

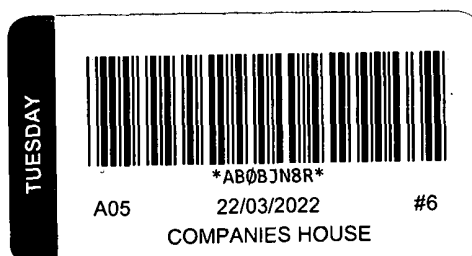
Flux Systems Limited

Unaudited Financial Statements

Year Ended

30 November 2021

Company Number 09882195



Flux Systems Limited
Registered number: 09882195

Statement of Financial Position
As at 30 November 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	17,111	51,462
Current assets			
Debtors	6	522,285	702,684
Cash and cash equivalents		2,353,254	3,017,349
		<u>2,875,539</u>	<u>3,720,033</u>
Creditors: amounts falling due within one year	7	(279,024)	(257,786)
Net current assets		<u>2,596,515</u>	<u>3,462,247</u>
Creditors: amounts falling due after more than one year	8	(3,713,473)	(3,040,000)
Net (liabilities)/assets		<u>(1,099,847)</u>	<u>473,709</u>
Capital and reserves			
Called up share capital	9	214	194
Share premium account		9,561,086	7,157,484
Profit and loss account		(10,661,147)	(6,683,969)
		<u>(1,099,847)</u>	<u>473,709</u>

Flux Systems Limited

Registered number: 09882195

Statement of Financial Position (continued) As at 30 November 2021

The directors consider 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 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 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:

Veronique Barbosa

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V Barbosa

Director

Date: 17-Mar-22

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

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2021

1. General information

The Company is a private company limited by shares, registered in England and Wales. The registered office address is People's Mission Hall, 20-30 Whitechapel Road, London, E1 1EW. The principal activity of the Company during the year was that of business and domestic software development.

These financial statements are presented in Pound Sterling (GBP) and are presented to the nearest pound. They comprise the financial statements of the Company for the year ended 30 November 2021.

The Company has determined that Pound Sterling is its functional currency, as this is the currency of the economic environment in which the Company predominantly operates.

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 following principal accounting policies have been applied:

2.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources, investor support and fundraising capabilities to continue in operational existence. If any of these proved to be false, it may cast significant doubt on the company's ability to continue as a going concern and the directors would need to take corrective action. The directors believe, however, that given the information available at the time of approving the financial statements, that the above factors are true and, accordingly, have prepared the financial statements on a going concern basis.

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2021

2. Accounting policies (continued)

2.3 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 except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.4 Turnover

Turnover is recognised to the extent that it is probable economic benefits will flow to the company and the turnover 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

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.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss 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.

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2021

2. Accounting policies (continued)

2.6 Research and development

Expenditure on research and development is written off as incurred.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.8 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 the 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.

2.9 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 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.

2.10 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to 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 the 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.

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Notes to the Financial Statements For the Year Ended 30 November 2021

2. Accounting policies (continued)

2.11 Taxation

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.

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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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:

Long-term leasehold property	- Over the life of the lease
Fixtures and fittings	- Over 5 years on a straight line basis
Computer equipment	- Over 3 years on a straight line basis

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.

Repairs and maintenance costs are charged to the Statement of Comprehensive Income during the period in which they are incurred.

2.13 Debtors

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

2.14 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.

2.15 Creditors

Short term creditors are measured at the transaction price.

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2021

2. Accounting policies (continued)

2.16 Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

2.17 Convertible debt

Compound financial instruments issued by the Company comprise convertible loan notes that can be converted to share capital at the option of the holder. The interest on the loan notes is compounding annually and as such the number of shares to be issued will vary with changes in the fair value.

Due to the varying number of shares to be issued the loan notes are treated as liabilities and not split between equity and liabilities. The liability is initially and subsequently measured at fair value, with the fair value movements recognised in the Statement of Comprehensive Income.

Transaction costs that relate to the issue of the instrument are expensed to the Statement of Comprehensive Income.

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2021

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

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Due to the simplicity of the Company's transaction streams and year-end financial position, the directors consider there to be no critical judgements, estimates or assumptions in the preparation of these financial statements.

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2021

4. Employees

The average monthly number of employees, including directors, during the year was 32 (2020 - 35).

5. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 December 2020	21,548	20,293	79,421	121,262
Additions	3,787	995	832	5,614
Disposals	(25,335)	(15,004)	(29,066)	(69,405)
At 30 November 2021	-	6,284	51,187	57,471
Depreciation				
At 1 December 2020	18,400	5,251	46,150	69,801
Charge for the year	3,856	1,726	19,282	24,864
Disposals	(22,256)	(4,186)	(27,863)	(54,305)
At 30 November 2021	-	2,791	37,569	40,360
Net book value				
At 30 November 2021	-	3,493	13,618	17,111
At 30 November 2020	3,148	15,043	33,271	51,462

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2021

6. Debtors

	2021 £	2020 £
Other debtors	500,806	638,954
Prepayments and accrued income	21,479	63,730
	<u>522,285</u>	<u>702,684</u>

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	112,575	89,235
Other taxation and social security	64,573	85,850
Other creditors	5,352	8,019
Accruals and deferred income	96,524	74,682
	<u>279,024</u>	<u>257,786</u>

8. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Convertible loan	<u>3,713,473</u>	<u>3,040,000</u>

In the year ended 30 November 2020 the company received a convertible loan of £3,000,000. This loan accrues interest at 8% per annum and expires in October 2023.

Total finance costs of £673,473 (2020: £40,000) have been recognised in the statement of comprehensive income, being the estimated fair value movement on the loan notes during the year, which includes £240,000 of interest arising at the coupon rate stated within the instrument.

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Notes to the Financial Statements For the Year Ended 30 November 2021

9. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1,039,922 (2020 - 1,031,390) Ordinary shares of £0.0001 each	104	103
380,147 (2020 - 380,147) Seed Preference shares of £0.0001 each	38	38
531,967 (2020 - 531,967) Series A Preference shares of £0.0001 each	53	53
139,457 (2020 - Nil) Barclays - Non Voting shares of £0.0001 each	14	-
47,905 (2020 - Nil) Barclays Voting shares of £0.0001 each	5	-
	<u>214</u>	<u>194</u>

On the 19 April 2021 the company issued 47,905 Barclays voting shares and 139,457 Barclays non voting shares at a premium of £12.78.

On the 23 April 2021 the company issued 1,870 ordinary shares at a premium of £0.5246 and 1,380 ordinary shares at a premium of £1.421.

On the 2 June 2021 the company issued 602 ordinary shares at a premium of £1.421 and 215 ordinary shares at a premium of £1.117.

On the 20 September 2021 the company issued 2,346 ordinary shares at a premium of £1.421 and 1,579 ordinary shares at a premium of £1.117.

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2021

10. 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 £41,621 (2020 - £39,629). Contributions totalling £5,345 (2020 - £8,016) were payable to the fund at the reporting date and are included in creditors.

11. Commitments under operating leases

At 30 November 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	-	69,492
	<u>-</u>	<u>69,492</u>