

Company Registration No. 09634738 (England and Wales)

Edge Petrol Limited

Unaudited financial statements

For the year ended 31 December 2022

Pages for filing with registrar

EDGE PETROL LIMITED

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EDGE PETROL LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Fixed assets			
Intangible assets	4	28,006	23,943
Tangible assets	5	38,172	18,559
Investments	6	1	1
		<u>66,179</u>	<u>42,503</u>
Current assets			
Debtors	7	3,376,898	1,897,419
Cash at bank and in hand		389,585	2,068,655
		<u>3,766,483</u>	<u>3,966,074</u>
Creditors: amounts falling due within one year	8	<u>(811,671)</u>	<u>(420,950)</u>
Net current assets		<u>2,954,812</u>	<u>3,545,124</u>
Net assets		<u><u>3,020,991</u></u>	<u><u>3,587,627</u></u>
Capital and reserves			
Called up share capital	10	232	221
Share premium account		12,311,711	10,045,889
Profit and loss reserves		<u>(9,290,952)</u>	<u>(6,458,483)</u>
Total equity		<u><u>3,020,991</u></u>	<u><u>3,587,627</u></u>

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

For the financial year ended 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

EDGE PETROL LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The financial statements were approved by the board of directors and authorised for issue on 24 January 2023 and are signed on its behalf by:

G Carroll
Director

L Cohen
Director

Company Registration No. 09634738

EDGE PETROL LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

1 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Accounting policies

2.1 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.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

2.2 Going concern

The Company is currently in the process of raising additional capital and the Directors expect to complete on this fund raise during 2023. The Directors are therefore of the opinion that it is appropriate to prepare the accounts on a going concern basis.

2.3 Turnover

Turnover (SaaS income) is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT. SaaS income received in advance is recognised on a straight-line basis over the term of the subscription.

2.4 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.

2.5 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.

EDGE PETROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies

(Continued)

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

Software	3 year straight line
Patents	3 year straight line
Website	3 year straight line

2.6 Tangible fixed assets

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

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

Fixtures, fittings & equipment	10 year straight line
Computer equipment	3 year straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

2.7 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2.8 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. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

2.9 Cash and cash equivalents

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

2.10 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.

EDGE PETROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies

(Continued)

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.

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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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.

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

2.11 Taxation

The tax expense represents the sum of the tax currently payable or refundable and deferred tax.

Current tax

Current tax 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.

R&D tax credit claims are recognised on a receivable basis.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

EDGE PETROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Accounting policies

(Continued)

2.12 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 fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

2.13 Retirement benefits

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

2.14 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value determined by an independent valuation. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

2.15 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.

3 Employees

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

	2022 Number	2021 Number
Total	36	27

EDGE PETROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

4 Intangible fixed assets			
	Website	Patents	Total
	£	£	£
Cost			
At 1 January 2022	-	75,894	75,894
Additions	20,700	12,110	32,810
	<u>20,700</u>	<u>88,004</u>	<u>108,704</u>
At 31 December 2022	20,700	88,004	108,704
	<u>20,700</u>	<u>88,004</u>	<u>108,704</u>
Amortisation and impairment			
At 1 January 2022	-	51,951	51,951
Amortisation charged for the year	6,900	21,847	28,747
	<u>6,900</u>	<u>73,798</u>	<u>80,698</u>
At 31 December 2022	6,900	73,798	80,698
	<u>6,900</u>	<u>73,798</u>	<u>80,698</u>
Carrying amount			
At 31 December 2022	13,800	14,206	28,006
	<u>13,800</u>	<u>14,206</u>	<u>28,006</u>
At 31 December 2021	-	23,943	23,943
	<u>-</u>	<u>23,943</u>	<u>23,943</u>
5 Tangible fixed assets			
			Computer
			Equipment
			£
Cost			
At 1 January 2022			56,227
Additions			35,964
			<u>92,191</u>
At 31 December 2022			92,191
			<u>92,191</u>
Depreciation and impairment			
At 1 January 2022			37,668
Depreciation charged in the year			16,351
			<u>54,019</u>
At 31 December 2022			54,019
			<u>54,019</u>
Carrying amount			
At 31 December 2022			38,172
			<u>38,172</u>
At 31 December 2021			18,559
			<u>18,559</u>
6 Fixed asset investments			
		2022	2021
		£	£
Investments		1	1
		<u>1</u>	<u>1</u>

EDGE PETROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Fixed asset investments (Continued)

Fixed assets investments represent the Company's investment in Edge Petrol Inc., a wholly owned US subsidiary.

7 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	121,081	136,526
Corporation tax recoverable	700,000	485,917
Amounts owed by group undertakings	2,398,183	1,129,082
Other debtors	157,634	145,894
	<u>3,376,898</u>	<u>1,897,419</u>

8 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	291,729	127,976
Taxation and social security	102,323	71,822
Other creditors	417,619	221,152
	<u>811,671</u>	<u>420,950</u>

EDGE PETROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Share-based payment transactions

The company operates approved (Enterprise Management Incentive - EMI and US ISO) and unapproved equity settled share-based remuneration schemes.

Under the EMI scheme, the company has granted options in 4 tranches. Tranche 1 options can be vested at any time within the 10-year term of the options. Tranche 2 to 4 options can only be vested if:

- a) there is an Exit event within the 10-year term of the options and if the employee is still in service, or
- b) if the employee is a good leaver, or
- c) under terms commonly appropriate for vesting such as death or incapacity, or
- d) provided the option holder has held the options for at least 3 years from September 1 in each year.

Under the US ISO scheme, the option may not be exercised after the 10-year anniversary of the date of grant or until 1 year after the date of grant unless the Board agrees otherwise or if circumstances such as change of control, sale, de-merger or an IPO occur or unless the option holder leaves the company's employ as a 'good leaver' or by reason of death.

The options granted under the unapproved share schemes can normally only be cashed provided the option holder has held the options for at least 3 years on or after 1 September in any calendar year, or if there is an Exit event within the 10-year term of the options and if the person is still in service. However, this is subject to the normal exceptions, notably leaving the Company's service as a "good leaver" e.g. by death or incapacity or if there is an earlier asset sale, capital raising, share sale or listing or other exit.

The Board also retains discretion to permit the option holder to cash the options at any time.

The table below shows the number of share options and weighted average exercise price at each year end.

	Number of share options		Weighted average exercise price	
	2022 Number	2021 Number	2022 £	2021 £
Outstanding at 1 January 2022	134,026	73,820	9.86	8.40
Granted	-	60,772	-	13.22
Forfeited	(25,607)	(566)	(12.07)	12.43
Exercised	(4,012)	-	4.34	(0.0001)
	<u>104,407</u>	<u>134,026</u>	<u>9.53</u>	<u>9.86</u>
Outstanding at 31 December 2022	104,407	134,026	9.53	9.86
	<u>17,594</u>	<u>3,844</u>	<u>5.7507</u>	<u>0.0001</u>
Exercisable at 31 December 2022	17,594	3,844	5.7507	0.0001

The options outstanding at 31 December 2022 had an exercise price ranging from £0.0001 to £13.00 and a remaining contractual life of between 5.2 and 8.7 years.

The fair value of options granted in the year was determined by reference to an independent valuation carried out at the time of the grant.

EDGE PETROL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

10 Called up share capital

	2022	2021
	£	£
Ordinary share capital		
Issued and fully paid		
2,315,519 (2021: 2,210,791) Ordinary shares of £0.0001 each	232	221
	<u> </u>	<u> </u>

On 27 September 2022, the Company issued 66,449 ordinary shares at 0.0001p per share at a premium of £22.616 per share and 4,012 ordinary shares at 0.0001p per share at a premium of £nil per share.

On 2 November 2022, the Company issued 11,054 ordinary shares at 0.0001p per share at a premium of £22.616 per share.

On 29 November 2022, the Company issued 23,213 ordinary shares at 0.0001p per share at a premium of £22.616 per share.

Costs of £12,000 in relation to the share issue have been recognised within share premium.

11 Events after the reporting date

As of the date of signing of these financial statements, there have been no other significant events that require disclosure in, or adjustment to the financial statements as at 31 December 2022.

12 Related party transactions

The Company has taken advantage of the exemption available in accordance with FRS 102 1AC.35 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company and the other subsidiaries are wholly owned subsidiary undertakings of the group to which they are party to the transactions.

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.