

DUEDIL LIMITED

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2016

TUESDAY



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DUEDIL LIMITED

COMPANY INFORMATION

Directors

P D Kimmelman
E Burbridge
C E Tottman
P Kemp
J Fitzpatrick
M Heller (resigned 8 July 2017)
A Fenwick (resigned 8 July 2017)
A Millard (appointed 1 March 2017)
S C Bentley (appointed 1 May 2017)

Registered number

06999618

Registered office

26 Red Lion Square
London
WC1R 4AG

Independent auditors

haysmacintyre
26 Red Lion Square
London
WC1R 4AG

DUEDIL LIMITED

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DUEDIL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year were:

P D Kimmelman
E Burbridge
C E Tottman
P Kemp
J Fitzpatrick
M Heller (resigned 8 July 2017)
A Fenwick (resigned 8 July 2017)

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, haysmacintyre, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

DUEDIL LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2016**

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 18 July 2017 and signed on its behalf.



J Fitzpatrick
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DUEDIL LIMITED

We have audited the financial statements of Duedil Limited for the year ended 31 December 2016, set out on pages 5 to 11. The relevant financial reporting framework that has been applied in their preparation is applicable law

and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 opinions we have formed.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement on page 1, 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 Financial Reporting Council'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/apb/scope/UKNP.

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 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

DUEDIL LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DUEDIL LIMITED (CONTINUED)

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



David Cox (Senior Statutory Auditor)

for and on behalf of
haysmacintyre

Statutory Auditors

26 Red Lion Square
London
WC1R 4AG

18 July 2017

DUEDIL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016 £	2015 £
Turnover	2,247,618	1,206,990
Cost of sales	(609,512)	(432,744)
Gross profit	<u>1,638,106</u>	<u>774,246</u>
Administrative expenses	(8,099,728)	(6,539,363)
Operating loss	<u>(6,461,622)</u>	<u>(5,765,117)</u>
Interest receivable and similar income	2	17,772
Interest payable and expenses	(194,217)	-
Loss before tax	<u>(6,655,837)</u>	<u>(5,747,345)</u>
Tax on loss	488,126	212,759
Loss for the year	<u><u>(6,167,711)</u></u>	<u><u>(5,534,586)</u></u>

There was no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 7 to 11 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	4	237,398	352,921
		<u>237,398</u>	<u>352,921</u>
Current assets			
Debtors: amounts falling due within one year	5	1,574,463	1,108,808
Cash at bank and in hand		1,195,308	1,034,736
		<u>2,769,771</u>	<u>2,143,544</u>
Creditors: amounts falling due within one year	6	(4,870,089)	(1,477,795)
Net current (liabilities)/assets		<u>(2,100,318)</u>	<u>665,749</u>
Total assets less current liabilities		<u>(1,862,920)</u>	<u>1,018,670</u>
Net (liabilities)/assets		<u><u>(1,862,920)</u></u>	<u><u>1,018,670</u></u>
Capital and reserves			
Called up share capital		343	311
Share premium account		16,990,884	13,752,795
Profit and loss account		(18,854,147)	(12,734,436)
		<u>(1,862,920)</u>	<u>1,018,670</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 July 2017.



J Fitzpatrick
 Director

The notes on pages 7 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. General information

Duedil Limited is a private limited company, limited by shares and registered in England and Wales. Its principal place of business is 25 Christopher Street, London, EC2A 2BS.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

Since the year-end the company has raised £900,000 by issuing convertible loan notes, and intends to issue further convertible loan notes to raise an additional £1,100,000 by September 2017 to provide working capital for the period before its next planned equity fundraising. Whilst future equity fundraising is not certain, the directors have a reasonable expectation that the company will have adequate resources to continue operating for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- Over the leasehold term
Fixtures and fittings	- 25% straight line
Office equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.7 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with fair value of goods and services received.

2.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

3. Employees

The average monthly number of employees, including directors, during the year was 75 (2015: 46).

DUEDIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

4. Tangible fixed assets

	Short-term leasehold property £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 January 2016	257,944	114,051	172,000	543,995
Additions	1,807	19,750	19,564	41,121
At 31 December 2016	<u>259,751</u>	<u>133,801</u>	<u>191,564</u>	<u>585,116</u>
Depreciation				
At 1 January 2016	93,605	29,429	68,039	191,073
Charge for the year on owned assets	86,584	28,400	41,662	156,646
At 31 December 2016	<u>180,189</u>	<u>57,829</u>	<u>109,701</u>	<u>347,719</u>
Net book value				
At 31 December 2016	<u>79,562</u>	<u>75,972</u>	<u>81,863</u>	<u>237,397</u>
At 31 December 2015	<u>164,339</u>	<u>84,622</u>	<u>103,961</u>	<u>352,922</u>

5. Debtors

	2016 £	2015 £
Trade debtors	634,106	348,324
Other debtors	677,447	545,882
Prepayments and accrued income	262,910	214,602
	<u>1,574,463</u>	<u>1,108,808</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. Creditors: Amounts falling due within one year

	2016 £	2015 £
Loans	2,218,851	-
Trade creditors	259,471	303,660
Other taxation and social security	153,628	141,379
Other creditors	12,289	-
Accruals and deferred income	2,225,850	1,032,756
	<u>4,870,089</u>	<u>1,477,795</u>

7. Guarantees and other financial commitments

The company had total guarantees and commitments at the year end of £171,963.

8. First time adoption of FRS 102

Aside from share-based payments the policies applied under the company's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss. The company has taken advantage of the exemption in FRS 102 to not apply the new share-based payments policy to instruments that were granted before 1 January 2016.