

**INTELLIGENT POWER GENERATION LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

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 2023**

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**INTELLIGENT POWER GENERATION LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31ST MARCH 2023**

**DIRECTORS:**

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

**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 2023**

|  |       | <b>2023</b>           |                           | <b>2022<br/>as restated</b> |                           |
|--|-------|-----------------------|---------------------------|-----------------------------|---------------------------|
|  | Notes | £                     | £                         | £                           | £                         |
| <b>FIXED ASSETS</b>                          |       |                       |                           |                             |                           |
| Tangible assets                              | 4     |                       | <b>21,850</b>             |                             | <b>1</b>                  |
| <b>CURRENT ASSETS</b>                        |       |                       |                           |                             |                           |
| Debtors                                      | 5     | <b>412,892</b>        |                           | 393,189                     |                           |
| Cash at bank                                 |       | <u><b>424,741</b></u> |                           | <u>355,885</u>              |                           |
|  |       | <b>837,633</b>        |                           | <b>749,074</b>              |                           |
| <b>CREDITORS</b>                             |       |                       |                           |                             |                           |
| Amounts falling due within one year          | 6     | <u><b>258,268</b></u> |                           | <u>379,238</u>              |                           |
| <b>NET CURRENT ASSETS</b>                    |       |                       | <u><b>579,365</b></u>     |                             | <u>369,836</u>            |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                       | <b>601,215</b>            |                             | <b>369,837</b>            |
| <b>CREDITORS</b>                             |       |                       |                           |                             |                           |
| Amounts falling due after more than one year | 7     |                       | <u><b>16,310</b></u>      |                             | <u>19,319</u>             |
| <b>NET ASSETS</b>                            |       |                       | <u><b>584,905</b></u>     |                             | <u><b>350,518</b></u>     |
| <b>CAPITAL AND RESERVES</b>                  |       |                       |                           |                             |                           |
| Called up share capital                      | 9     |                       | <b>3,764</b>              |                             | <b>3,500</b>              |
| Share premium                                | 10    |                       | <b>6,648,663</b>          |                             | <b>5,594,271</b>          |
| Retained earnings                            | 10    |                       | <u><b>(6,067,522)</b></u> |                             | <u><b>(5,247,253)</b></u> |
|  |       |                       | <u><b>584,905</b></u>     |                             | <u><b>350,518</b></u>     |

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31st March 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st March 2023 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) 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 2023**

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 Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 22nd August 2023 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 2023**

**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.

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost. The company has no subsidiaries.

**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 the cost less estimated residual value of each asset over its estimated useful life.

|                    |                           |
|--------------------|---------------------------|
| Fit out            | - 33% on reducing balance |
| Computer Equipment | - 33% on reducing balance |
| Machinery          | - 33% on reducing balance |

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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 £7.4m of funds to date in its development work and holds granted patents registered at the UK Intellectual Property Office and has been granted patents, in various other countries further to the Patent Co-Operation Treaty.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023

2. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**

The company makes contributions alongside employees to a defined contribution workplace pension scheme operated by NEST. Contributions payable by the company are charged to profit or loss in the period to which they relate.

**Hire purchase and lease commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Intangible asset**

The company has (thus far) expensed all of its Research and Development Spend and not sought to recognise a carrying value for an intangible asset in respect of the intellectual property resulting from such work. See note 12 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 14 (2022 - 15) .

4. TANGIBLE FIXED ASSETS

|                       | Fit out<br>£ | Computer<br>Equipment<br>£ | Machinery<br>£ | Totals<br>£ |
|-----------------------|--------------|----------------------------|----------------|-------------|
| <b>COST</b>           |              |                            |                |             |
| At 1st April 2022     | -            | 6,037                      | -              | 6,037       |
| Additions             | 19,023       | 1,720                      | 12,032         | 32,775      |
| At 31st March 2023    | 19,023       | 7,757                      | 12,032         | 38,812      |
| <b>DEPRECIATION</b>   |              |                            |                |             |
| At 1st April 2022     | -            | 6,036                      | -              | 6,036       |
| Charge for year       | 6,341        | 574                        | 4,011          | 10,926      |
| At 31st March 2023    | 6,341        | 6,610                      | 4,011          | 16,962      |
| <b>NET BOOK VALUE</b> |              |                            |                |             |
| At 31st March 2023    | 12,682       | 1,147                      | 8,021          | 21,850      |
| At 31st March 2022    | -            | 1                          | -              | 1           |

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                       | 2023<br>£      | 2022<br>as restated<br>£ |
|-----------------------|----------------|--------------------------|
| Other debtors         | 30,855         | 19,454                   |
| Tax credits repayable | 322,977        | 357,787                  |
| Rent deposits         | 11,160         | 10,224                   |
| Prepayments           | 47,900         | 5,724                    |
|                       | <u>412,892</u> | <u>393,189</u>           |

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023**

**5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued**

The Research and Development Payable Tax Credit represent the amount accrued from 1st April 2022. The RDTTC at 31st March 2022 was repaid in November 2022.

The company has an office in London and has signed a license through to 31st January 2024 and has provided a rent deposit (£11,160).

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

|                                 | 2023           | 2022<br>as restated |
|---------------------------------|----------------|---------------------|
|                                 | £              | £                   |
| Trade creditors                 | 95,447         | 72,972              |
| Social security and other taxes | 153,398        | 151,363             |
| Accruals and deferred income    | 9,423          | 4,903               |
| Deferred income                 | -              | 150,000             |
|                                 | <u>258,268</u> | <u>379,238</u>      |

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

|   | 2023<br>£     | 2022<br>£     |
|---|---------------|---------------|
| <b>Working Capital Facility Agreement</b> |               |               |
| Capital Element                           | -             | 4,449         |
| Interest Element                          | 16,310        | 14,870        |
|   | <u>16,310</u> | <u>19,319</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 time to time and on the prior year end interest balance at the subsequent year end, such interest being repayable only after all capital is repaid. Advances of £45,000 were made in the year and a repayment of those advances plus the prior year capital balance was made. 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:

|                            | 2023           | 2022<br>as restated |
|----------------------------|----------------|---------------------|
|                            | £              | £                   |
| Within one year            | 70,500         | 66,600              |
| Between one and five years | 66,205         | 90,205              |
|                            | <u>136,705</u> | <u>156,805</u>      |

The above commitments are in respect of the Company's business office in London and its test plant facility in Hertfordshire.



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31ST MARCH 2023**

**9. CALLED UP SHARE CAPITAL**

In September 2022 263,664 B Ordinary Shares were subscribed and issued for £1,054,656.

|                    | Number           | 2023<br>Nominal<br>Value<br>£ | Number           | 2022<br>Nominal<br>Value<br>£ |
|--------------------|------------------|-------------------------------|------------------|-------------------------------|
| A1 Ordinary Shares | 2,999,000        | 2,999                         | 2,999,000        | 2,999                         |
| A2 Ordinary Shares | 1,000            | 1                             | 1,000            | 1                             |
| B Ordinary Shares  | 763,664          | 764                           | 500,000          | 500                           |
| Total Shares       | <u>3,763,664</u> | <u>3,764</u>                  | <u>3,500,000</u> | <u>3,500</u>                  |
| Share Premium      |                  | 6,648,663                     |                  | 5,594,271                     |
| Aggregate          |                  | <u>6,652,427</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. RESERVES**

|                       | Retained<br>earnings<br>£ | Share<br>premium<br>£ | Totals<br>£      |
|-----------------------|---------------------------|-----------------------|------------------|
| At 1st April 2022     | (5,120,704)               | 5,594,271             | 473,567          |
| Prior year adjustment | <u>(126,549)</u>          |                       | <u>(126,549)</u> |
|                       | (5,247,253)               |                       | 347,018          |
| Deficit for the year  | (820,269)                 |                       | (820,269)        |
| B Shares issued       | -                         | 1,054,392             | 1,054,392        |
| At 31st March 2023    | <u>(6,067,522)</u>        | <u>6,648,663</u>      | <u>581,141</u>   |

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31ST MARCH 2023

11. **RETAINED EARNINGS**

|                                    | £                         |
|------------------------------------|---------------------------|
| Retained Deficit per 2022 Accounts | (5,120,704)               |
| Prior Years Adjustment: VAT        | <u>(126,549)</u>          |
|                                    | (5,247,253)               |
| <b>Current Year</b>                |                           |
| Loss Before Taxation               | (1,143,246)               |
| RDTCS                              | <u>322,977</u>            |
|                                    | <u><u>(6,067,522)</u></u> |

12. **DEVELOPMENT EXPENDITURE - INTANGIBLE ASSET - COMPARATOR**

We refer to Note 2 (Intangible Asset). We set out below the position if the company's direct development expenditure had been fully recognised as an intangible asset rather than fully expensed as revenue cost through the profit and loss account. A reasonable approximation of the direct development expenditure is the qualifying expenditure for Research and Development Tax Credits ("RDTCS") (which excludes all other business costs and indirect and overhead expenditure).

|                                 | No Recognition<br>(current position)<br>£ | Comparator<br>Recognition<br>£ |
|---------------------------------|---|--------------------------------|
| Other Assets & Liabilities      | 584,905                                   | 584,905                        |
| Intangible Asset                | -   | 7,391,229                      |
| Net Assets                      | <u>584,905</u>                            | <u>7,976,134</u>               |
| Share Capital and Share Premium | 6,652,427                                 | 6,652,427                      |
| Retained Earnings               | <u>(6,067,522)</u>                        | <u>1,323,707</u>               |
| Shareholders Funds              | <u>584,905</u>                            | <u>7,976,134</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.