

CCM TECHNOLOGIES LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MAY 2021

CCM TECHNOLOGIES LIMITED
REGISTERED NUMBER: 07633047

BALANCE SHEET
AS AT 31 MAY 2021

	Note	2021 £	As restated 2020 £
Fixed assets			
Intangible assets	4	2,364,834	1,739,715
Tangible assets	5	239,885	360,900
Investments	6	5	1
		<hr/>	<hr/>
		2,604,724	2,100,616
Current assets			
Debtors: amounts falling due within one year	7	1,041,617	456,295
Cash at bank and in hand	8	2,760,455	105,498
		<hr/>	<hr/>
		3,802,072	561,793
Creditors: amounts falling due within one year	9	(660,213)	(415,301)
		<hr/>	<hr/>
Net current assets		3,141,859	146,492
		<hr/>	<hr/>
Total assets less current liabilities		5,746,583	2,247,108
Provisions for liabilities			
Other provisions	10	(6,000)	-
		<hr/>	<hr/>
		(6,000)	-
		<hr/>	<hr/>
Net assets		5,740,583	2,247,108
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	11	3,339	2,725
Share premium account		8,001,799	4,026,888
Share-based payment reserve		1,368,394	1,301,802
Profit and loss account		(3,632,949)	(3,084,307)
		<hr/>	<hr/>
		5,740,583	2,247,108
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CCM TECHNOLOGIES LIMITED
REGISTERED NUMBER: 07633047

BALANCE SHEET (CONTINUED)
AS AT 31 MAY 2021

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

P Kisielewski

Director

Date: 23 February 2022

The notes on pages 3 to 12 form part of these financial statements.

CCM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

1. General information

The Company is a private company limited by shares and incorporated in England (registered number 07633047). The registered office is Unit 9 I.O. Centre, Radway Road, Swindon, SN3 4WH.

CCm Technologies' principal activity is to accelerate decarbonisation for a number of sectors of economy - water treatment, food manufacture, retailing, agriculture and horticulture - by producing low-emissions fertilisers from various waste streams allowing them to benefit from our circular economy solutions. CCm has three other applications of its core intellectual property - heat storage, power generation and plastic replacements - at varied stages of development.

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 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 judgement in applying the Company's accounting policies.

The financial statements are rounded to the nearest whole pound Sterling.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

2.3 Going concern

In the year to 31 May 2021 the Company incurred a loss of £548,642 (2020 restated: £1,463,621), had net current assets as at 31 May 2021 of £3,141,859 (2020: £146,492) and cash and cash equivalents of £2,760,455 (2020: £105,498).

In preparing the financial statements, the Directors have considered the ability of the Company to continue as a going concern. The Directors have prepared cash flow forecasts for the Company for a period of at least 12 months from approval of the financial statements. The Directors have reviewed the assumptions made in respect of the timing and realisation of commercial agreements including those presently under negotiation with customers and other parties and the continued funding of the development of the Company's technology.

Based on these forecasts, which the Directors consider to be achievable, the Directors consider the Company has adequate resources to continue in operational existence for the foreseeable future. Therefore, the Directors continue to adopt the going concern basis in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

2. Accounting policies (continued)

2.4 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.

2.5 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.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives. The Company amortises development expenditure when the development is complete.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

2. Accounting policies (continued)

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.8 Interest income

Interest income is recognised in profit or loss in the period of receipt of bank interest.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet 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 profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

2. Accounting policies (continued)

2.11 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Research and development tax credits are recognised on an accruals basis.

2.12 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.

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:

Leasehold improvements	- Over the life of the lease
Plant and machinery	- 33%
Motor vehicles	- 20%
Computer equipment	- 33%

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 profit or loss.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

Short term creditors are measured at the transaction price.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

2. Accounting policies (continued)**2.17 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.18 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Employees

The average monthly number of employees, including the Directors, during the year was as follows:

	2021 No.	2020 No.
	<u>13</u>	<u>11</u>
Employees		

4. Intangible assets

	Development expenditure £
Cost	
At 1 June 2020	1,739,715
Additions	625,119
	<hr/>
At 31 May 2021	2,364,834
	<hr/>
Net book value	
At 31 May 2021	<u>2,364,834</u>
At 31 May 2020	<u>1,739,715</u>

CCM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

5. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation					
At 1 June 2020	16,000	695,388	8,650	-	720,038
Additions	19,394	66,333	-	7,062	92,789
Disposals	-	(57,837)	-	-	(57,837)
At 31 May 2021	35,394	703,884	8,650	7,062	754,990
Depreciation					
At 1 June 2020	1,192	357,513	433	-	359,138
Charge for the year on owned assets	4,039	207,643	1,730	392	213,804
Disposals	-	(57,837)	-	-	(57,837)
At 31 May 2021	5,231	507,319	2,163	392	515,105
Net book value					
At 31 May 2021	30,163	196,565	6,487	6,670	239,885
At 31 May 2020	14,808	337,875	8,217	-	360,900

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 June 2020	1
Additions	4
At 31 May 2021	5

CCM TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
CCm X Limited	Unit 9, I O Centre,, Radway Road, Swindon, England, SN3 4WH	Ordinary	100 %
CCm Research Limited	Unit 9, I O Centre,, Radway Road, Swindon, England, SN3 4WH	Ordinary	100 %

7. Debtors

	2021	2020
	£	£
Trade debtors	241,042	260,531
Other debtors	22,170	22,170
Prepayments and accrued income	533,385	59,599
Tax recoverable	245,020	113,995
	<u>1,041,617</u>	<u>456,295</u>

8. Cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	<u>2,760,455</u>	<u>105,498</u>

9. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Trade creditors	74,672	60,725
Amounts owed to group undertakings	5	1
Other taxation and social security	45,399	68,699
Other creditors	5,101	-
Accruals and deferred income	535,036	285,876
	<u>660,213</u>	<u>415,301</u>

Amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

CCM TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021

10. Provisions

	Dilapidation provision £
Charged to profit or loss	6,000
At 31 May 2021	6,000

The Company has reviewed its obligation in respect of dilapidations on leased property and recognised a dilapidation provision of £6,000 in respect of the expected future cost to return premises to the condition stated in the lease. The provision is expected to be released at the end of the lease.

11. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
333,923 (2020 - 272,526) Ordinary shares of £0.01 each	<u>3,339</u>	<u>2,725</u>

During the year the company allotted 61,397 Ordinary shares of £0.01 each for a consideration of £4,000,015.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

12. Share based payments

During the year ended 31 May 2014, the Company granted 4,058 options to an employee through an unapproved equity-settled share-based payment arrangement.

During the year ended 31 May 2017, the Company granted 12,785 EMI options to employees through an unapproved equity-settled share-based payment arrangement. On 28 June 2018, 2,325 of these options were exercised.

During the year ended 31 May 2020, the Company granted 23,269 EMI options to employees through an equity-settled share-based payment arrangement and granted 27,355 options to employees through an unapproved equity-settled share-based payment arrangement.

The latest date the remaining options can be exercised is 22 May 2030. No performance conditions were attached to the options with the vesting conditions being on the date of grant or over a 3 year period of continuous employment.

The fair value of the share options at the grant date was calculated using the Black-Scholes model, which is considered to be the most appropriate generally accepted valuation method of measuring fair value. This fair value is then expensed over the vesting period of the share options.

No amounts have been exercised during the year to 31 May 2021.

	Weighted average exercise price (pence) 2021	Number 2021	Weighted average exercise price (pence) 2020	Number 2020
Outstanding at the beginning of the year	2,256	65,142	368	14,518
Granted during the year	-	-	2,798	50,624
Outstanding at the end of the year	2,256	65,142	2,256	65,142

Option pricing model used	Black-Scholes
Weighted average share price (pence)	4,540
Exercise price (pence)	209-5,000
Weighted average contractual life (days)	3,650
Expected volatility	30%
Risk-free interest rate	0.174%-0.638%

	2021 £	2020 £
Equity settled schemes	66,592	1,290,912

The Company considers the share-based payment charge to be significant to the financial statements. The Company has, therefore, disclosed this separately on the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2021**

13. Prior year adjustment

At 31 May 2020, the Company had not recognised a charge in respect of equity settled share-based payments for share options granted up to 31 May 2020. The Company has calculated a charge of £1,290,912 in respect of share-based payments for the year ended 31 May 2020 and restated its prior period comparatives in respect of this. This has had the effect of increasing loss before tax for the year ended 31 May 2020 by £1,290,912.

During the preparation of the financial statements, the Directors reviewed the accounting treatment of grant income. During the year ended 31 May 2020, the Company recognised £625,151 of grant income within turnover. The Directors have reviewed this treatment in 2021 and consider this as other operating income. The Directors have, therefore, restated the prior period comparatives to classify £625,151 of grant income as other operating income and reduce turnover by £625,151. The Directors have also assessed £333,233 of associated research and development costs and £177,419 of depreciation costs and considered these should be accounted for in administrative expenses as R&D costs. The Directors have, therefore, reduced cost of sales for the year ended 31 May 2020 by £510,652. These adjustments have not impacted the loss for the year ended 31 May 2020 nor net assets at 31 May 2020.

14. Pension commitments

The Company operates a defined contribution pension scheme. During the year, employer pension contributions totalled £16,185 (2020: £9,814). At the year end, pension contributions owing totalled £5,101 (2020: £nil).

15. Commitments under operating leases

At 31 May 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	45,730	27,233
Later than 1 year and not later than 5 years	72,940	-
	<u>118,670</u>	<u>27,233</u>

16. Controlling party

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

17. Auditors' information

The auditors' report on the financial statements for the year ended 31 May 2021 was unqualified.

The audit report was signed on 25 February 2022 by Sue Staunton MA FCA CF (Senior Statutory Auditor) on behalf of James Cowper Kreston.

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