

Company Registration No. 09123710 (England and Wales)

SWITCHEE LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2022
PAGES FOR FILING WITH REGISTRAR

SWITCHEE LIMITED

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SWITCHEE LIMITED

BALANCE SHEET

AS AT 30 APRIL 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	3		12,059		13,942
Tangible assets	4		5,426		9,092
			<u>17,485</u>		<u>23,034</u>
Current assets					
Stocks		236,344		377,051	
Debtors	5	1,294,025		548,077	
Cash at bank and in hand		676,811		1,263,468	
		<u>2,207,180</u>		<u>2,188,596</u>	
Creditors: amounts falling due within one year	6	(1,608,998)		(930,326)	
Net current assets			<u>598,182</u>		<u>1,258,270</u>
Total assets less current liabilities			<u>615,667</u>		<u>1,281,304</u>
Creditors: amounts falling due after more than one year	7		<u>(31,148)</u>		<u>(40,833)</u>
Net assets			<u><u>584,519</u></u>		<u><u>1,240,471</u></u>
Capital and reserves					
Called up share capital	9	10,128		10,125	
Share premium account		5,239,999		4,651,612	
Profit and loss reserves		(4,665,608)		(3,421,266)	
Total equity			<u><u>584,519</u></u>		<u><u>1,240,471</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 22 February 2023 and are signed on its behalf by:

Mr Thomas George Robins
Director

Company Registration No. 09123710

SWITCHEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies

Company information

Switchchee Limited is a private company limited by shares incorporated in England and Wales. The registered office is Sandbox London Bridge Office 7.11, Sandbox London Bridge 46-48 Red Lion Court, Park Street, London, SE1 9EQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

During the year ended 30 April 2022, the company incurred a loss of £1,244,342. It is forecast to make further losses in the next financial year as it continues to invest in its product offering and its value chain. The directors are confident that this investment will result in the company generating revenues and profits going forward.

At the time of approving the financial statements, sufficient funding of has been put in place through equity investments from fundraising rounds. On 16 August 2022 the company issued 453,821 series A Shares for a total consideration of £5,699,991 and 67,190 A ordinary shares for total consideration of £675,260. As a result, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and have therefore adopted the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT.

Turnover relating to the sale of smart thermostats is recognised at the point of installation. Receipts in respect of uninstalled units are taken to deferred income.

Turnover relating to data analytics services and maintenance/service contracts is recognised over the period to which such services relate to. Receipts obtained in advance are taken to deferred income.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Patent	10% Straight line
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SWITCHEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies (Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings and equipment	33.33% Straight line
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1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises of direct materials.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

SWITCHEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

1.12 Taxation

The tax expense represents the tax currently payable.

Current tax

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

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to expense on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.16 Grant income

Grant income are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

SWITCHEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	24	23

3 Intangible fixed assets

	Patent £
Cost	
At 1 May 2021 and 30 April 2022	24,258
Amortisation and impairment	
At 1 May 2021	10,316
Amortisation charged for the year	1,883
At 30 April 2022	12,199
Carrying amount	
At 30 April 2022	12,059
At 30 April 2021	13,942

4 Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	
At 1 May 2021	47,448
Additions	6,206
At 30 April 2022	53,654
Depreciation and impairment	
At 1 May 2021	38,356
Depreciation charged in the year	9,872
At 30 April 2022	48,228
Carrying amount	
At 30 April 2022	5,426
At 30 April 2021	9,092

SWITCHEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

5 Debtors				
		2022	2021	
		£	£	
Amounts falling due within one year:				
Trade debtors		1,268,415	437,408	
Corporation tax recoverable		397	78,520	
Other debtors		17,358	389	
Prepayments and accrued income		7,855	31,760	
		<u>1,294,025</u>	<u>548,077</u>	
		<u><u>1,294,025</u></u>	<u><u>548,077</u></u>	
6 Creditors: amounts falling due within one year		2022	2021	
		£	£	
Bank loans		10,000	9,167	
Trade creditors		268,596	97,879	
Taxation and social security		246,043	76,339	
Other creditors		64,029	23,922	
Accruals and deferred income		1,020,330	723,019	
		<u>1,608,998</u>	<u>930,326</u>	
		<u><u>1,608,998</u></u>	<u><u>930,326</u></u>	
7 Creditors: amounts falling due after more than one year		2022	2021	
		£	£	
Bank loans		31,148	40,833	
		<u>31,148</u>	<u>40,833</u>	
		<u><u>31,148</u></u>	<u><u>40,833</u></u>	
8 Share-based payment transactions				
	Number of share options	Weighted average exercise price		
	2022	2021	2022	2021
	Number	Number	£	£
Outstanding at 1 May 2021	332,905	108,449	0.0001	0.0001
Granted	29,959	266,916	0.0001	0.0001
Exercised	(22,542)	(14,052)	0.0001	0.0001
Expired	(36,663)	(28,408)	0.0001	0.0001
	<u>303,659</u>	<u>332,905</u>	<u>0.0001</u>	<u>0.0001</u>
Outstanding at 30 April 2022	<u><u>303,659</u></u>	<u><u>332,905</u></u>	<u><u>0.0001</u></u>	<u><u>0.0001</u></u>
Exercisable at 30 April 2022	<u><u>303,659</u></u>	<u><u>332,905</u></u>	<u><u>0.0001</u></u>	<u><u>0.0001</u></u>

The options outstanding at 30 April 2022 had an exercise price of £0.0001 and a remaining contractual life of 7-10 years.

SWITCHEE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2022

9	Called up share capital				
		2022	2021	2022	2021
	Ordinary share capital	Number	Number	£	£
	Issued and fully paid				
	Ordinary A shares of 0.01p each	2,174,027	2,091,328	217	209
	Deferred shares of 0.01p each	99,105,190	99,162,911	9,911	9,916
		<u>101,279,217</u>	<u>101,254,239</u>	<u>10,128</u>	<u>10,125</u>

Ordinary A shares

Carry full voting and distribution (by way of dividends and capital) rights on a pro rata basis to the number of Ordinary A Shares held. They are not redeemable. During the year 24,978 ordinary shares were issued for a consideration of £588,388.

Deferred shares

Do not carry voting rights or any entitlement to a dividend. On a distribution of assets, a liquidation or a return of capital (other than a conversion, redemption or purchase of shares) the holders of Deferred Shares are entitled to receive a total of £1 for the entire class of Deferred Shares. May be redeemed at the option of the Company. During the year 57,721 Deferred shares were redesignated Ordinary A shares.

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Gilles Siow.

The auditor was HW Fisher LLP.

11 Events after the reporting date

On 16 August 2022 the company issued 453,821 series A Shares for a total consideration of £5,699,992 and 67,190 A ordinary shares for total consideration of £675,260.

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.