

nanoFlowcell Holdings Limited

Report and Financial Statements

Year Ended

31 December 2020

Company Number 10021928



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nanoFlowcell Holdings Limited

Registered number: 10021928

Company Information

Directors	H A Bertschi J P Ellermann N La Vecchia
Registered office	55 Baker Street London W1U 7EU
Independent auditor	Langdowns DFK Limited Fleming Court Leigh Road Eastleigh Southampton Hampshire SO50 9PD



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nanoFlowcell Holdings Limited

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Directors' report For the year ended 31 December 2020

The directors present their report together with the financial statements of nanoFlowcell Holdings Limited ("the Company") for the year ended 31 December 2020.

Principal activity

The principal activity of the Company is that of an investment holding company for the Group headed by the Company ("the nanoFlowcell Group" or "the Group").

Directors

The directors who held office during the year and up to the date of approval of the financial statements were as follows:

H A Bertschi
J P Ellermann
N La Vecchia

Dividends

The directors do not recommend a dividend for the year under review (2019 - CHF Nil).

Going concern

The Company made a loss during the year, after taxation, of CHF 145,824 (2019 - CHF 540,668). The Company had net current assets of CHF 4,210,799 (2019 - net current liabilities of CHF 739,778) and total net assets of CHF 4,210,799 (2019 - net liabilities of CHF 643,377) as at 31 December 2020. In adopting the going concern basis N La Vecchia and J P Ellermann, as the Company's shareholders, have confirmed that they will continue to provide financial support to the Company for at least twelve months from the date of signing of these financial statements to support the Company and Group's strategic plan to generate revenue and become profitable. Further, the shareholders will not seek repayment of amounts currently made available unless the Company has sufficient cash to make such a repayment.

At the date of approval of these financial statements, the world is still in the midst of the COVID-19 global pandemic with some countries only now starting to release lockdown measures introduced to contain the spread of the virus. The extent of the impact on the global economy is uncertain but there is an expectation of recessions in economies across the globe.

The directors, who include the Company's shareholders, have satisfied themselves that the shareholders have sufficient financial resources to continue to provide support to the Company, based on the expected impact on the shareholders' wealth for the next twelve months. The Company's financial forecasts and the consideration of the impact of the pandemic on the shareholders' wealth include the directors' best estimate of the impact of the events surrounding the COVID-19 pandemic. While the directors cannot accurately estimate the length or severity of the pandemic and related restrictions, the directors have considered worst case scenarios and have concluded that there is no material uncertainty over the shareholders' ability to support the Company accordingly.

The directors therefore consider the Company to be a going concern and have adopted the going concern basis of accounting in the preparation of these financial statements.



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Directors' report For the year ended 31 December 2020 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Accounting Standards ("IASs") in conformity with the requirements of the Companies Act 2006. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Events after the reporting date

COVID-19

The COVID-19 pandemic is ongoing and the impact of this has been considered on the financial statements up to the date of signing. The Company is monitoring the potential downside risk associated with both the direct and indirect impact of the COVID-19 outbreak. The Company continues to operate within its internal risk capital limits which are being actively monitored by management in line with management's expectations. No further adjustments are deemed necessary in respect of this matter.

Disclosure of information to the auditors

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.



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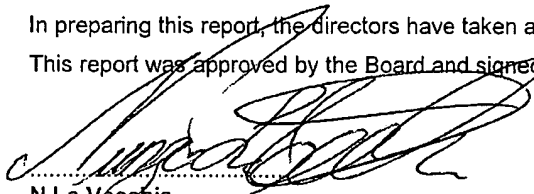
Directors' report For the year ended 31 December 2020 (*continued*)

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Langdowns DFK Limited as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

In preparing this report, the directors have taken advantage of the small companies exemptions.

This report was approved by the Board and signed on its behalf by:


.....
N La Vecchia
Director

Date: 27,07, 2021



nanoFlowcell Holdings Limited

Registered number: 10021928

Independent Auditor's Report to the Members of nanoFlowcell Holdings Limited

Opinion

We have audited the financial statements of nanoFlowcell Holdings Limited (the 'Company') for the year ended 31 December 2020 which comprise the Statement of comprehensive income, Statement of financial position, Statement of cash flows, Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 2 to the financial statements, the Company in addition to complying with its legal obligation to apply International accounting standards in conformity with the requirements of the Companies Act 2006, has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the financial statements give a true and fair view of the financial position of the Company as at 31 December 2020 and of its financial performance and its cash flows for the year then ended in accordance with IFRSs as issued by the IASB.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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Independent Auditor's Report to the Members of nanoFlowcell Holdings Limited (continued)

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning procedures we obtain an understanding of the significant laws and regulations applicable to the Company. We consider areas that are at a higher risk of material misstatement due to irregularities, including those resulting from fraud and how such fraud may occur. We also discuss with senior management the key controls in place to mitigate the risk of fraud and enquire as to whether they are aware of, or suspect, any fraudulent activities having taken place.

Throughout the audit, we maintain an appropriate level of professional scepticism when provided with information and explanations. We consider the appropriateness of significant accounting journals that were processed during the year and consider whether there were any indications of bias by management during the year, that represented a risk of material misstatement due to fraud. We also review the disclosures in the financial statements to supporting documentation and to disclosure checklists for compliance with laws and regulations.



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Independent Auditor's Report to the Members of nanoFlowcell Holdings Limited (continued)

Other information

The directors are responsible for the other information. The other information comprises the information in the Directors report, but does not include the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors report.



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Independent Auditor's Report to the Members of nanoFlowcell Holdings Limited (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Other matters

The comparative figures for the Company for the year ended 31 December 2019 were not audited.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Neil Raynsford (Senior Statutory Auditor)

For and on behalf of Langdowns DFK Limited, Statutory Auditor

Fleming Court
Leigh Road
Eastleigh
Southampton
Hampshire
SO50 9PD

Date: 28th July 2021



nanoFlowcell Holdings Limited

Registered number: 10021928

Statement of comprehensive income For the year ended 31 December 2020

	Note	2020 CHF	2019 CHF
Administrative expenses		<u>(145,824)</u>	<u>(540,668)</u>
Operating loss and loss on ordinary activities before taxation	6	(145,824)	(540,668)
Taxation on loss on ordinary activities	8	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation and total comprehensive expense for the year		<u>(145,824)</u>	<u>(540,668)</u>

All amounts relate to continuing activities.

The notes on pages 13 to 30 form part of these financial statements.



nanoFlowcell Holdings Limited

Registered number: 10021928

Statement of financial position

As at 31 December 2020

	Note	2020 CHF	2019 CHF
Non-current assets			
Investments	9	-	96,401
Current assets			
Trade and other receivables	10	44,585,042	42,943,090
Cash at bank available on demand		3	-
		<u>44,585,045</u>	<u>42,943,090</u>
Current liabilities			
Trade and other payables	11	(48,862)	(28,909)
Loans and borrowings	12	<u>(40,325,384)</u>	<u>(43,653,959)</u>
		<u>(40,374,246)</u>	<u>(43,682,868)</u>
Net current assets/(liabilities)		<u>4,210,799</u>	<u>(739,778)</u>
Net assets/(liabilities)		<u>4,210,799</u>	<u>(643,377)</u>
Equity			
Called up share capital	14, 15	132,256	132,256
Capital contribution reserve	15, 16	5,000,000	-
Retained earnings	15	<u>(921,457)</u>	<u>(775,633)</u>
Total equity		<u>4,210,799</u>	<u>(643,377)</u>

The directors acknowledge their responsibilities for complying with the requirements of the Act 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.



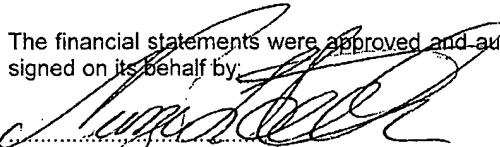
nanoFlowcell Holdings Limited

Registered number: 10021928

Statement of financial position

As at 31 December 2020 (continued)

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


N La Vecchia
Director

Date: 27, 07, 2021

The notes on pages 13 to 30 form part of these financial statements.



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Statement of cash flows For the year ended 31 December 2020

	Note	2020 CHF	2019 CHF
Cash flows from operating activities			
Loss for the year		(145,824)	(540,668)
<i>Adjustments for:</i>			
Impairment of investments	9	96,401	772
(Increase)/decrease in trade and other receivables	10	(1,641,952)	510,301
Increase/(decrease) in trade and other payables	11, 16	<u>1,692,314</u>	<u>(325)</u>
Net cash used in operating activities		<u>939</u>	<u>(29,920)</u>
Cash flows from financing activities			
Proceeds from loans and borrowings	12	<u>-</u>	<u>29,232</u>
Net cash flows from financing activities		<u>-</u>	<u>29,232</u>
Net increase in cash and cash equivalents		939	(688)
Cash and cash equivalents at 1 January		<u>(1,012)</u>	<u>(324)</u>
Cash and cash equivalents at 31 December		<u><u>(73)</u></u>	<u><u>(1,012)</u></u>
Cash and cash equivalents comprise:			
Cash at bank available on demand		3	-
Bank overdraft		<u>(76)</u>	<u>(1,012)</u>
		<u><u>(73)</u></u>	<u><u>(1,012)</u></u>

The notes on pages 13 to 30 form part of these financial statements.



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Statement of changes in equity For the year ended 31 December 2020

	Called up share capital CHF	Capital contribution reserve CHF	Retained earnings CHF	Total equity CHF
At 1 January 2019	132,256	-	(234,965)	(102,709)
Comprehensive loss for the year				
Loss for the year	-	-	(540,668)	(540,668)
Total comprehensive expense	-	-	(540,668)	(540,668)
At 31 December 2019	<u>132,256</u>	<u>-</u>	<u>(775,633)</u>	<u>(643,377)</u>
At 1 January 2020	132,256	-	(775,633)	(643,377)
Comprehensive loss for the year				
Loss for the year	-	-	(145,824)	(145,824)
Total comprehensive expense	-	-	(145,824)	(145,824)
Capital contribution (see note 16)	-	5,000,000	-	5,000,000
At 31 December 2020	<u>132,256</u>	<u>5,000,000</u>	<u>(921,457)</u>	<u>4,210,799</u>

The notes on pages 13 to 30 form part of these financial statements.



nanoFlowcell Holdings Limited

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Notes to the financial statements For the year ended 31 December 2020

1 General information

nanoFlowcell Holdings Limited ("the Company") is a private company limited by shares, incorporated and domiciled in England and Wales under the Companies Act 2006.

The address of the registered office can be found on the Company Information page and the nature of the Company's operations and its principal activity is set out in the Directors' report on page 1.

2 Accounting policies

Basis of preparation

The financial statements have been prepared on a historical cost basis, in accordance with International Accounting Standards ("IASs") in conformity with the requirements of the Companies Act 2006 ("the Act").

The preparation of financial statements in compliance with IASs in conformity with the requirements of the Act requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The areas where significant judgements and estimates have been made in preparing the financial statements and their effect are disclosed in note 3.

The financial statements contain information about nanoFlowcell Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company has taken advantage of the exemption conferred by the Companies Act 2006 not to produce consolidated financial statements as the Group it heads is small in accordance with section 383 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

Adoption of new and revised Standards

New standards, interpretations and amendments effective from 1 January 2020

New standards that have been adopted in the annual financial statements for the year ended 31 December 2020 but have not had a material impact on the Company are:

- Definition of a Business (Amendments to IFRS 3);
- Interest Rate Benchmark Reform - IBOR 'phase 2' (Amendments to IFRS 9, IAS 39 and IFRS 7);
- COVID-19-Related Rent Concessions (Amendments to IFRS 16);
- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment - Disclosure Initiative - Definition of Material); and
- Revisions to the Conceptual Framework for Financial Reporting.



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Notes to the financial statements For the year ended 31 December 2020 (continued)

2 Accounting policies (continued)

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The most significant of these which are all effective for the period beginning 1 January 2022 are:

- Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

The Company has progressed its projects dealing with the implementation of these key new accounting standards and management are assessing the impact on the financial statements, however the impacts are not expected to be material.

Going concern

The Company made a loss during the year, after taxation, of CHF 145,824 (2019 - CHF 540,668). The Company had net current assets of CHF 4,210,799 (2019 - net current liabilities of CHF 739,778) and total net assets of CHF 4,210,799 (2019 - net liabilities of CHF 643,377) as at 31 December 2020. In adopting the going concern basis N La Vecchia and J P Ellermann, as the Company's shareholders, have confirmed that they will continue to provide financial support to the Company for at least twelve months from the date of signing of these financial statements to support the Company and Group's strategic plan to generate revenue and become profitable. Further, the shareholders will not seek repayment of amounts currently made available unless the Company has sufficient cash to make such a repayment.

At the date of approval of these financial statements, the world is still in the midst of the COVID-19 global pandemic with some countries only now starting to release lockdown measures introduced to contain the spread of the virus. The extent of the impact on the global economy is uncertain but there is an expectation of recessions in economies across the globe.



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Notes to the financial statements For the year ended 31 December 2020 (continued)

2 Accounting policies (continued)

The directors, who include the Company's shareholders, have satisfied themselves that the shareholders have sufficient financial resources to continue to provide support to the Company, based on the expected impact on the shareholders' wealth for the next twelve months. The Company's financial forecasts and the consideration of the impact of the pandemic on the shareholders' wealth include the directors' best estimate of the impact of the events surrounding the COVID-19 pandemic. While the directors cannot accurately estimate the length or severity of the pandemic and related restrictions, the directors have considered worst case scenarios and have concluded that there is no material uncertainty over the shareholders' ability to support the Company accordingly.

The directors therefore consider the Company to be a going concern and have adopted the going concern basis of accounting in the preparation of these financial statements.

Presentational and functional currency

These financial statements are presented in Swiss Francs ("CHF"), which is the functional currency of the Company. The directors of the Company believe that CHF most faithfully represents the economic effects of the underlying transactions, events and conditions.

The Sterling exchange rate to Swiss Francs at 31 December 2020 was £1: CHF 1.2083 (2019 - £1: CHF 1.2829).

The following principal accounting policies have been applied:

Foreign currency translations

Foreign currency transactions during the year have been translated to CHF at the rates of exchange ruling at the dates of the transactions. The resulting realised foreign currency gains and losses are recognised in profit or loss within administrative expenses.

Monetary assets and liabilities denominated in foreign currencies are translated to CHF at the rates of exchange ruling at the reporting date. The resulting unrealised foreign exchange gains or losses are recognised in profit or loss within administrative expenses.



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Notes to the financial statements For the year ended 31 December 2020 (continued)

2 Accounting policies (continued)

Taxation

Taxation for the year comprises current and deferred taxation. Deferred taxation is recognised, using the liability method, in respect of all temporary differences arising between the tax basis of assets and liabilities and their carrying value in the financial statements.

Deferred tax assets are recognised only to the extent that it is probable that there will be sufficient taxable profits from which the underlying temporary differences can be deducted or where there are deferred tax liabilities against which the assets can be recovered.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the related deferred tax asset is realised or the deferred tax liability is settled based on tax rates and laws enacted at the reporting date.

The carrying amount of the deferred tax assets is reviewed at each reporting date. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it is probable that future profits will allow the deferred tax asset to be recovered.

Current and deferred tax is recognised in profit or loss except when the tax relates to items charged or credited to other comprehensive income or directly in equity, in which case the tax is also recognised in other comprehensive income or directly in equity.

Investments

Investments in subsidiary undertakings held as non-current assets are stated at cost less any provision for impairment considered necessary.

Impairment of assets

Assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ("CGU").

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income.

Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as cash and cash equivalents, amounts owed by group companies, bank overdrafts, loans from related parties and accruals.



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Notes to the financial statements For the year ended 31 December 2020 (continued)

2 Accounting policies (continued)

Financial assets at amortised cost

The Company's financial assets, which comprise cash and cash equivalents and amounts owed by group companies, are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for amounts owed by group companies are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the amounts owed is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss.

Financial liabilities at amortised cost

The Company's financial liabilities, which comprise bank overdrafts, loans from related parties and accruals, are initially recognised at fair value and subsequently carried at amortised cost using effective interest method. Financial liabilities are recognised when there is an obligation to transfer benefits and that obligation is a contractual liability to deliver cash or another financial asset or to exchange financial instruments with another entity on potentially unfavourable terms.

Financial liabilities are derecognised when they are extinguished, discharged, cancelled or expired. If a legally enforceable right exists to set off recognised amounts of financial assets and liabilities, which are in determinable monetary amounts, and there is the intention to settle net, the relevant financial assets and liabilities are offset.

Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The Company's ordinary shares are classified as equity instruments.

3 Critical accounting judgements and key sources of estimation uncertainty

The directors make certain estimates and judgements regarding the future for the Company. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.



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Notes to the financial statements For the year ended 31 December 2020 (continued)

3 Critical accounting judgements and key sources of estimation uncertainty (continued)

Impairment of investments in subsidiaries

Investments in subsidiaries are reviewed annually for impairment. Should there be an indicator of impairment then the recoverable amount of the investment is estimated as per IAS 36 'Impairment of Assets'. An impairment review requires an estimate to be made of the "value in use" or the "fair value less costs to sell" as appropriate. The value in use calculation includes estimates about the expected future financial performance of the Company.

During the year the Company has fully impaired its investment in nanoFlowcell IP AG. The Company's other investments in subsidiaries were fully impaired in prior years. See note 9 for further details.

Impairment of intercompany loans

Impairment provisions for amounts due between companies across the nanoFlowcell Group are recognised based on a forward looking expected credit loss model. All amounts are repayable on demand and interest free and therefore the expected credit losses are based on the assumption that repayment of the loan is demanded at the reporting date.

At 31 December 2020 Management have reviewed the recovery strategies in place for these amounts and have concluded that all intercompany loans are recoverable (2019 - CHF 507,704 not recoverable). Management will keep monitoring at each reporting date whether significant increases in credit risk have occurred, based on borrowed specific information, and will adjust the value of the balances due from group companies where required.



nanoFlowcell Holdings Limited

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Notes to the financial statements For the year ended 31 December 2020 (continued)

4 Financial instruments - risk management

The Company is exposed through its operations to the following financial risks:

- Credit risk;
- Foreign exchange risk; and
- Liquidity risk.

Market risk is not deemed material to the Company.

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

Principal financial instruments

The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Cash and cash equivalents;
- Amounts owed by group companies;
- Loans to related parties;
- Accruals; and
- Loans from related parties.

General objectives, policies and processes

The directors have overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the directors is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk arises from cash and cash equivalents with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

Cash is held with the following institutions:

	2020		2019	
	Cash at bank	2020	Cash at bank	2019
	CHF	Rating	CHF	Rating
Liechtensteinische Landesbank	(76)	Aa2	(1,012)	Aa2



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Notes to the financial statements For the year ended 31 December 2020 (continued)

4 Financial instruments - risk management (continued)

The directors monitor the credit ratings of counterparties regularly and at the reporting date do not expect any losses from non-performance by the counterparties.

Further disclosures regarding amounts due from related parties are provided in note 16.

Foreign exchange risk

Foreign exchange risk arises when the Company enters into transactions denominated in a currency other than its functional currency. The Company's policy is, where possible, to settle liabilities denominated in the functional currency with the cash generated from their own operations in that currency. The Company has bank accounts denominated in both Swiss Francs and Euros for this purpose. The Company is predominantly exposed to currency risk on purchases made from a supplier based in the United Kingdom.

As at 31 December the Company's net exposure to foreign exchange risk was as follows:

	2020 CHF	2019 CHF
Net foreign currency financial liabilities		
Sterling	<u>(48,862)</u>	<u>(28,909)</u>
Total net exposure	<u><u>(48,862)</u></u>	<u><u>(28,909)</u></u>

The effect of a 20% strengthening of Sterling against the Swiss Franc at the reporting date on the accruals denominated in Sterling carried at that date would, all other variables held constant, have resulted in an increase in the post-tax loss for the year and decrease of net assets of CHF 9,773 (2019 - CHF 5,782). A 20% weakening in the exchange rate would, on the same basis, have reduced the post-tax loss and increased net assets by CHF 8,144 (2019 - CHF 4,818).

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The directors prepare rolling 12-month cash flow projections on a monthly basis. At the end of the financial year, these projections indicated that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to further draw down on its agreed overdraft facility.

The contractual maturities of financial liabilities are that loans due to related parties are repayable on demand.



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Notes to the financial statements For the year ended 31 December 2020 (continued)

5 Capital management

The Company monitors capital which comprises all components of equity (i.e. share capital and retained earnings) totalling CHF 4,210,799 (2019 - retained deficit of CHF 643,377). The Company's objective when maintaining capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company sets the amount of capital it requires in proportion to risk. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

6 Operating loss

Operating loss is stated after charging

	2020 CHF	2019 CHF
Audit fees	21,070	-
Foreign exchange differences	175	307
Impairment of investments	96,401	772
Impairment of amounts owed by group undertakings	-	507,074

7 Employees

The Company had no employees (2019 - none) other than the directors, who did not receive any remuneration.

8 Taxation on loss on ordinary activities

	2020 CHF	2019 CHF
Current taxation		
UK corporation tax	-	-
Deferred taxation		
Recognition of tax losses	-	-
Total tax expense	-	-



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Notes to the financial statements For the year ended 31 December 2020 (continued)

8 Taxation on loss on ordinary activities (continued)

Factors affecting tax for the year

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom of 19% (2019 - 19%) applied to losses for the year are as follows:

	2020 CHF	2019 CHF
Loss on ordinary activities before taxation	<u>(145,824)</u>	<u>(540,668)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(27,707)	(102,727)
Effects of:		
Expenses not deductible for tax purposes	18,316	96,491
Adjust opening and closing deferred tax to average rate of 19% (2019 - 19%)	-	657
Remeasurement of deferred tax for changes in tax rates	(1,948)	-
Deferred tax not recognised	<u>11,339</u>	<u>5,579</u>
Total tax charge	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

The effect of changes to the corporation tax rates, substantively enacted as part of the Finance Act 2016 on 15 September 2016, legislated for a reduction of UK corporation tax to 17% effective from 1 April 2020. On 11 March 2020, it was announced that this change was to be reversed and the rate remains at 19% from 1 April 2020. Subsequent to the reporting date, on 3 March 2021, it was announced that the main rate of corporation tax would increase to 25% with effect from 1 April 2023. Deferred taxes at the reporting date have been measured and reflected in these financial statements using the substantively enacted rate at the year end of 19%.

There were no other factors that may affect future tax charges.

As at 31 December 2020, the Company had an unrecognised deferred tax asset of CHF 27,892 (2019 - CHF 16,554) in respect of losses. No deferred tax asset is recognised in respect of the losses as there is no certainty that they will be recovered.

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Notes to the financial statements
For the year ended 31 December 2020 (continued)

9 Investments

	Investment in subsidiary undertakings CHF
Cost	
At 1 January 2020	266,128
Additions	-
Disposals	<u>(66,128)</u>
At 31 December 2020	<u>200,000</u>
Accumulated impairment	
At 1 January 2020	169,727
Impairment charge for the year	96,401
Eliminated on disposals	<u>(66,128)</u>
At 31 December 2020	<u>200,000</u>
Carrying amount	
At 31 December 2020	<u>-</u>
At 31 December 2019	<u>96,401</u>

The following were direct subsidiary undertakings of the Company:

Name	Country of incorporation and principal place of business	Registered office	2020 Aggregate of share capital and reserves CHF	2020 Loss for the year CHF	2019 Aggregate of share capital and reserves CHF	2019 Loss for the year CHF
nanoFlowcell IP AG	Switzerland	Böndlerstrasse 10, CH-8802, Kilchberg	(1,660)	(98,061)	96,401	(772)
nanoFlowcell Management AG	Switzerland	Böndlerstrasse 10, CH-8802, Kilchberg	(2,698,411)	(247,079)	(2,451,332)	(695,901)

nanoFlowcell AG was liquidated on 18 June 2020.



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Notes to the financial statements For the year ended 31 December 2020 (continued)

9 Investments (continued)

The shareholding and proportion of voting rights of the above subsidiaries is 100% in each case. The type of share held in each case is ordinary.

Impairment charges were recognised during the year of CHF 96,401 (2019 - CHF 772) relating to nanoFlowcell IP AG (2019 - nanoFlowcell IP AG). The impairment charge has been recognised to reduce the net book value of the investment to the net asset value of the subsidiary. Investments in nanoFlowcell AG and nanoFlowcell Management AG were fully impaired in prior periods.

The following was an indirect subsidiary undertaking of the Company:

Name	Country of incorporation and principal place of business	Registered office	2020		2019	
			Aggregate of share capital and reserves CHF	2020 Profit for the year CHF	Aggregate of share capital and reserves CHF	2019 Profit for the year CHF
nanoProduction GmbH	Germany	Wallgraben 48, D-79761 Waldshut Tiengen	22,881*	1,078*	22,044*	706*

During the year, nanoFlowcell AG transferred its investment in nanoProduction GmbH to nanoFlowcell Management AG.

The indirect subsidiary undertaking of the Company is held via the Company's 100% shareholding and voting rights in nanoFlowcell Management AG.

*Indirect subsidiary undertaking functional currency is in € and is translated to CHF at a rate of €1: CHF1.0802 (2019 - €1: CHF1.0854)



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Notes to the financial statements For the year ended 31 December 2020 (continued)

10 Trade and other receivables

	31 December 2020 CHF	31 December 2019 CHF
Due within one year		
Amounts owed by group companies	44,567,620	42,924,169
Loans to shareholders	<u>17,422</u>	<u>18,921</u>
Total trade and other receivables classified at amortised cost	<u>44,585,042</u>	<u>42,943,090</u>

The carrying value of trade and other receivables classified at amortised cost comprising amounts owed by group companies approximates fair value.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables.

As all amounts owed by group companies are repayable on demand, the Company has reviewed the financial positions of the Group companies, as well as the recovery scenarios available, at the reporting date to determine the ability of those companies to repay the debt on the basis repayment was required immediately. See note 16 for further details.

11 Trade and other payables

	31 December 2020 CHF	31 December 2019 CHF
Due within one year		
Accruals	<u>48,862</u>	<u>28,909</u>

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost comprising accruals approximates fair value.

12 Loans and borrowings

	31 December 2020 CHF	31 December 2019 CHF
Current loans and borrowings		
Bank overdrafts	76	1,012
Loans from related parties (see note 16)	<u>40,325,308</u>	<u>43,652,947</u>
Total loans and borrowings	<u>40,325,384</u>	<u>43,653,959</u>

The loans and borrowings classified as financial instruments are disclosed in note 13.



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Notes to the financial statements For the year ended 31 December 2020 (continued)

12 Loans and borrowings (continued)

The Company's exposure to market and liquidity risk, including maturity analysis, in respect of loans and borrowings is disclosed in the financial risk management note.

The carrying value of loans and borrowings approximates fair value.

13 Financial instruments

The carrying amounts of the following categories of financial assets and financial liabilities are:

	2020 CHF	2019 CHF
Financial assets		
Cash and short-term deposits	3	-
Trade and other receivables	44,585,042	42,943,090
Financial assets measured at amortised cost	<u>44,585,045</u>	<u>42,943,090</u>
	2020 CHF	2019 CHF
Financial liabilities		
Trade and other payables	48,862	28,909
Loans and borrowings	40,325,384	43,653,959
Financial liabilities measured at amortised cost	<u>40,374,246</u>	<u>43,682,868</u>

Financial assets measured at amortised cost include cash at bank available on demand, amounts owed by group companies and loans to related parties.

Financial liabilities measured at amortised cost include bank overdraft, accruals, and loans from related parties.



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Notes to the financial statements For the year ended 31 December 2020 (*continued*)

14 Share capital

Allotted, called up and fully paid shares

	31 December 2020		31 December 2019	
	No.	CHF	No.	CHF
A ordinary shares of CHF0.01 (2019 - CHF1) each	5,977,000	59,770	68,770	68,770
B ordinary shares of CHF0.09 (2019 - CHF9) each	805,400	72,486	7,054	63,486
	<u>6,782,400</u>	<u>132,256</u>	<u>75,824</u>	<u>132,256</u>

During the year, the directors approved an amendment to the share structure such that:

- 68,770 A Ordinary shares with a nominal value of CHF 1 were sub-divided into 6,877,000 A Ordinary shares with a nominal value of CHF 0.01.
- 7,054 B Ordinary shares with a nominal value of CHF 9 were sub-divided into 705,400 B Ordinary shares with a nominal value of CHF 0.09.
- 900,000 A Ordinary shares with a nominal value of CHF 0.01 were converted into 100,000 B Ordinary shares with a nominal value of CHF 0.09.

Subject to the Company having profits available and declaring a dividend, any profits available for distribution and from time to time resolved to be distributed (whether by interim or final dividend) shall be distributed in respect of the A ordinary shares and B ordinary shares on a pro-rata basis.

Each A ordinary or B ordinary share held shall have one vote.

15 Reserves

The following describes the nature and purpose of each reserve within equity:

Called up share capital - Share capital represents the issued and fully paid up equity share capital of the Company.

Retained earnings - Retained earnings represents cumulative losses and total comprehensive income and expense of the Company.

Capital contribution reserve - Capital contribution reserve represents loans waived by shareholders, with those amounts being treated as a non-repayable capital contribution.

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Notes to the financial statements For the year ended 31 December 2020 (continued)

16 Related party transactions

During the year the Company entered into transactions with related parties as follows:

	2020	2020	2020
Type of transaction	Transaction	Amounts	Amounts
	amount	owed by	owed to
	related parties	related parties	related parties
	CHF	CHF	CHF
Loans to subsidiaries	1,643,451	44,567,620	-
Loans to shareholders	(1,500)	17,422	-
Loans from shareholders	(3,327,639)	-	40,325,308

	2019	2019	2019
Type of transaction	Transaction	Amounts	Amounts
	amount	owed by	owed to
	related parties	related parties	related parties
	CHF	CHF	CHF
Loans to subsidiaries	-	42,924,169	-
Loans to shareholders	-	18,922	-
Loans from shareholders	29,234	-	43,652,947

Credit risk for receivables from related parties has not increased significantly since their initial recognition.

Movements in the impairment allowance for receivables from related parties for the year ended 31 December 2020 are as follows

	Amounts	Loans owed	Total
	owed by	by related	
	group	parties	
	companies	CHF	CHF
	CHF		
Opening provision for impairment	507,074	-	507,074
Release during the year	(507,074)	-	(507,074)
At 31 December	-	-	-



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Notes to the financial statements For the year ended 31 December 2020 (continued)

16 Related party transactions (continued)

During the year nanoFlowcell AG was liquidated and an intercompany loan to nanoFlowcell AG from the Company of CHF 507,074 was waived. The balance was impaired for the full amount in the prior year and therefore there is no impact on profit or loss. As a result the impairment provision has been released.

All amounts due from related parties are repayable on demand. Management have reviewed the recovery strategies in place and concluded that the balances which remain unimpaired at the reporting date are recoverable. Management have taken into account the support of the Company's shareholders in reaching this conclusion.

Movements in the impairment allowance for receivables from related parties are included in the administrative expense line in profit or loss in the Statement of comprehensive income.

During the year J P Ellermann, a Company director and shareholder, made payments on behalf of the Company in respect of administrative expenses totalling CHF 28,909 (2019 - CHF 29,234), made payments on behalf of the Group's subsidiaries where the liability was then transferred to the Company of CHF 795,305 (2019 - CHF nil) and made reimbursements to the Company of CHF 1,500 (2019 - CHF nil) in respect of travel costs previously incurred by the Company on their behalf.

During the year N La Vecchia made payments on behalf of the Group's subsidiaries where the liability was then transferred to the Company of CHF 848,147 (2019 - CHF nil).

During the year E La Vecchia and C La Vecchia assigned loans to the Company totalling CHF 41,179,132 (2019 - CHF nil) to N La Vecchia. On 11 December 2020, N La Vecchia waived amounts totalling CHF 5,000,000 owed to him by the Company, with that amount being treated as a non-repayable capital contribution and credited to the capital contribution reserve.

At 31 December 2020 amounts totalling CHF 37,059,635 (2019 - CHF 32,357) were due to N La Vecchia and amounts totalling CHF 3,265,674 (2019 - CHF 2,441,460) were due to J P Ellerman, from the Company.

Loans both to and from all forms of related parties are interest-free and repayable on demand.

The services of the directors, deemed to be the key management personnel of the Company, were deemed to be incidental and therefore they received no remuneration.

17 Ultimate controlling party

The ultimate controlling parties for the period from 1 January to 8 January 2020 were J P Ellermann, C La Vecchia and E La Vecchia by virtue of their each having a significant shareholding in the Company.

On 8 January 2020, E La Vecchia and C La Vecchia transferred their individual shareholdings to N La Vecchia and ceased being persons of significant control on that date.

For the period from 8 January 2020 and at 31 December 2020 N La Vecchia was the ultimate controlling party of the Company.



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Notes to the financial statements
For the year ended 31 December 2020 (*continued*)

18 Events after the reporting date

COVID-19

The COVID-19 pandemic is ongoing and the impact of this has been considered on the financial statements up to the date of signing. The Company is monitoring the potential downside risk associated with both the direct and indirect impact of the COVID-19 outbreak. The Company continues to operate within its internal risk capital limits which are being actively monitored by management in line with management's expectations. No further adjustments are deemed necessary in respect of this matter.

