

Registered number: 07082726

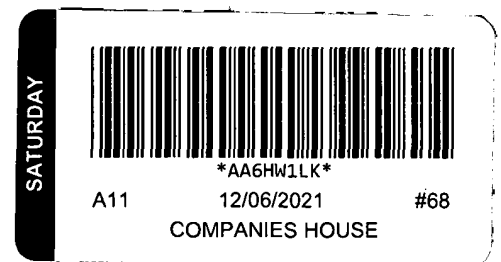
LOOWATT LTD

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2020



STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	4	33,174	9,420
Tangible assets	5	100,689	188,263
Investments	6	109	109
		<u>133,972</u>	<u>197,792</u>
Current assets			
Stocks		202,634	74,541
Debtors: amounts falling due within one year	7	716,194	525,005
Cash at bank and in hand	8	126,084	146,808
		<u>1,044,912</u>	<u>746,354</u>
Creditors: amounts falling due within one year	9	(321,336)	(211,751)
Net current assets		<u>723,576</u>	<u>534,603</u>
Total assets less current liabilities		<u>857,548</u>	<u>732,395</u>
Creditors: amounts falling due after more than one year	10	(531,578)	(270,020)
Net assets		<u><u>325,970</u></u>	<u><u>462,375</u></u>
Capital and reserves			
Called up share capital	12	348	281
Share premium account	13	4,249,283	2,928,119
Other reserves	13	117,301	583,425
Profit and loss account	13	(4,040,962)	(3,049,450)
		<u><u>325,970</u></u>	<u><u>462,375</u></u>

LOOWATT LTD
REGISTERED NUMBER: 07082726

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2020

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 2 June 2021.



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 2020**

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 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 in the current economical environment as a result of the 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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 2020**

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 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 profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

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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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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

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

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 (2019 - 15).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

4. Intangible assets

	Patents £
Cost	
At 1 January 2020	10,655
Additions	26,939
At 31 December 2020	<u>37,594</u>
Amortisation	
At 1 January 2020	1,235
Charge for the year on owned assets	3,185
At 31 December 2020	<u>4,420</u>
Net book value	
At 31 December 2020	<u>33,174</u>
At 31 December 2019	<u>9,420</u>

LOOWATT LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. Tangible fixed assets

	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2020	257,068	6,893	26,412	290,373
Additions	8,811	-	558	9,369
At 31 December 2020	265,879	6,893	26,970	299,742
Depreciation				
At 1 January 2020	82,358	3,110	16,643	102,111
Charge for the year on owned assets	89,994	1,531	5,417	96,942
At 31 December 2020	172,352	4,641	22,060	199,053
Net book value				
At 31 December 2020	93,527	2,252	4,910	100,689
At 31 December 2019	174,710	3,783	9,769	188,262

6. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2020	109
At 31 December 2020	109

LOOWATT LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Debtors

	2020 £	2019 £
Trade debtors	258,132	35,596
Amounts owed by group undertakings	223,580	173,038
Other debtors	47,857	48,500
Prepayments and accrued income	31,118	5,330
Corporation tax recoverable	155,507	262,541
	<u>716,194</u>	<u>525,005</u>

8. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>126,084</u>	<u>146,808</u>

9. Creditors: Amounts falling due within one year

	2020 £	2019 £
Other loans	19,258	37,407
Trade creditors	129,971	71,380
Other taxation and social security	19,189	17,967
Other creditors	6,746	7,891
Accruals	146,172	77,106
	<u>321,336</u>	<u>211,751</u>

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

	2020 £	2019 £
Other loans	<u>531,578</u>	<u>270,020</u>

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

LOOWATT LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Other loans	19,258	37,407
Amounts falling due 1-2 years		
Other loans	119,303	13,780
Amounts falling due 2-5 years		
Other loans	412,275	256,241
	<u>550,836</u>	<u>307,428</u>

12. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
173,842 (2019 - 140,538) Ordinary shares of £0.002 each	<u>348</u>	<u>281</u>

Throughout the period 33,304 Ordinary shares of £0.002 were issued for a total consideration of £1,331,505. 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 2019 the Company had received £573,839 in relation to 14,346 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 2020 other reserves represents the cumulative balances recognised as charges under the Company's share option scheme of £7,301 and advanced funds of £110,000 received in relation to 2,750 Ordinary shares that were issued post year end.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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) 2020	Number 2020	Weighted average exercise price (pence) 2019	Number 2019
Outstanding at the beginning of the year		19,521		11,814
Granted during the year		-	1974	7,857
Forfeited during the year	1974	(8,459)	1974	(150)
Outstanding at the end of the year		11,062	1974	19,521

	2020 Black Scholes	2019 Black Scholes
Option pricing model used		
Exercise price (pence)	1974	1974
Weighted average contractual life (days)	1461	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 £26,682 (2019 - £11,196). Contributions totalling £1,677 (2019 - £2,657) 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 2020**

16. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	31,950	31,950
Later than 1 year and not later than 5 years	55,550	87,500
	<u>87,500</u>	<u>119,450</u>

17. Related party transactions

The Company has an outstanding debt to the Founder of £5,068 (2019: £5,234) pursuant to a demand note.

As at the balance sheet date, the Company owed £50,000 (2019:NIL) to Joan Gardiner, a shareholder of the Company. The loan attracts interest of 8% per annum.

As at the balance sheet date, the Company owed £50,000 (2019:NIL) to the Cabot Art 2B Trust, a shareholder of the Company. The loan attracts interest of 8% per annum.

As at the balance sheet date, the Company owed £19,303 (2019:NIL) to the Vitol Foundation, a shareholder of the Company. The loan attracts interest of 5.1% per annum.