

INTELLIGENT POWER GENERATION LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022

Atkinson Finch & Co
Chartered Accountants
Central Chambers
45-47 Albert Street
Rugby
Warwickshire
CV21 2SG

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FOR THE YEAR ENDED 31ST MARCH 2022**

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INTELLIGENT POWER GENERATION LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31ST MARCH 2022**

DIRECTORS: S R Hansford
J M Rushton-Turner : Executive Chairman

CHIEF EXECUTIVE OFFICER: Dr T Gill

REGISTERED OFFICE: 4 The Gables
Vale Of Health
London
NW3 1AY

REGISTERED NUMBER: 10044404 (England and Wales)

ACCOUNTANTS: Atkinson Finch & Co
Chartered Accountants
Central Chambers
45-47 Albert Street
Rugby
Warwickshire
CV21 2SG

INTELLIGENT POWER GENERATION LIMITED (REGISTERED NUMBER: 10044404)

**BALANCE SHEET
31ST MARCH 2022**

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	4		1		1,350
CURRENT ASSETS					
Debtors	5	393,189		723,183	
Cash at bank		<u>355,885</u>		<u>1,836,902</u>	
		749,074		2,560,085	
CREDITORS					
Amounts falling due within one year	6	<u>252,689</u>		<u>549,027</u>	
NET CURRENT ASSETS			<u>496,385</u>		<u>2,011,058</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			496,386		2,012,408
CREDITORS					
Amounts falling due after more than one year	7		<u>19,319</u>		<u>800,000</u>
NET ASSETS			<u>477,067</u>		<u>1,212,408</u>
CAPITAL AND RESERVES					
Called up share capital	9		3,500		3,475
Share premium			5,594,271		5,494,296
Retained earnings			<u>(5,120,704)</u>		<u>(4,285,363)</u>
			477,067		1,212,408

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

BALANCE SHEET - continued
31ST MARCH 2022

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 30th September 2022 and were signed on its behalf by:

J M Rushton-Turner : Executive Chairman - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2022**

1. STATUTORY INFORMATION

Intelligent Power Generation Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Equipment - 33% on cost

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Tax losses are recognised only to the extent that it is probable that they will be recovered including through repayable research and development tax credits.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

The company has invested approximately £6.4m of funds to date in its development work (of which £1.1m has been expended in the current year) and holds granted patents registered at the UK Intellectual Property Office and has been granted patents, and has filed for grant, in various other countries further to the Patent Co-Operation Treaty.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022

2. ACCOUNTING POLICIES - continued

Intangible asset

The company has (thus far) expensed all of its Research and Development Spend and not to recognise a carrying value for an intangible asset in respect of the intellectual property resulting from such work. See note 13 for the comparator position if an intangible asset had been recognised (for example under FRS 102 Para 18.8H).

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 15 (2021 - NIL) .

4. TANGIBLE FIXED ASSETS

Equipment
£

COST

At 1st April 2021
and 31st March 2022

6,037

DEPRECIATION

At 1st April 2021
Charge for year
At 31st March 2022

4,687

1,349

6,036

NET BOOK VALUE

At 31st March 2022
At 31st March 2021

1

1,350

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Other debtors	19,454	53,829
Tax credits repayable	357,787	654,954
Rent deposits	10,224	14,400
Prepayments	5,724	-
	<u>393,189</u>	<u>723,183</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Trade creditors	72,972	210,549
Social security and other taxes	24,814	38,478
Accruals and deferred income	4,903	-
Deferred income	150,000	300,000
	<u>252,689</u>	<u>549,027</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022

7. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2022	2021
	£	£
Working Capital Facility Agreement	19,319	800,000
	<u>19,319</u>	<u>800,000</u>

The WCFA is provided by Mr Rushton-Turner (the leading shareholder). Amounts outstanding under it are restated to be repayable from, but limited in recourse (absent default events) to, future R&D tax credit repayments and/or input VAT credits. Within the overall limit of £800,000 on capital outstanding, where mutually agreed, further advances may be made against anticipated future credits. Interest at 5% pa accrues on any outstanding capital balance from 30th September 2021, such interest being repayable only after all capital is repaid. The accrued interest at year end was £14,871. The company may repay the facility at any time. It is anticipated that further advances will be made in the next accounting period.

8. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£	£
Within one year	66,600	39,000
Between one and five years	90,205	-
	<u>156,805</u>	<u>39,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022

9. CALLED UP SHARE CAPITAL

On 7th April 2021 250 B Ordinary Shares were subscribed and issued for £100,000, completing a £2m equity raise (for 5,000 B Ordinary Shares) from March 2021.

On 15th March 2022, the Company sub-divided all its shares on a 100 for 1 basis (with the nominal value per share reducing from £0.10 per share to £0.001 per share).

At the year end the share capital and share premium (shown in respect of the share subscriptions from which it arose but existing as a single shareholder fund and not "belonging" to any individual share or class) was as follows:

	Number	Nominal Value £	Premium £	Total paid in £
A1 Ordinary Shares	2,999,000	2,999	3,594,771	3,597,770
A2 Ordinary Shares	1,000	1	-	1
B Ordinary Shares	500,000	500	1,999,500	2,000,000
Total Shares	<u>3,500,000</u>	<u>3,500</u>	<u>5,594,271</u>	<u>5,597,771</u>

All the ordinary shares participate pro rata to their nominal value in income, dividends, distributions, capital, surplus and assets in a winding up.

All shares carry two votes in general meetings save that until a value hurdle is achieved: (1) the A1 Ordinary Shares carry only one vote (2) but the A2 Ordinary Shares (together) also have one vote for each A1 Ordinary Share in issue.

The Company also has authority to issue options to qualifying employees under an approved EMI share scheme to subscribe in the future for C Ordinary Shares (with the same rights as the other ordinary shares) - shares held under such options not to exceed 10% of the total share capital. As at the year end options had been granted over 250,000 such shares of which 81,400 options have vested and the balance vest in equal semi-annual instalments up to 15th December 2024. The vesting and exercise of options are subject to conditions in accordance with what is understood to be best practice for employee share schemes.

10. RETAINED EARNINGS

	£
Retained Deficit per 2021 Accounts	(4,285,363)
Current Year	
Loss Before Taxation	(1,193,128)
RDTCs	<u>357,787</u>
	<u>(5,120,704)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31ST MARCH 2022

11. DEVELOPMENT EXPENDITURE - INTANGIBLE ASSET - COMPARATOR

As outlined in Note 1, the company might have elected to recognise its direct development expenditure as an intangible asset rather than expensing it as revenue cost through the profit and loss account. A reasonable approximation of the expenditure to which such election might have been made is the qualifying expenditure for Research and Development Tax Credits ("RDTCs") (which excludes all other business costs and indirect and overhead expenditure).

The aggregate of such RDTC qualifying expenditure to 31st March 2022 is £6,422,782. If the FRS 102 intangible asset election had been made in an amount equal to such expenditure the adjusted balance sheet and reserves effect would have been as follows:

	No Recognition (current position) £	Comparator Recognition £
Other Assets & Liabilities	477,067	477,067
Intangible Asset	-	6,422,782
Net Assets	<u>477,067</u>	<u>6,899,849</u>
Share Capital and Share Premium	5,597,771	5,597,771
Retained Earnings	(5,120,704)	1,302,078
Shareholders Funds	<u>477,067</u>	<u>6,899,849</u>

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.