

Company registration number 10928834 (England and Wales)

**SERO TECHNOLOGIES LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**  
**PAGES FOR FILING WITH REGISTRAR**

**SERO TECHNOLOGIES LIMITED**

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# SERO TECHNOLOGIES LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		Unaudited 2021 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	4		353,473		675,621
Tangible assets	5		76,820		89,564
Investments	6		1		1
			<u>430,294</u>		<u>765,186</u>
<b>Current assets</b>					
Debtors	7	4,208,321		5,005,705	
Cash at bank and in hand		104,829		141,119	
		<u>4,313,150</u>		<u>5,146,824</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(362,189)</u>		<u>(969,240)</u>	
<b>Net current assets</b>			<u>3,950,961</u>		<u>4,177,584</u>
<b>Net assets</b>			<u><u>4,381,255</u></u>		<u><u>4,942,770</u></u>
<b>Capital and reserves</b>					
Called up share capital			165,313		165,088
Share premium account			5,733,676		5,708,960
Profit and loss reserves			<u>(1,517,734)</u>		<u>(931,278)</u>
<b>Total equity</b>			<u><u>4,381,255</u></u>		<u><u>4,942,770</u></u>

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

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

The financial statements were approved by the board of directors and authorised for issue on 26 September 2023 and are signed on its behalf by:

Mr. M Burton  
Director

Company Registration No. 10928834

# SERO TECHNOLOGIES LIMITED

## BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

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### 1 Judgements and key sources of estimation uncertainty

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

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

### 2 Accounting policies

#### Company information

Sero Technologies Limited is a private company limited by shares incorporated in England and Wales. The registered office is Westgate House, Womanby Street, Cardiff, United Kingdom, CF10 1BR.

#### 2.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 2.2 Going concern

The group headed by the company which consist of the company and its subsidiary Sero Life Limited has incurred significant losses in the year as it develops the software that underpins the group's business. In order to support the group's development the company has subsequent to 31 December 2022 raised £6m of additional funding which the directors believe will be sufficient to support the group such that the going concern basis of accounting is appropriate.

#### 2.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business and is shown net of VAT.

#### 2.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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

Website/App Development Costs	3 years and 10 years straight line
Intangibles under construction	nil

# SERO TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

### 2 Accounting policies

(Continued)

#### 2.5 Tangible fixed assets

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

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

Plant and equipment	3 years straight line
Fixtures and fittings	10 years straight line
Computers	3 years straight line

Assets in the course of construction are not depreciated.

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

#### 2.6 Fixed asset investments

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

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

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 2.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 2.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# SERO TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 2 Accounting policies

(Continued)

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

### 2.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 2.10 Taxation

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

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# SERO TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 2 Accounting policies

(Continued)

#### 2.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

#### 2.12 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 3 Employees

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

	2022 Number	2021 Number
Total	6	3

### 4 Intangible fixed assets

	Other £
<b>Cost</b>	
At 31 January 2022 as restated	847,891
Additions	16,043
Impairment	(228,500)
At 31 December 2022	635,434
<b>Amortisation and impairment</b>	
At 31 January 2022 as restated	172,270
Amortisation charged for the year	170,624
Impairment losses	(60,933)
At 31 December 2022	281,961
<b>Carrying amount</b>	
At 31 December 2022	353,473
At 31 December 2021	675,621

# SERO TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 5 Tangible fixed assets

	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>				
At 1 January 2022 and 31 December 2022	88,268	13,040	10,392	111,700
<b>Depreciation and impairment</b>				
At 1 January 2022	12,372	2,129	7,635	22,136
Depreciation charged in the year	8,841	1,304	2,599	12,744
At 31 December 2022	21,213	3,433	10,234	34,880
<b>Carrying amount</b>				
At 31 December 2022	67,055	9,607	158	76,820
At 31 December 2021	75,896	10,911	2,757	89,564

### 6 Fixed asset investments

	2022 £	2021 £
Shares in group undertakings and participating interests	1	1

The company owns 100% of the share capital of Sero Life Limited.

### 7 Debtors

	2022 £	2021 £
<b>Amounts falling due within one year:</b>		
Trade debtors	37,888	203,968
Corporation tax recoverable	41,480	59,856
Amounts owed by subsidiary	4,117,293	4,578,169
Other debtors	2,643	143,023
Prepayments and accrued income	9,017	20,689
	4,208,321	5,005,705



# SERO TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 8 Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans	-	84,539
Trade creditors	36,897	284,118
Amounts owed to group undertakings	-	21,778
Taxation and social security	-	97
Other creditors	325,292	578,708
	<u>362,189</u>	<u>969,240</u>

### 9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was qualified and the auditor reported as follows:

#### Qualified opinion on financial statements

We have audited the financial statements of Sero Technologies Limited (the 'company') for the year ended 31 December 2022 which comprise , the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for qualified opinion

The evidence available to us was limited because we were not appointed as auditor of the company until after 31 December 2021 and in consequence, it was not possible for us to perform the auditing procedures necessary to obtain sufficient appropriate audit evidence as regards to the opening balance sheet. Any adjustment to the balance sheet as at 31 December 2021 would have a consequential effect on the profit for the year ended 31 December 2022.

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 *Auditor's 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 qualified opinion.

Senior Statutory Auditor:  
Statutory Auditor:

Andrew Howells  
Azets Audit Services

# SERO TECHNOLOGIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

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#### 10 Related party transactions

At 31 December 2022, the balance owed to the company by Sero Life Limited, a 100% subsidiary of the company, was £4,117,293 (2021: £4,578,169).

At 31 December 2022, the balance owed by the company to the directors was £nil (2021: £636). This balance is disclosed within other creditors - see note 8.

The company has taken advantage under the terms of Section 1A of the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' not to disclose related party transactions which have been concluded under normal market conditions.

#### 11 Prior year adjustment

Adjustments have been required to the prior year financial statements to correctly accounts for intangible assets and grants and to correctly allocate these balances to companies within the group

Set out below is a summary of the adjustments made to the 31 December 2021 balance sheet.

	As originally stated £	Prior year adjustment £	As restated £
Fixed assets	2,949,672	(2,184,486)	765,186
Current assets	4,855,170	291,654	5,146,824
Current liabilities	(2,751,295)	1,782,055	(969,240)
Total	5,053,547	(110,777)	4,942,770

The impact on the reported result for the year is set out below

	As originally reported	As restated
Loss for the year	(473,763)	(584,538)

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.