

## **Studio Graphene Limited**

Unaudited Financial Statements

Year Ended

31 December 2021

Company Number 09104776



# Studio Graphene Limited

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**Studio Graphene Limited**  
Registered number: 09104776

**Statement of Financial Position**  
**As at 31 December 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	5	27,386	43,621
Investments	6	167,924	130,264
		<u>195,310</u>	<u>173,885</u>
<b>Current assets</b>			
Debtors	7	507,700	378,320
Bank and cash balances		411,872	540,096
		<u>919,572</u>	<u>918,416</u>
Creditors: amounts falling due within one year	8	(633,872)	(483,236)
<b>Net current assets</b>		<u>285,700</u>	<u>435,180</u>
Creditors: amounts falling due after more than one year	9	(156,723)	(154,165)
<b>Provisions for liabilities</b>			
Deferred tax	10	(344)	(2,384)
<b>Net assets</b>		<u><u>323,943</u></u>	<u><u>452,516</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	115	114
Profit and loss account	12	323,828	452,402
<b>Total Equity</b>		<u><u>323,943</u></u>	<u><u>452,516</u></u>

**Studio Graphene Limited**  
**Registered number: 09104776**

**Statement of Financial Position (continued)**  
**As at 31 December 2021**

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The director considers that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

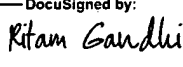
The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 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:

DocuSigned by:  
  
526B9B28DDAD427...

**R Gandhi**  
Director

Date: 3/24/2022

The notes on pages 4 to 16 form part of these financial statements.

## Studio Graphene Limited

### Statement of Changes in Equity For the Year Ended 31 December 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	114	452,402	452,516
<b>Comprehensive loss for the year</b>			
Loss for the year	-	(87,597)	(87,597)
<b>Total comprehensive loss for the year</b>	-	(87,597)	(87,597)
Dividends	-	(59,727)	(59,727)
Capital contribution	-	18,750	18,750
Shares issued during the year	1	-	1
<b>At 31 December 2021</b>	<b>115</b>	<b>323,828</b>	<b>323,943</b>

### Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	106	301,824	301,930
<b>Comprehensive income for the year</b>			
Profit for the year	-	210,775	210,775
Share based payment	-	23,758	23,758
<b>Total comprehensive income for the year</b>	-	234,533	234,533
Dividends	-	(83,250)	(83,250)
Purchase of own shares	-	(705)	(705)
Shares issued during the year	8	-	8
<b>At 31 December 2020</b>	<b>114</b>	<b>452,402</b>	<b>452,516</b>

The notes on pages 4 to 16 form part of these financial statements.

# Studio Graphene Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

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### 1. General information

Studio Graphene Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is Aviation House, 125 Kingsway, London, England, WC2B 6NH.

The company's principal activity is that of Digital product design, application development and IoT solutions.

These financial statements have been prepared in Pounds Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest pound.

### 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 judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Exemption from preparing consolidated financial statements

The financial statements contain information about Studio Graphene Limited as an individual company as the company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

#### 2.3 Going concern

Considering the macro-economic effects of the Global Pandemic, the director continues to regularly review the Company plans and forecasts, including the identification, control and monitoring of relevant risks.

Based on the stress testing and forward-looking forecasts, Management has reasonable expectation that the company has adequate resources to continue operating in the foreseeable future, and at the time of approving the Financial Statements the director believes that the going concern basis is appropriate. In coming to this conclusion, Management have taken into account contracted revenue in the context of fixed overheads and inflationary pressure, and are confident that the Company will have the necessary resources to meet its obligations for 12 months from the date of approval of these financial statements. Management have considered the fact that certain business development and growth expenditure can be delayed if necessary in order to preserve liquidity, such that there will not be any requirement for further fundraising activity in this time period. Taking all of these factors into account, Management do not consider that there is a material uncertainty with regard to going concern at the date of approval.

## **Studio Graphene Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2021**

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#### **2. Accounting policies (continued)**

##### **2.4 Turnover**

Turnover 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. Turnover 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**

Turnover 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.

##### **2.5 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.

In the development phase of an internal project, the company has also chosen to expense the entire expenditure within the Statement of Comprehensive Income as incurred.

##### **2.6 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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

##### **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 the Statement of Comprehensive Income using the effective interest method.

## **Studio Graphene Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2021**

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#### **2. Accounting policies (continued)**

##### **2.9 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.

##### **2.10 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 the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

##### **2.11 Share based payments**

Where equity instruments are awarded to employees, the fair value of the instruments 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 reporting date, so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of instruments that eventually vest. Market vesting conditions are factored into the fair value of the instruments 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 instruments are modified before they vest, the increase in the fair value of the instruments, 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 in line with fair value of goods and services received, where this can be reliably estimated.



## **Studio Graphene Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2021**

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#### **2. Accounting policies (continued)**

##### **2.12 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 reporting date in the countries where the company operates and generates income.

The company is subject to UK Corporation Tax at a rate of 19%.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

# Studio Graphene Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 2. Accounting policies (continued)

#### 2.13 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:

Office equipment	- 33.3%
Computer equipment	- 33.3%

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.

#### 2.14 Valuation of investments

##### *Investments in subsidiaries*

Investments in subsidiaries are measured at cost less accumulated impairment.

##### *Other fixed asset investments*

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

#### 2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.16 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

#### 2.17 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## **Studio Graphene Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2021**

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#### **2. Accounting policies (continued)**

##### **2.18 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

##### **2.19 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

## **Studio Graphene Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2021**

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#### **3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In applying the company's accounting policies, the director is required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The director's judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

##### **Critical judgements in applying the company's accounting policies**

The critical judgements that the director has made in the process of applying the company's accounting policies and that have significant effect on the amounts recognised in the statutory financial statements are discussed below.

##### **Determining useful economic lives of tangible fixed assets**

The company depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of the assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

##### **Valuation of investments**

The Company considers the carrying value of investments at each reporting date. The expected value considers current and future expected returns from the investments as well as any technical or commercial obsolescence and legal or other limits on the use of the assets.

##### **Assessing indicators of impairment**

In assessing whether there have been any indicators of impairment of assets, the director has considered both external and internal sources of information such as the age of the debt, market conditions, counterparty credit ratings and experience of recoverability. Provisions are raised where assets, such as trade debtors, are not considered recoverable, full or in part. Provisions are reassessed as part of the above review and are released where subsequent information supports the recovery of the assets. The company has estimated a bad debt provision on its trade debtors at 31 December 2021 amounting to £161,791 (2020 - £163,925). There have been no indicators of impairments to any of the company's assets other than this.

##### **Fair value of equity instruments**

The company calculates the cost of certain share-based payments by reference to the fair value of the equity instruments granted. The fair value of the instruments granted is subject to management estimate and any changes to these estimates may have a significant effect on the share-based payment charge to the income statement.

#### **4. Employees**

The average monthly number of employees, including directors, during the year was 16 (2020 - 14).

## Studio Graphene Limited

### Notes to the Financial Statements For the Year Ended 31 December 2021

#### 5. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
<b>Cost</b>			
At 1 January 2021	13,076	87,632	100,708
Additions	1,715	8,896	10,611
Disposals	(128)	(596)	(724)
At 31 December 2021	<u>14,663</u>	<u>95,932</u>	<u>110,595</u>
<b>Depreciation</b>			
At 1 January 2021	11,508	45,579	57,087
Charge for the year	935	25,617	26,552
Disposals	(4)	(426)	(430)
At 31 December 2021	<u>12,439</u>	<u>70,770</u>	<u>83,209</u>
<b>Net book value</b>			
At 31 December 2021	<u><u>2,224</u></u>	<u><u>25,162</u></u>	<u><u>27,386</u></u>
At 31 December 2020	<u><u>1,568</u></u>	<u><u>42,053</u></u>	<u><u>43,621</u></u>

## Studio Graphene Limited

### Notes to the Financial Statements For the Year Ended 31 December 2021

#### 6. Fixed asset investments

	Subsidiary investments £	Other unlisted investments £	Total £
<b>Cost</b>			
At 1 January 2021	5,451	124,813	130,264
Additions	-	50,001	50,001
Revaluations	-	(12,341)	(12,341)
At 31 December 2021	<u>5,451</u>	<u>162,473</u>	<u>167,924</u>

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Studio Graphene Private Limited (India)	8599, East park road, Karol Bagh, New Delhi, 110005	Digital product design, application development and IoT solutions	Ordinary	99%
Studio of Better Things Lisbon, Unipessoal Lda. (Portugal)	Avenida Infante D. Henrique, no 26, Lisbon, 1149 096	Digital product design, application development and IoT solutions	Ordinary	100%

#### 7. Debtors

	2021 £	2020 £
Trade debtors	423,060	327,931
Amounts due from group undertakings	27,048	10,793
Other debtors	15,722	22,472
Accrued income and prepayments	41,870	17,124
	<u>507,700</u>	<u>378,320</u>

The amounts due from group undertakings are unsecured, interest free and repayable on demand.

## Studio Graphene Limited

### Notes to the Financial Statements For the Year Ended 31 December 2021

#### 8. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	33,636	30,835
Trade creditors	15,868	24,422
Amounts owed to group undertakings	263,191	104,000
Amounts owed to related parties (see note 17)	9,000	-
Corporation tax	-	28,869
Other taxation and social security	290,417	252,565
Other creditors	2,692	9,318
Accruals and deferred income	19,068	33,227
	<u>633,872</u>	<u>483,236</u>

Bank loans refers to a £185,000 Coronavirus Business Interruption Loan (CBILS) that the company received during the prior year. This loan bears interest at a rate of LIBOR + 2.99% and is secured by way of a fixed and floating charge on the assets of the company. In line with the terms of the CBILS scheme of the UK government, the UK government covered the interest arising on this loan for the first 12 months from drawdown, which is reflected as other operating income in the statement of comprehensive income. There were no capital repayments on the loan for the first 6 months from drawdown, after which the loan is repayable in equal instalments over 66 months starting in February 2021, with the final payment being due in July 2026.

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

#### 9. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	120,531	154,165
Other taxation and social security	36,192	-
	<u>156,723</u>	<u>154,165</u>

See note 10 for details regarding bank loans.

Other taxation and social security falling due after more than one year relates to VAT repayments formally deferred by HMRC in relation to the government's COVID-19 VAT deferral scheme.

# Studio Graphene Limited

## Notes to the Financial Statements For the Year Ended 31 December 2021

### 10. Deferred taxation

	2021 £	2020 £
At beginning of year	(2,384)	-
Credited/(charged) in the statement of comprehensive income	2,040	(2,384)
<b>At end of year</b>	<b>(344)</b>	<b>(2,384)</b>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Fixed asset timing differences	(1,017)	(2,854)
Short term timing differences	673	470
	<b>(344)</b>	<b>(2,384)</b>

### 11. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
1,076,633 (2020 - 1,066,466) Ordinary shares of £0.00010 each	108	107
67,880 VV shares of £0.00010 each	7	7
	<b>115</b>	<b>114</b>

On 8 January 2021 the company issued 15,300 Ordinary shares of £0.0001 each at par value. These were in relation to the exercise of options issued to employees in past periods.

On the same date the company cancelled 5,133 Ordinary shares of £0.0001 each which had been repurchased into treasury during the prior year.

Both classes of share rank pari passu in all respects.



## Studio Graphene Limited

### Notes to the Financial Statements For the Year Ended 31 December 2021

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#### 12. Reserves

##### **Called up share capital**

Called up share capital represents the nominal value of the company's shares.

##### **Profit and loss account**

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

#### 13. Share based payments

The parent company Studio Graphene Holdings Limited, operated a Share Incentive Plan under which the director and certain employees of the company were granted equity instruments. In the absence of observable market prices and market data, equity instruments granted were valued at fair value on the grant date.

During the year, the total share based payment expense recognised in the Statement of Comprehensive Income was £18,750 (2020 - £23,758).

#### 14. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £12,125 (2020 - £11,548). Contributions totalling £2,692 (2020 - £2,474) were payable to the fund at the reporting date.

#### 15. Related party transactions

The Company has taken exemption under FRS 102 section 1AC.35 from disclosing transactions with group companies, on the grounds that each company party to the transactions is wholly owned within the group.

At the year end the company is owed £Nil (2020 - £8,000) by the director. This amount was included within other debtors, and was unsecured, interest free and repayable on demand.

During the year the company was recharged a total of £990,540 (2020 - £849,472) from its subsidiary Studio Graphene Private Limited, incorporated in India. At the year end a balance of £254,704 (2020 - £104,000) was owed by the company to Studio Graphene Private Limited.

Key management personnel comprises the director who has authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £60,000 (2020 - £60,000). Key management further received £52,500 in dividends during the year (2020 - £74,500).

At the year end, the company owes £9,000 (2020 - £Nil) to I2FAB Limited, a company incorporated in the United Kingdom and controlled by the sole director and ultimate controlling party of the company. This amount was included in amounts due to related parties, and was unsecured, interest free and repayable on demand.

## **Studio Graphene Limited**

### **Notes to the Financial Statements For the Year Ended 31 December 2021**

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#### **16. Controlling party**

The immediate parent company is Studio Graphene Holdings Limited which is registered in the United Kingdom at Aviation House, 125 Kingsway, London, United Kingdom, WC2B 6NH. Ritam Gandhi is the ultimate controlling party in his role as majority shareholder and sole director of Studio Graphene Holdings Limited.