

Company registration number 06544953 (England and Wales)

**POLYPHOTONIX LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**  
**PAGES FOR FILING WITH REGISTRAR**

# **POLYPHOTONIX LIMITED**

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# POLYPHOTONIX LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2023

		2023	2022
	Notes	£	£
<b>Fixed assets</b>			
Intangible assets	3	362,941	329,356
Tangible assets	4	472	814
Investments	5	100	100
		<u>363,513</u>	<u>330,270</u>
<b>Current assets</b>			
Stocks		18,100	18,100
Debtors	6	377,806	178,350
Cash at bank and in hand		106	106
		<u>396,012</u>	<u>196,556</u>
<b>Creditors: amounts falling due within one year</b>	7	<u>(4,620,659)</u>	<u>(3,785,560)</u>
<b>Net current liabilities</b>		<u>(4,224,647)</u>	<u>(3,589,004)</u>
<b>Total assets less current liabilities</b>		<u>(3,861,134)</u>	<u>(3,258,734)</u>
<b>Creditors: amounts falling due after more than one year</b>	8	(609,698)	(569,370)
<b>Provisions for liabilities</b>		<u>(4,540)</u>	<u>(5,821)</u>
<b>Net liabilities</b>		<u>(4,475,372)</u>	<u>(3,833,925)</u>
<b>Capital and reserves</b>			
Called up share capital	9	57,934	57,934
Share premium account		3,533,486	3,459,070
Profit and loss reserves		<u>(8,066,792)</u>	<u>(7,350,929)</u>
<b>Total equity</b>		<u>(4,475,372)</u>	<u>(3,833,925)</u>

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

For the financial year ended 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

**POLYPHOTONIX LIMITED**

**BALANCE SHEET (CONTINUED)**

***AS AT 31 MARCH 2023***

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The financial statements were approved by the board of directors and authorised for issue on 25 April 2024 and are signed on its behalf by:

Mr R A Kirk  
**Director**

**Company Registration No. 06544953**

# POLYPHOTONIX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **1 Accounting policies**

#### **Company information**

Polyphotonix Limited is a private company limited by shares incorporated in England and Wales. The registered office is National Centre for Printable Electronics, Netpark, Sedgefield, Stockton-On-Tees, County Durham, United Kingdom, TS21 3FG.

#### **1.1 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.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

#### **1.2 Going concern**

The company meets its day to day working capital and growth requirements through cash generated from operations and external/shareholder investment and borrowings.

Polyphotonix Limited (PPX) has continued to develop, patent and exploit intellectual property targeted at the healthcare market. The past year has seen a continued focus on developing the sales channels, both public and private in the UK and increasingly into foreign markets. Trials and evaluations are ongoing, with positive results being reported and published.

The company continues to successfully raise investment funding and together with existing and prospective grants is making good progress. There is increasing interest from international funders and customers. In the last 12 months several international Sales and Distribution Agreements have been agreed. The company remains reliant on investment funding as it develops its commercial sales pipeline and continues to work towards regulatory approval in more countries.

With increasing commercial sales, increased income from distribution partners and cashflow forecasts the Directors consider that it remains appropriate for the company to be treated as a going concern.

#### **1.3 Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax. Sale of goods are recognised on dispatch of the goods.

#### **1.4 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.

# POLYPHOTONIX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

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:

Trademarks, patents and licenses	1-20 years straight line
Software	3 years straight line

#### 1.5 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 machinery	3 years straight line
Fixtures and fittings	3 years straight line
Office Equipment	3 years straight line

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.

#### 1.6 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.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 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.

#### 1.9 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.

# POLYPHOTONIX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 1 Accounting policies

(Continued)

#### **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.

#### **1.10 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### **1.11 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.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

### 2 Employees

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

	2023 Number	2022 Number
Total	7	9

# POLYPHOTONIX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 3 Intangible fixed assets

	Trademarks, patents and licenses £	Software £	Total £
<b>Cost</b>			
At 1 April 2022	519,517	14,526	534,043
Additions	56,675	-	56,675
At 31 March 2023	576,192	14,526	590,718
<b>Amortisation and impairment</b>			
At 1 April 2022	190,161	14,526	204,687
Amortisation charged for the year	23,090	-	23,090
At 31 March 2023	213,251	14,526	227,777
<b>Carrying amount</b>			
At 31 March 2023	362,941	-	362,941
At 31 March 2022	329,356	-	329,356

### 4 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Office Equipment £	Total £
<b>Cost</b>				
At 1 April 2022	3,813	13,528	13,066	30,407
Additions	-	33	-	33
At 31 March 2023	3,813	13,561	13,066	30,440
<b>Depreciation and impairment</b>				
At 1 April 2022	3,813	13,434	12,346	29,593
Depreciation charged in the year	-	98	277	375
At 31 March 2023	3,813	13,532	12,623	29,968
<b>Carrying amount</b>				
At 31 March 2023	-	29	443	472
At 31 March 2022	-	94	720	814

### 5 Fixed asset investments

	2023 £	2022 £
Shares in group undertakings and participating interests	100	100



# POLYPHOTONIX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 6 Debtors

	2023	2022
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	1,395	-
Corporation tax recoverable	104,885	-
Other debtors	261,169	176,196
Prepayments and accrued income	10,357	2,154
	<u>377,806</u>	<u>178,350</u>

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

	2023	2022
	£	£
Bank loans and overdrafts	13	5,326
Trade creditors	440,369	434,117
Amounts owed to group undertakings	33,646	20,186
Corporation tax	-	19,205
Other taxation and social security	226,756	196,878
Other creditors	3,222,937	2,494,316
Accruals and deferred income	696,938	615,532
	<u>4,620,659</u>	<u>3,785,560</u>

Other creditors includes £61,000 owed to Mr R Pickles (a director of Helmsway Limited) which is secured by a charge over all freehold, leasehold and intellectual property of the company.

Other creditors includes convertible debt of £2,984,991 (2022: £2,283,209) bearing interest of 7% - 8%.

### 8 Creditors: amounts falling due after more than one year

	2023	2022
Notes	£	£
Bank loans and overdrafts	<u>609,698</u>	<u>569,370</u>

### 9 Called up share capital

	2023	2022	2023	2022
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
A Ordinary shares of £0.001 of 0.1p each	45,284	45,284	36,834	36,834
A1 Ordinary shares of £186 of £186 each	6	6	6	6
B Ordinary shares of £0.001 of 0.1p each	14,395	14,395	14,395	14,395
C Ordinary shares of £1 each of £1 each	6,699	6,699	6,699	6,699
	<u>66,384</u>	<u>66,384</u>	<u>57,934</u>	<u>57,934</u>

# POLYPHOTONIX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 9 Called up share capital

(Continued)

	2023 Number	2022 Number	2023 £	2022 £
<b>Preference share capital</b>				
<b>Issued and fully paid</b>				
Preferred shares of £0.001 of 0.1p each	59,721	59,721	60	60
Deferred shares of £1 of £1 each	50,000	50,000	50,000	50,000
	<u>109,721</u>	<u>109,721</u>	<u>50,060</u>	<u>50,060</u>
 Preference shares classified as liabilities			<u>50,060</u>	<u>50,060</u>

The various classes of shares confer the following rights on their holders:

#### Voting

A Ordinary shares, A1 Ordinary shares, B Ordinary shares and C Ordinary shares carry one vote each. Deferred shares and Preferred shares do not carry any voting rights.

#### Dividends

Deferred shares carry the right to a fixed dividend of 0.01% of par value per annum. The holders of Preferred shares are entitled to 50% of any dividend declared until they have received an aggregate of £6,000,000, the remaining 50% is payable to the holders of A Ordinary, A1 Ordinary shares, B Ordinary and C Ordinary shares. When the holders of Preferred shares have received £6,000,000 in aggregate all subsequent dividends declared are payable to the holders of A Ordinary, A1 Ordinary shares, B Ordinary and C Ordinary shares.

#### Return of capital

On a return of capital on a winding up or otherwise if the holders of Preferred shares have not received dividends of £6,000,000 in aggregate they are entitled to 50% of any distribution, the remaining 50% is payable to the holders of A Ordinary, A1 Ordinary shares, B Ordinary and C Ordinary shares. If the holders of Preferred shares have received £6,000,000 in aggregate all such distributions are payable to the holders of A Ordinary, A1 Ordinary shares, B Ordinary and C Ordinary shares. Holders of deferred shares are not entitled to any distribution on a winding up or otherwise.

# POLYPHOTONIX LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 10 Share options

The company has a share option scheme for certain employees to enable them to acquire A Ordinary shares of £0.001 each in the capital of the company. Options are exercisable at a price equal to the average market price of the company's shares on the date of the grant. Options may be exercised on the occurrence of an exit event. Exit events include:

- a change of control of the company;
- dissolution, liquidation or winding up of the company;
- a sale;
- an asset sale;
- a listing on the London Stock Exchange, the alternative Investment Market or any other Recognised Investment Exchange, unless such an event occurs for the purpose of a voluntary reorganisation or reconstruction of the company.

The exercise price of the options available at the year end ranges between £20.50 and £126.24 per share.

The total number of share options available at the year end is 15,004.

The share options lapse and cease to be exercisable upon:

- the 10th anniversary of the death of grant;
- bankruptcy or other voluntary arrangement entered into by the option holder;
- the first anniversary of the option holders death;
- the first anniversary of the option holder ceasing to be an employee of the company due to permanent incapacity of retirement;
- the option holder ceasing to be an employee of the company for another reason;

11 There are no performance conditions attached to the options.  
**Related party transactions**

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

Name of related party		Nature of relationship			
Helmsway Limited		Director and shareholder			
	Description of transaction	Income		Payments	
		2023	2022	2023	2022
		£	£	£	£
Helmsway Limited	Management services	-	-	20,000	-
<b>Balances with related parties</b>					
		Amounts owed by related parties		Amounts owed to related parties	
		2023	2022	2023	2022
		£	£	£	£
Helmsway Limited		-	-	107,874	79,731
Mr R G Pickles		-	-	61,000	61,000

## POLYPHOTONIX LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

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#### 12 Directors' transactions

Dividends totalling £0 (2022 - £0) were paid in the year in respect of shares held by the company's directors.

Description	% Rate	Opening balance £	Amounts advanced £	Closing balance £
Mr R A Kirk - Director's loan	-	53,680	65,219	118,899
		<u>53,680</u>	<u>65,219</u>	<u>118,899</u>

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