

Q5D TECHNOLOGIES LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Q5D TECHNOLOGIES LIMITED
REGISTERED NUMBER: 11556045

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	51,715	-
Tangible assets	5	1,876	-
		<u>53,591</u>	<u>-</u>
Current assets			
Stocks and WIP		49,458	-
Debtors: amounts falling due within one year	6	387,249	1,372
Cash at bank and in hand	7	1,435,014	55,510
		<u>1,871,721</u>	<u>56,882</u>
Creditors: amounts falling due within one year	8	(125,158)	(67,965)
Net current assets/(liabilities)		<u>1,746,563</u>	<u>(11,083)</u>
Total assets less current liabilities		<u>1,800,154</u>	<u>(11,083)</u>
Creditors: amounts falling due after more than one year	9	(36,444)	-
Net assets/(liabilities)		<u><u>1,763,710</u></u>	<u><u>(11,083)</u></u>
Capital and reserves			
Called up share capital	11	12	5
Share premium account		2,011,283	-
Profit and loss account		(247,585)	(11,088)
		<u><u>1,763,710</u></u>	<u><u>(11,083)</u></u>

Q5D TECHNOLOGIES LIMITED
REGISTERED NUMBER: 11556045

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

The Directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

.....
Mr Stephen Bennington
Director

Date: 30 September 2022

The notes on pages 3 to 11 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Q5D Technologies Limited is a company limited by share capital incorporated in England & Wales with registration number 11556045. The Company's trading address is Unit 3, Harbour Road Trading Estate, Portishead, Bristol, BS20 7AY.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The Board of Directors are of the opinion that the accounts have been prepared on a going concern basis.

The Board of Directors have a reasonable expectation that the Company has adequate resources to continue its operations for a period of at least 12 months from the date that the financial statements are approved. The key method for assessing going concern is through the business planning process which considers profitability, liquidity, and solvency. The business planning process considers the Company's business activities, together with factors likely to affect its future development, successful performance and position, and key risks in the current economic climate. These plans have been updated to take into consideration the current information available in respect of the ongoing COVID-19 pandemic.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure following approval of the grant giving body.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.12 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	-	33%	straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Stocks and work in progress

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.14 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.17 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

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

3. Employees

The average monthly number of employees, including directors, during the year was 6 (2020 - 3).

4. Intangible assets

	Computer software £
Cost	
Additions	71,606
At 31 December 2021	71,606
Amortisation	
Charge for the year on owned assets	19,891
At 31 December 2021	19,891
Net book value	
At 31 December 2021	51,715
At 31 December 2020	-

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

5. Tangible fixed assets

	Computer equipment £
Cost or valuation	
Additions	2,110
At 31 December 2021	<u>2,110</u>
Depreciation	
Charge for the year on owned assets	234
At 31 December 2021	<u>234</u>
Net book value	
At 31 December 2021	<u><u>1,876</u></u>
At 31 December 2020	<u><u>-</u></u>

6. Debtors

	2021 £	2020 £
Other debtors	12,076	1,372
Called up share capital not paid	372,964	-
Prepayments and accrued income	2,209	-
	<u>387,249</u>	<u>1,372</u>

7. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	1,435,014	55,510
	<u><u>1,435,014</u></u>	<u><u>55,510</u></u>

Q5D TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Other loans	8,556	50,000
Trade creditors	57,098	15,472
Accruals and deferred income	59,504	2,493
	<u>125,158</u>	<u>67,965</u>

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

	2021	2020
	£	£
Bank loans	36,444	-
	<u>36,444</u>	<u>-</u>

Q5D TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Other loans	8,556	50,000
	<u>8,556</u>	<u>50,000</u>
Amounts falling due 1-2 years		
Bank loans	8,773	-
	<u>8,773</u>	<u>-</u>
Amounts falling due 2-5 years		
Bank loans	27,671	-
	<u>27,671</u>	<u>-</u>
	<u>45,000</u>	<u>50,000</u>

11. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
(2020 - 3,000) A Ordinary shares of £0.00100 each	-	3
(2020 - 2,000) B Ordinary shares of £0.00100 each	-	2
33,400 (2020 -) Ordinary. shares of £0.00001 each	-	-
300,000 (2020 -) A Ordinary. shares of £0.00001 each	3	-
200,000 (2020 -) B Ordinary. shares of £0.00001 each	2	-
730,366 (2020 -) Preference shares shares of £0.00001 each	7	-
	<u>12</u>	<u>5</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Share capital (continued)

During the year the company subdivided each A Ordinary share of £0.001 into 100 A Ordinary shares of £0.00001

During the year the company subdivided each B Ordinary share of £0.001 into 100 B Ordinary shares of £0.00001

During the year the company subdivided each Ordinary share of £0.001 into 100 Ordinary shares of £0.00001

During the year the company converted a convertible loan note into 148,700 Preference shares of £0.00001 at a premium of £1.254 per share

During the year the company issues 581,666 Preference shares of £0.00001 at a premium of £3.206 per share.

12. Pension commitments

The Company contributes into a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £23,215 (2020 - £0). Contributions totaling £12,266 (2020 - £0) were payable to the fund at the balance sheet date and are included in creditors.

13. Government support received

During the reporting period the Company has received Government support as follows:-

1. A Bounce Back Loan (BBL) of £45,000 was taken up with HSBC with interest of 2.5% on 29/01/2021. At the balance sheet date, the amount repayable remained at £45,000.

2. An Innovate UK Smart Grants: August 2020 was awarded to the Company for the project titled Overprinting with High Performance Polymers (OverHiPP), with the terms that the project is completed by 31 May 2024. The rate of grant is 70% and the grant totals £163,724. The grant is included in government grants in the profit and loss account, and £5,393 was received within the period.

3. An Innovate UK ATI Program: batch 32 research projects grant was awarded to the Company for the project titled LiveWire. The rate of the grant is 44.21% and the grant totals £422,355. The grant is included in government grants in the profit and loss account, and £110,359 was received within the period.

14. Post balance sheet event

The Company continues to monitor the effects of the ongoing COVID-19. The eventual outcome is highly uncertain and is largely dependent on how successful authorities are at containing and managing the outbreak.

There are no other significant subsequent events that need to be disclosed or reflected in the annual accounts.

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.