

**LOOWATT LTD**

**UNAUDITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**



STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	4	35,021	33,174
Tangible assets	5	24,006	100,690
Investments	6	109	109
		<u>59,136</u>	<u>133,973</u>
<b>Current assets</b>			
Stocks		287,408	202,634
Debtors: amounts falling due within one year	7	597,929	716,193
Cash at bank and in hand	8	124,665	126,084
		<u>1,010,002</u>	<u>1,044,911</u>
Creditors: amounts falling due within one year	9	(350,441)	(321,336)
<b>Net current assets</b>		<u>659,561</u>	<u>723,575</u>
<b>Total assets less current liabilities</b>		<u>718,697</u>	<u>857,548</u>
Creditors: amounts falling due after more than one year	10	(558,301)	(531,578)
<b>Net assets</b>		<u><u>160,396</u></u>	<u><u>325,970</u></u>
<b>Capital and reserves</b>			
Called up share capital	12	375	348
Share premium account	13	4,766,784	4,249,283
Other reserves	13	465,344	117,301
Profit and loss account	13	(5,072,107)	(4,040,962)
		<u><u>160,396</u></u>	<u><u>325,970</u></u>

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**LOOWATT LTD**  
**REGISTERED NUMBER: 07082726**

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

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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 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 May 2022.



**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 2021**

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**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 Going concern**

The directors have reviewed the company's liabilities over the next 12 months and considers the business to be a going concern. They and the company's shareholders will continue to support the company as required along with steps taken by management to ensure that all financial commitments can be met when they fall due.

**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.

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

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**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.

**2.5 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss 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.

**2.6 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 comprehensive income in the same period as the related expenditure.

**2.7 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.8 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.

**2.9 Borrowing costs**

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

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

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**2. Accounting policies (continued)**

**2.10 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 profit or loss 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.

**2.11 Share based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting 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).

**2.12 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 reporting date in the countries where the Company operates and generates income.

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

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**2. Accounting policies (continued)**

**2.14 Development costs**

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

**2.15 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 profit or loss.

**2.16 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.17 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.

**2.18 Debtors**

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

**2.19 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.

**2.20 Creditors**

Short term creditors are measured at the transaction price.

**2.21 Financial instruments**

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

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**2. Accounting policies (continued)****2.21 Financial instruments (continued)**

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 12 (2020 - 12).

**4. Intangible assets**

	Patents £
<b>Cost</b>	
At 1 January 2021	37,594
Additions	10,806
At 31 December 2021	<u>48,400</u>
<b>Amortisation</b>	
At 1 January 2021	4,420
Charge for the year on owned assets	8,959
At 31 December 2021	<u>13,379</u>
<b>Net book value</b>	
At 31 December 2021	<u>35,021</u>
At 31 December 2020	<u>33,174</u>



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**LOOWATT LTD**

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

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**5. Tangible fixed assets**

	Plant and machinery £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2021	265,879	6,893	26,970	299,742
Additions	-	14	5,851	5,865
Disposals	(118,981)	-	-	(118,981)
At 31 December 2021	146,898	6,907	32,821	186,626
<b>Depreciation</b>				
At 1 January 2021	172,351	4,641	22,060	199,052
Charge for the year on owned assets	58,052	1,461	3,337	62,850
Disposals	(99,282)	-	-	(99,282)
At 31 December 2021	131,121	6,102	25,397	162,620
<b>Net book value</b>				
At 31 December 2021	15,777	805	7,424	24,006
At 31 December 2020	93,528	2,252	4,910	100,690

**6. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2021	109
At 31 December 2021	109

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**LOOWATT LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. Debtors**

	2021 £	2020 £
Trade debtors	84,083	258,132
Amounts owed by group undertakings	272,816	223,580
Other debtors	10,230	47,856
Prepayments and accrued income	59,082	31,118
Tax recoverable	171,718	155,507
	<u>597,929</u>	<u>716,193</u>

**8. Cash and cash equivalents**

	2021 £	2020 £
Cash at bank and in hand	124,665	126,084
	<u>124,665</u>	<u>126,084</u>

**9. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Other loans	-	19,258
Trade creditors	47,827	129,971
Other taxation and social security	40,027	19,189
Other creditors	44,240	6,746
Accruals and deferred income	218,347	146,172
	<u>350,441</u>	<u>321,336</u>

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**LOOWATT LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Creditors: Amounts falling due after more than one year**

	2021 £	2020 £
Other loans	558,301	531,578
	<u>558,301</u>	<u>531,578</u>

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

**11. Loans**

Analysis of the maturity of loans is given below:

	2021 £	2020 £
<b>Amounts falling due within one year</b>		
Other loans	-	19,258
	<u>-</u>	<u>19,258</u>
<b>Amounts falling due 1-2 years</b>		
Other loans	100,000	119,303
	<u>100,000</u>	<u>119,303</u>
<b>Amounts falling due 2-5 years</b>		
Other loans	458,301	412,275
	<u>458,301</u>	<u>412,275</u>
	<u>558,301</u>	<u>550,836</u>

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**LOOWATT LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**12. Share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
750,524 (2020 - 173,842) Ordinary shares of £0.0005 (2020 - £0.002) each	375	348

On the 9 March 2021 the 173,842 Ordinary shares of 0.002 were sub-divided into 695,368 Ordinary shares of £0.0005. Furthermore, 55,156 Ordinary shares of £0.0005 were issued for a total consideration of £551,560. The total premium received over the nominal value of the shares issued less issue costs have been transferred to the share premium account.

**13. Reserves****Other reserves**

As at the 31 December 2020 the Company had received £110,000 in relation to 11,000 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 2021 other reserves represents the cumulative balances recognised as charges under the Company's share option scheme of £5,754 and advanced funds of £459,590 received in relation to 57,449 Ordinary shares that were issued post year end.

**NOTES TO THE FINANCIAL STATEMENTS  
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**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) 2021	Number 2021	Weighted average exercise price (pence) 2020	Number 2020
Outstanding at the beginning of the year		11,062	0	19,521
Granted during the year	1200	8,607	0	-
Forfeited during the year	1974	(3,822)	1974	(8,459)
<b>Outstanding at the end of the year</b>		<b>15,847</b>	<b>0</b>	<b>11,062</b>

  

	2021 Black Scholes	2020 Black Scholes
Option pricing model used		
Exercise price (pence)	19.74/12.00	1974
Weighted average contractual life (days)	1440	1461
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 £9,837 (2020 - £26,682). Contributions totalling £4,350 (2020 - £1,677) 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 2021**

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**16. Commitments under operating leases**

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	30,000	30,000
Later than 1 year and not later than 5 years	25,000	55,000
	<u>55,000</u>	<u>85,000</u>

**17. Related party transactions**

The Company has an outstanding debt to the Founder of £5,068 (2020: £5,065) pursuant to a demand note.

As at the balance sheet date, the Company owed £50,000 (2020:£50,000) to Joan Gardiner, a shareholder of the Company. The loan attracts interest of 1.5% per annum.

As at the balance sheet date, the Company owed £50,000 (2020:50,000) to the Cabot Art 2B Trust, a shareholder of the Company. The loan attracts interest of 1.5% per annum.

As at the balance sheet date, the Company owed £Nil (2020:£19,303) to the Vitol Foundation, a shareholder of the Company. The loan attracts interest of 5.1% per annum.