditional agreement to acquire the entire issued share capital of Nuformix Limited ("Nuformix") for a total consideration of £12,000,000 to be settled through the issuance of new ordinary shares in the Company at a price of 4 pence per share (the "Acquisition"), subject to Shareholders' approval and Re-admission.

In addition, the Company announced a Placing, under which it has issued 57,500,000 Placing Shares at 4p per share, raising £2.3 million, conditional, *inter alia*, upon Re-Admission.

Details of Proposed Acquisition of Nuformix Limited, the Placing of New Ordinary Shares, Approval of a Waiver of obligation under Rule 9 of the City Code on Takeovers and Mergers and Notice of General Meeting have been published in the Prospectus which has been sent to shareholders.

The Prospectus has been approved by the UK Listing Authority and is available for inspection at the Financial Conduct Authority's National Storage Mechanism which can be accessed from www.morningstar.co.uk/uk/NSM. The Prospectus is also available on the Company's website http://www.levrett.com/investors.

Francis Lidgey
Chairman

21 September 2017

Strategic report

The Directors present their Strategic Report on the Company for the year ended 31 March 2017.

RESULTS

The Company made a loss after taxation of £685,057.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Levrett plc is an investing company and the directors intend to utilise the Company's cash resources in line with the investing policy in the pharmaceutical industry. Having identified a number of possible acquisition targets for Levrett, as announced to the market on the 16 September 2016, the Company has signed a non-binding letter of intent to acquire the entire issued share capital of Nuformix Limited, a UK incorporated company operating in the co-crystal technology sector, for new shares in the Company (the "Acquisition"). Nuformix has a number of exciting patents and IP which Levrett intends to commercialise.

Significant progress has been made on legal and financial due diligence and the documentation required for the Acquisition, which will constitute a Reverse Takeover under the Listing Rules since, *inter alia*, in substance it will result in a fundamental change in the business of Levrett.

KEY PERFORMANCE INDICATORS

The key performance indicators are set out below:

	2017	2016
Gross financial assets – investments and cash	5,895	502,213
Net asset value – fully diluted per share	0.52p	0.72p
Closing share price	2.25p	2.25p

KEY RISKS AND UNCERTAINTIES

Currently the principal risks relate to the completion of the Acquisition, and whether, if unsuccessful, the Company could find sufficient suitable investments to ensure compliance with the requirements of its continued listing on the standard market.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT OBJECTIVES AND POLICIES

Details of the Company's financial instruments and risk management objectives and policies are set out in Note 14 to these financial statements.

GOING CONCERN

As disclosed in Note 2, after making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

On behalf of the Board

Pascal Hughes
CEO

21 September 2017

Directors Remuneration Report

Introduction

This report is submitted in accordance with Schedule 8 of the Large and Medium sized Companies (Accounts and Reports) (Amendment) Regulations 2013 in respect of the year ended 31 March 2017. The reporting requirements entail two sections to be included, a Policy Report and an Annual Remuneration Report which are presented below.

The Company's auditor, haysmacintyre, is required to give its opinion on certain information included in this report, this comprises of the Directors Remuneration and the information on directors' shareholdings which is contained in the directors report on page 7 and also forms part of this directors' remuneration report. Their report on these and other matters is set out on page 10.

Consideration by the Directors of Matters Relating to Directors' Remuneration

The Company's Directors as a whole considers Directors' remuneration and has not sought advice or services from any person in respect of its consideration of Directors' remuneration during the period although the Directors expect from time to time to review the fees against those paid to boards of directors of comparable organisations and appointments.

DIRECTORS' REMUNERATION POLICY REPORT

The Company's policy is for the Directors to be remunerated in the form of fees, payable monthly in arrears. No Director has a contract of service with the Company. Accordingly the directors are not entitled to receive a pension or other benefit from the Company, nor do they participate in any bonus schemes.

The fees are not specifically related to the Directors' performance, either individually or collectively. The Board is also entitled to be repaid all reasonable travelling subsistence and other expenses incurred by them respectively whilst conducting their duties as Directors, however no other remuneration or compensation was paid or payable by the company during the period to any of the current Directors. There will be no payment for loss of office unless approved by a separate shareholder resolution.

Major decisions on Remuneration

The Company's policy is that the fees payable to each director should reflect the time spent by the directors on the Company's affairs and the responsibilities borne by each of the directors. They should be sufficient to attract candidates of high calibre to be recruited. The Remuneration policy is to review the director's fee rates from time to time, benchmarking the fees against comparable organisations and appointments, although such review will not necessarily result in any change.

A Director may resign by notice in writing to the Board at any time giving one month's notice. None of the Directors are entitled to compensation payable upon early termination of their arrangements other than in respect of any unexpired notice period.

In accordance with the reporting requirements of Large and Medium sized Companies (Accounts and Reports) (Amendment) Regulations 2013, an Ordinary resolution for the approval of the remuneration policy of the Company to remain in force for a three year period will be put to the members of the next Annual General Meeting.

Directors Remuneration Report (continued)

DIRECTORS' REMUNERATION – SINGLE FIGURE TABLE (AUDITED)

	2017 Total £'000	2016 Total £'000
Pascal Hughes	24	18
John Lidgey	24	8
Anthony Reeves	24	8
	72	34

CEO REMUNERATION

	2017 Total £'000	2016 Total £'000	% Change
Pascal Hughes	24	18	33%
Employees on Average	1	1	N/A

The amounts above all relate to directors fees and represent the total remuneration of the company's directors.

Statement of voting at the last AGM

The following sets out the votes received at the last AGM of the shareholders of the Company, held 20 September 2016, in respect of the approval of the Directors' Remuneration Report.

Votes Cast for		Votes Cast Against		Total Votes Cast	Number of votes withheld
3	100%	0	0%	3	0

This section of the report is subject to approval by a simple majority of shareholders at the AGM.

A statement of directors' shareholdings and interest is reported in the directors' report on page 7.

Company Performance

The Board is responsible for the Company's business strategy and performance.

The Statement of Directors' responsibilities on pages 8 to 9 form part of the Directors' report to the company financial statements.

On behalf of the Board

Pascal Hughes
CEO

21 September 2017

Directors' Report

The Directors present their report together with the financial statements for the year ended 31 March 2017.

PRINCIPAL ACTIVITIES

To acquire a target company with realisable or developed commercial technologies in the pharmaceutical and biotechnology sector.

RESULTS AND DIVIDENDS

The results for the period are shown in the Strategic Report. The Directors do not propose a dividend.

SUBSTANTIAL SHAREHOLDING

As at 31 March 2016 and 31 March 2017, the Company is aware of the following shareholders holding 3 per cent or more of the issued share capital of the Company:

Name	No. of Existing Ordinary Shares	% of Enlarged Undiluted Issued Share Capital
WB Nominees Limited	11,250,000	11.75%
Rampart Management Limited	8,600,000	8.98%
Ambeson Limited	6,500,000	6.79%
GB Trust Co Limited	6,100,000	6.37%
OBB Trading Limited	4,650,000	4.86%
Mr Martin-Dreyer	3,750,000	3.92%
Anthony Reeves	3,500,000	3.66%
Pascal Hughes	3,250,000	3.39%
Mr Burton	3,000,000	3.13%
Ms. Steffen	2,950,000	3.08%

DIRECTORS

The Directors of the Company during the period and subsequently, together with their interests in the equity of the Company are set out below:

	As at 31 March 2017 Number of Ordinary shares	As at 31 March 2016 Number of Share options
Pascal Hughes	3,250,000	5,000,000
John Lidgey	1,000,000	Nil
Anthony Reeves	3,500,000	1,000,000

Directors' Report (continued)

Corporate Governance

As a company listed on the Standard Segment of the Official List of the UK Listing Authority, the Company is not required to comply with the provisions of the UK Corporate Governance Code. Although the Company does not comply with the UK Corporate Governance Code, the Company intends to have regard for the provision of the Corporate Governance Code insofar as is appropriate, save as set out below:

- Until an acquisition is made the Company will not have nomination, remuneration, audit or risk committees. The Board as a whole will instead review its size, structure and composition, the scale and structure of the Directors' fees (taking into account the interests of Shareholders and the performance of the Company), take responsibility for the initial appointment of auditors and payment of their audit fee, monitor and review the integrity of the Company's financial statements, the Board's performance and take responsibility for any formal announcements on the Company's financial performance. Following an acquisition the Board intends to put in place nomination, remuneration and audit and risk committees. The Board has adopted the Model Code for Directors' dealings contained in the Listing Rules of the UK Listing Authority. The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the Model Code by the Directors.

The Directors are responsible for internal control in the Company and for reviewing its effectiveness. Due to the size of the Company, all key decisions are made by the Board in full. The Directors have reviewed the effectiveness of the Company's systems during the period under review and consider that there have been no material losses, contingencies or uncertainties due to the weakness in the controls. The Board do not consider the internal audit function to be necessary due to the Company being a special purpose acquisition company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Company financial statements for each financial year. Under that law the directors are required to prepare the Company financial statements in accordance with IFRS's as adopted by the EU.

The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit and loss of the Company for that period.

In preparing the Company financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS's as adopted by the EU subject to any material departures disclosed and explained in the Company financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Directors' Report (continued)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. Under applicable law and regulations, the directors are also responsible for preparing a Directors' Report to comply with that law and those regulations. In determining how amounts are presented within terms in the income statement and statement of financial position the directors have had regard to the substance of the reported transaction or arrangement in accordance with generally accepted accounting principles or practice.

In the case of each person who was a director at the time this report was approved:

- so far as that director is aware there is no relevant audit information of which the Company's auditor is unaware; and
- that director has taken all steps that the director ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITORS

A resolution to re-appoint haysmacintyre as auditors will be presented to the members at the Annual General Meeting in accordance with Section 485(2) of the Companies Act 2006.

On behalf of the Board

Pascal Hughes
CEO

21 September 2017

Independent Auditors' Report
To the Members of Levrett plc

We have audited the financial statements of Levrett plc for the year ended 31 March 2017 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash flows and the related notes. The financial reporting framework that has been applied in their preparation of the company financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinion we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 8 and 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion:

- The financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of the Company's loss for the year then ended,
- The financial statements have been properly prepared in accordance with IFRS as adopted by the European Union, and
- The financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the Company's ability to continue as a going concern having reviewed working capital projections. The position indicates the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern due to its reliance on future fundraising. The financial statements do not include any adjustments that would result if the company was unable to continue as a going concern.

Independent Auditors' Report (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Strategic Report and Directors' Report has been prepared in accordance with applicable legal requirements. In light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic and the Directors' Report. In our opinion the part of the Directors' Remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ian Cliffe
Senior Statutory Auditor
for and on behalf of haysmacintyre
Statutory Auditors

26 Red Lion Square
London
WCIR 4AG

21 September 2017

Income Statement and Statement of Comprehensive Income
for the year ended 31 March 2017

	Note	2017 £	From incorporation to 31 March 2016 £
Continuing operations:			
Administrative expenses		(685,057)	(350,420)
LOSS FOR THE PERIOD BEFORE TAXATION		(685,057)	(350,420)
Taxation	7	—	—
LOSS FOR THE PERIOD AND TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(685,057)	(350,420)
LOSS PER SHARE – basic and diluted from continuing operations	13	(0.72)p	(0.58)p

The accompanying accounting policies and notes are an integral part of these financial statements.

Statement of Changes in Equity
for the year ended 31 March 2017

2017

	Share Capital £	Share Premium £	Share option Reserve £	Retained Losses £	Total Equity £
Balance at 1 April 2016	95,750	737,440	19,570	(350,420)	502,340
Loss for the period and total comprehensive loss	—	—	—	(685,057)	(685,057)
Shares issues	—	—	—	—	—
Share premium (net of expenses)		—	—	—	—
Grant of share options	—	—	3,125	—	3,125
Balance at 31 March 2017	95,750	737,440	22,695	(1,035,477)	(179,592)

2016

	Share Capital £	Share Premium £	Share option Reserve £	Retained Losses £	Total Equity £
Loss for the year and total comprehensive loss for the year	—	—	—	(350,420)	(350,420)
Share issue	95,750	—	—	—	95,750
Share issue costs	—	737,440	—	—	737,440
Grant of share options	—	—	19,570	—	19,570
Balance at 31 March 2016	95,750	737,440	19,570	(350,420)	502,340

The accompanying accounting policies and notes are an integral part of these financial statements.

Statement of Financial Position
as at 31 March 2017

	Note	2017 £	2016 £
CURRENT ASSETS			
Trade and other receivables	8	13,727	42,578
Cash and cash equivalents	9	5,895	502,213
TOTAL ASSETS		19,622	544,791
CURRENT LIABILITIES			
Trade and other payables	10	199,214	42,451
NET (LIABILITIES)/ASSETS		(179,592)	502,340
EQUITY			
Share capital	11	95,750	95,750
Share premium account	11	737,440	737,440
Share option reserve		22,695	19,570
Retained losses		(1,035,477)	(350,420)
TOTAL EQUITY		(179,592)	502,340

These financial statements were approved by the Board of Directors on 21 September 2017 and were signed on its behalf by:

Pascal Hughes
Director

Company number: 09632100

The accompanying accounting policies and notes are an integral part of these financial statements.

Statement of Cash Flows
for the year ended 31 March 2017

	Note	2017 £	2016 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss after taxation		(685,057)	(350,420)
Adjustments for:			
Issue of warrants		3,125	—
Decrease/(increase) in trade and other receivables		28,851	(42,578)
Increase in trade and other payables		156,763	42,451
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(496,318)	(350,547)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares (net of costs)		—	852,760
NET CASH INFLOW FROM FINANCING ACTIVITIES		—	852,760
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(496,318)	502,213
Cash and cash equivalents brought forward		502,213	—
CASH AND CASH EQUIVALENTS CARRIED FORWARD	9	5,895	502,213

The accompanying accounting policies and notes are an integral part of these financial statements.

Notes to the Financial Statements
for the year ended 31 March 2017

1. GENERAL INFORMATION

Levrett plc is a public limited company incorporated in the United Kingdom. The Company's principal activities are described in the Directors' Report.

2. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The financial statements are presented in pounds sterling (£) which is the functional currency of the company.

An overview of standards, amendments and interpretations to IFRSs issued but not yet effective, and which have not been adopted early by the Company are presented below under 'Statement of Compliance'.

Going Concern

The directors have prepared cash flow forecasts through to 31 May 2019 which assumes no significant investment activity is undertaken unless sufficient funding is in place. The expenses of the Company's continuing operations are minimal and the cash flow forecasts demonstrate that the Company is able to meet these liabilities as they fall due. On this basis, the Directors have a reasonable expectation that the Company has adequate resources to continue operating for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the Company's financial statements.

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 year. 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 estimates and assumptions that may cause material adjustment to the carrying value of assets and liabilities relate to:

Share based payments

The calculation of the fair value of equity-settled share based awards and the resulting charge to the statement of comprehensive income requires assumptions to be made regarding future events and market conditions. These assumptions include the future volatility of the Company's share price. These assumptions are then applied to a recognised valuation model in order to calculate the fair value of the awards.

Notes to the Financial Statements (continued)

2. ACCOUNTING POLICIES (continued)

Statement of compliance

The financial statements comply with IFRS as adopted by the European Union. At the date of authorisation of these financial statements the following Standards and Interpretations affecting the Company, which have not been applied in these financial statements, were in issue, but not yet effective. The company does not plan to adopt these standards early.

- Amendments to IFRS 2 Share Based Payment (effective for accounting periods beginning on or after 1 January 2018)
- Amendments to IFRS 12 Disclosure of Interests in Other Entities (effective for accounting periods beginning on or after 1 January 2017)
- IFRS 15 Clarification of Revenue from Contracts with Customers (effective for accounting periods beginning on or after 1 January 2018)
- IFRS 16 Leases (effective for accounting periods beginning on or after 1 January 2019)
- Amendments to IAS 7 Statement of Cash Flows (effective for accounting periods beginning on or after 1 January 2017)
- Amendments to IAS 12 Income Taxes (effective for accounting periods beginning on or after 1 January 2017)

Share based payments

All share based payments are accounted for in accordance with IFRS 2 – "Share-based payments". The Company issued equity-settled share based payments in the form of share options to certain directors and employees. Equity settled share based payments are measured at fair value at the date of grant. The fair value determined at the grant date of equity-settled share based payments is expensed on a straight line basis over the vesting period, based on the Company's estimate of shares that will eventually vest.

Fair value is estimated using the Black-Scholes valuation model. The expected life used in the model has been adjusted, on the basis of management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to retained earnings.

Taxation

Current taxation is the taxation currently payable on taxable profit for the year.

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 Company 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 Company are assessed for recognition as deferred tax assets.

Notes to the Financial Statements (continued)

2. ACCOUNTING POLICIES (continued)

Taxation (continued)

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.

Financial assets

The Company's financial assets comprise cash and cash equivalents and trade and other receivables.

Trade and other receivables

Trade and other receivables are recognised and carried at original invoice value less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Cash and Cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Financial liabilities

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

Trade payables

Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Equity

Equity comprises the following:

- "Share capital" represents the nominal value of equity shares.
- "Share premium" represents the excess over nominal value of the fair value of consideration received for equity shares, net of expenses of the share issue.
- "Share option reserve" represents the fair value of options issued.
- "Retained losses" represents retained losses.

Notes to the Financial Statements (continued)

3. SEGMENTAL INFORMATION

The Company is organised around business class and the results are reported to the Chief Operating Decision Maker according to this class. There is one continuing class of business, being the investment in the pharmaceutical sector.

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

4. EXPENSES BY NATURE

	2017 £	2016 £
Operating rentals	48,000	34,000
Wages and salaries	24,000	36,000
Social security costs	2,566	3,673

The average number of persons employed by the Company during the period was 1 (2016: 1).

5. AUDITOR'S REMUNERATION

During the year the Company obtained the following services from the Company's auditor:

	2017 £	2016 £
Fees payable to the Company's auditors for the audit of the Company's annual accounts	10,300	10,000
Fees payable to the Company's auditors for other services:		
Other services pursuant to legislation	1,000	1,000
Tax services	2,000	2,000
	13,300	13,000

6. DIRECTORS' REMUNERATION

The company has one employee and the key management of the Company are the Directors. The amounts paid to the Directors, is as follows:

	2017 £	2016 £
Pascal Hughes	24,000	18,000
John Lidgey	24,000	8,000
Anthony Reeves	24,000	8,000
	72,000	34,000

Notes to the Financial Statements (continued)

7. TAXATION

	2017 £	2016 £
Current tax on income for the period	—	—

The tax on the Company's loss before tax differs from the theoretical amount that would arise using the weighted average rate applicable to profits of the consolidated entities as follows:

	2017 £	2016 £
Factors affecting the tax charge		
Loss before tax	(685,057)	(350,420)
Profit/(loss) before tax multiplied by rate of corporation tax in the UK of 20%	(137,011)	(70,084)
Deferred tax not recognised	137,011	70,084
Total tax	—	—

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 2017 the Company has tax losses carried forward of approximately £1,006,053

Factors affecting future tax charges

UK corporation tax rates are falling from the current rate of 20% to 19% for the financial year beginning 1 April 2017 and to 17% for the financial year beginning 1 April 2020.

8. TRADE AND OTHER RECEIVABLES

	2017 £	2016 £
VAT Debtor	13,727	42,578

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

9. CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank	5,895	502,213

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

Notes to the Financial Statements (continued)

10. TRADE AND OTHER PAYABLES

	2017 £	2016 £
Trade payables	163,414	36,342
Accrued charges	35,800	6,109
	199,914	42,451

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

11. ISSUED SHARE CAPITAL

	Number of Shares No.	Nominal Value £	Share premium £
Issued and fully paid			
At 31 March 2016 and 31 March 2017:			
Ordinary shares of 0.001p each			
Issued on incorporation	50,000,000	50,000	—
Issued on 17 December 2015	45,750,000	45,750	757,010
	95,750,000	95,750	757,010

Fully paid ordinary shares, which have a par value of 0.001p, carry one vote per share and rank equally in respect of dividends.

Reserve	Description and Purpose
Share premium	Amount subscribed for share capital in excess of nominal value.
Retained Losses	Cumulative net gains and losses recognised in the consolidated income statement.
Share option reserve	Value of warrants and options issued

12. SHARE OPTIONS AND WARRANTS

Equity-Settled Share Option Scheme

The company operates share-based payment arrangements to remunerate directors and key employees in the form of a share option scheme. Equity-settled 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 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 Company's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

The fair value of warrants was determined using the Black-Scholes option pricing model and was 0.0125p (2016: 0.020438p) per option.

Notes to the Financial Statements (continued)

12. SHARE OPTIONS AND WARRANTS (continued)

Equity-Settled Share Option Scheme (continued)

The significant inputs to the model in respect of the warrants granted in the period ending 31 March 2016 and year ended 31 March 2017 were as follows:

	2017	2016
Grant date share price	4p	4p
Exercise share price	4p	2p
No. of share options	250,000	957,500
Risk free rate	0.5%	0.5%
Expected volatility	50%	30%
Expected option life	2 years	2 years

The total share-based payment expense recognised against share premium for the year ended 31 March 2017 in respect of warrants granted was £3,125.

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

Warrant holder	Number of options at 1 April 2016	Issued in the year	Number of options at 31 March 2017	Exercise price	Expiry date
EGR Broking Limited	957,500	—	957,500	2p	07/12/17
Rampart Management Limited	12,000,000	—	12,000,000	4p	07/12/18
Ambeson Limited	11,000,000	—	11,000,000	4p	07/12/18
James Bligh	10,000,000	—	10,000,000	4p	07/12/18
Pascal Hughes	5,000,000	—	5,000,000	4p	07/12/18
OBB Trading Limited	3,000,000	—	3,000,000	4p	07/12/18
Dielle Regan	2,500,000	—	2,500,000	4p	07/12/18
Robert Regan	2,500,000	—	2,500,000	4p	07/12/18
Jack Dibble	1,400,000	—	1,400,000	4p	07/12/18
Fulcrum Management Services	1,000,000	—	1,000,000	4p	07/12/18
Anthony Reeves	1,000,000	—	1,000,000	4p	07/12/18
GB Trust Co Limited	600,000	—	600,000	4p	07/12/18
Whitman Howard	—	250,000	250,000	4p	31/08/19
	50,957,500	250,000	51,207,500		

As a result of the placing on the 7 December 2015, the company has created and issued a total of 50,000,000 warrants to the original founder shareholders. These warrants may be exercised at any time on or before 7 December 2018 and shall entitle the warrant holder to subscribe for one Ordinary share for each warrant at 4p.

The share options outstanding at the year end has a weighted average exercise price of £0.04 (2016: £0.04), and a weighted average remaining contractual life of 479 days (2016: 844 days) The weighted average exercise price of share options issue in the year was £0.04 (2016: £0.04)

Notes to the Financial Statements (continued)

13. LOSS PER SHARE

The calculation of loss per ordinary share is based on the loss attributable to ordinary shareholders divided by the weighted average number of shares in issue during the year.

	Loss £	Weighted Average number of shares	Per shares amount pence
Basic and diluted earnings per share 2016	(350,420)	60,090,214	(0.58)p
Basic and diluted earnings per share 2017	(685,057)	95,750,000	(0.72)p

Post year end on 18 April 2017, the company announced that it had 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 and therefore is possibly dilutive on earnings per share in future.

14. FINANCIAL INSTRUMENTS

Capital 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.

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 10. These payables are payable within a year.

Notes to the Financial Statements (continued)

14. FINANCIAL INSTRUMENTS (continued)

Categories of Financial Instruments

The IAS 39 categories of financial asset included in the statement of financial position and the headings in which they are included are as follows:

	2017 £	2016 £
Financial assets:		
Cash and bank balances	5,895	502,213
Loans and receivables	13,727	42,578
Financial liabilities at amortised cost:		
Trade and other payables	(199,214)	(42,451)

15. RELATED PARTY TRANSACTIONS

During the year the Company was invoiced £24,000 for management services by Pascal Hughes, a director, £24,000 for management services by John Lidgey, a director, and £24,000 for management services by Anthony Reeves, a director.

16. ULTIMATE CONTROLLING PARTY

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

17. POST BALANCE SHEET EVENT

The Company announced on 16 September 2016 that it was in advanced discussions relating to the possible acquisition of Nuformix Limited.

Levrett announced on 15 September 2017 the conclusion of this process and that it has entered into a conditional agreement to acquire the entire issued share capital of Nuformix Limited ("Nuformix") for a total consideration of £12,000,000, to be settled through the issuance of new ordinary shares in the Company at a price of 4 pence per share (the "Acquisition"), subject to Shareholder approval and Re-admission.

In addition, the company announced a Placing, under which it has issued 57,500,000 Placing Shares at 4p per share, raising £2.3 million, conditional, *inter alia*, upon Re-Admission.

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