

Registered number: 07082726

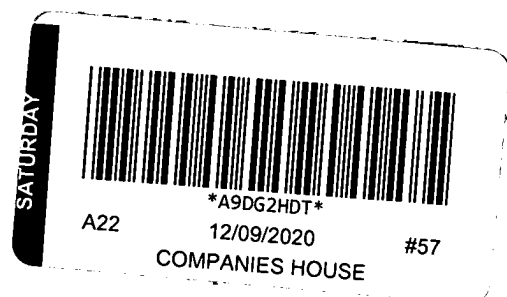
LOOWATT LTD

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2019



STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	4	9,420	1,480
Tangible assets	5	188,263	92,719
Investments	6	109	109
		<u>197,792</u>	<u>94,308</u>
Current assets			
Stocks		74,541	50,438
Debtors: amounts falling due within one year	7	525,005	453,301
Cash at bank and in hand	8	146,808	238,503
		<u>746,354</u>	<u>742,242</u>
Creditors: amounts falling due within one year	9	(211,751)	(139,959)
Net current assets		<u>534,603</u>	<u>602,283</u>
Total assets less current liabilities		<u>732,395</u>	<u>696,591</u>
Creditors: amounts falling due after more than one year	10	(270,020)	(56,367)
Provisions for liabilities			
Deferred tax		-	(541)
Net assets		<u><u>462,375</u></u>	<u><u>639,683</u></u>
Capital and reserves			
Called up share capital	12	281	262
Share premium account	13	2,928,119	2,567,452
Other reserves	13	583,425	99,963
Profit and loss account	13	(3,049,450)	(2,027,994)
		<u><u>462,375</u></u>	<u><u>639,683</u></u>

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.

LOOWATT LTD
REGISTERED NUMBER: 07082726

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

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 comprehensive income 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 on 23 July 2020.



V Summerfield Gardiner
Director

The notes on pages 3 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Loowatt Limited is a private limited company, incorporated in England and Wales, registered number 07082726.

The companies registered and trading address is Unit 20, Newington Industrial Estate, 87 Crampton Street, Elephant and Castle, London, United Kingdom, SE17 3AZ.

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 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.

2.3 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 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 the Statement of comprehensive income 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 comprehensive income in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.7 Finance costs

Finance costs are charged to the Statement of comprehensive income 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 the Statement of comprehensive income in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates 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 the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.10 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of comprehensive income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of comprehensive income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of comprehensive income is charged with fair value of goods and services received.

2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.12 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.

The estimated useful lives range as follows:

Patents	-	5	years straight line
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2.13 Development costs

Development costs relate to research and development and are written off to the Profit and Loss Account when incurred.

2.14 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:

Plant and machinery	-	33%	Straight line
Office equipment	-	33%	Straight line
Computer equipment	-	33%	Straight line

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 the Statement of comprehensive income.

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Stocks

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 weighted average basis. Work in progress and finished goods include labour and attributable overheads.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.17 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.18 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.

2.19 Creditors

Short term creditors are measured at the transaction price.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.21 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.

3. Employees

The average monthly number of employees, including directors, during the year was 15 (2018 - 15).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Intangible assets

	Patents £
Cost	
At 1 January 2019	1,850
Additions	8,805
At 31 December 2019	<u>10,655</u>
Amortisation	
At 1 January 2019	370
Charge for the year on owned assets	865
At 31 December 2019	<u>1,235</u>
Net book value	
At 31 December 2019	<u><u>9,420</u></u>
At 31 December 2018	<u><u>1,480</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Tangible fixed assets

	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2019	110,672	3,104	19,133	132,909
Additions	146,396	3,790	7,279	157,465
At 31 December 2019	<u>257,068</u>	<u>6,894</u>	<u>26,412</u>	<u>290,374</u>
Depreciation				
At 1 January 2019	28,241	1,552	10,397	40,190
Charge for the year on owned assets	54,117	1,558	6,246	61,921
At 31 December 2019	<u>82,358</u>	<u>3,110</u>	<u>16,643</u>	<u>102,111</u>
Net book value				
At 31 December 2019	<u>174,710</u>	<u>3,784</u>	<u>9,769</u>	<u>188,263</u>
At 31 December 2018	<u>82,432</u>	<u>1,551</u>	<u>8,736</u>	<u>92,719</u>

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	109
At 31 December 2019	<u>109</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Debtors

	2019 £	2018 £
Trade debtors	35,596	17,961
Amounts owed by group undertakings	173,038	217,257
Other debtors	48,500	46,161
Prepayments and accrued income	5,330	27,319
Corporation tax recoverable	262,541	144,603
	<u>525,005</u>	<u>453,301</u>

8. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>146,808</u>	<u>238,503</u>

9. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	37,407	49,962
Trade creditors	71,380	80,253
Other taxation and social security	17,967	-
Other creditors	7,891	5,994
Accruals	77,106	3,750
	<u>211,751</u>	<u>139,959</u>

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

	2019 £	2018 £
Other loans	<u>270,020</u>	<u>56,367</u>

Loans are secured against a floating charge over the assets of the company.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Loans

Analysis of the maturity of loans is given below:

	2019 £	2018 £
Amounts falling due within one year		
Other loans	37,407	49,962
Amounts falling due 1-2 years		
Other loans	13,780	8,967
Amounts falling due 2-5 years		
Other loans	256,241	47,400
	<u>307,428</u>	<u>106,329</u>

12. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
140,538 (2018 - 131,145) Ordinary shares of £0.002 each	<u>281</u>	<u>262</u>

Throughout the period 9,393 Ordinary shares of £0.002 were issued for a total consideration of £370,817. The total premium received over the nominal value of the shares issued less issue costs have been transferred to the share premium account.

Post balance sheet, the Company issued a further 14,718 Ordinary shares of £0.002 for a total consideration of £588,720.

13. Reserves

Other reserves

As at the 31 December 2018 the Company had received £99,963 in relation to 2,532 Ordinary shares that were issued post year end. During the year these funds have been transferred to the share premium account.

As at 31 December 2019 other reserves represents the cumulative balances recognised as charges under the Company's share option scheme of £9,586 and advanced funds of £573,839 received in relation to 14,346 Ordinary shares that were issued post year end.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

14. Share based payments

Share options are fair valued using Black-Scholes option pricing model. The risk free rate was 1%. The expected volatility is estimated by reference to historical volatility over the last two years and estimated as noted below. The average share price is based on the value of share issues in the year.

	Weighted average exercise price (pence) 2019	Number 2019	Weighted average exercise price (pence) 2018	Number 2018
Outstanding at the beginning of the year		11,814		7,550
Granted during the year	1974	7,857	1974	4,264
Forfeited during the year	1974	(150)	1974	-
Outstanding at the end of the year	1974	19,521		11,814

	2019 Black Scholes	2018 Black Scholes
Option pricing model used		
Exercise price (pence)	1974	1974
Weighted average contractual life (days)	1826	1826
Expected volatility	50	50
Expected dividend growth rate	0	0
Risk-free interest rate	1	1

15. Pension commitments

The Company operates 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 amounted to £11,196 (2018 - £4,659). Contributions totalling £2,657 (2018 - £NIL) were payable to the fund at the reporting date and are included in creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	31,950	30,000
Later than 1 year and not later than 5 years	87,500	117,500
	<u>119,450</u>	<u>147,500</u>

17. Related party transactions

The Company has an outstanding debt to the Founder of £5,234 (2018: £5,234) pursuant to a demand note.