

Company registration number 08536866 (England and Wales)

**SUPERDIELECTRICS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

# **SUPERDIELECTRICS LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr F J Heathcote Mr Marcus Scott
<b>Secretary</b>	Mr Marcus Scott
<b>Company number</b>	08536866
<b>Registered office</b>	The Mansion Chesterford Park Little Chesterford Saffron Walden CB10 1XL
<b>Auditor</b>	Ensors Accountants LLP Saxon House Moseley's Farm Business Centre Fornham All Saints Bury St Edmunds IP28 6JY
<b>Business address</b>	The Mansion Chesterford Park Little Chesterford Saffron Walden CB10 1XL
<b>Bankers</b>	Lloyds Bank Plc 49 Howardgate Welwyn Garden City AL8 6BA

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# **SUPERDIELECTRICS LIMITED**

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# **SUPERDIELECTRICS LIMITED**

## **DIRECTORS' REPORT**

### ***FOR THE YEAR ENDED 31 MARCH 2023***

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The directors present their annual report and financial statements for the year ended 31 March 2023.

#### **Principal activities**

The principal activity of the company continued to be that of research and experimental development of natural sciences and engineering.

#### **Results and dividends**

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr F J Heathcote

Mr I Wright

Mr Marcus Scott

M A Spencer

(Resigned 15 August 2022)

(Resigned 15 August 2022)

#### **Statement of disclosure to auditor**

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board

Mr Marcus Scott

**Director**

17 August 2023

# **SUPERDIELECTRICS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2023***

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **SUPERDIELECTRICS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF SUPERDIELECTRICS LIMITED**

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#### **Opinion**

We have audited the financial statements of Superdielectrics Limited (the 'company') for the year ended 31 March 2023 which comprise the income statement, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

# **SUPERDIELECTRICS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF SUPERDIELECTRICS LIMITED**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our audit was designed to include tests of detail together with an assessment of the control environment to enable us to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement due to fraud. This included work on areas where we consider there is a higher risk of fraud including revenue recognition, management override of systems and control, transactions with related parties, commitments and contingencies and accounting estimates.

We also obtained an understanding of the legal and regulatory framework that the company operates in, through discussions with the directors and other management, and from our own knowledge and experience of the sector.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

# **SUPERDIELECTRICS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF SUPERDIELECTRICS LIMITED**

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- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company are complying with the legal and regulatory framework both at the planning stage and reminded to remain alert throughout the audit;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- reviewing minutes of those charged with governance;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud;
- robustly challenged accounting estimates to ensure no indication of management bias.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Malcolm McGready (Senior Statutory Auditor)**  
**For and on behalf of Ensors Accountants LLP**

22 August 2023

**Chartered Accountants**  
**Statutory Auditor**

Saxon House  
Moseley's Farm Business Centre  
Fornham All Saints  
Bury St Edmunds  
IP28 6JY



# SUPERDIELECTRICS LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

		2023	2022
		£	as restated £
Administrative expenses	Notes	(4,180,015)	(3,819,296)
<b>Operating loss</b>	<b>5</b>	<b>(4,180,015)</b>	<b>(3,819,296)</b>
Investment revenues	<b>8</b>	49,696	5,236
Finance costs	<b>9</b>	(27,247)	(26,309)
<b>Loss before taxation</b>		<b>(4,157,566)</b>	<b>(3,840,369)</b>
Income tax income	<b>10</b>	348,463	317,841
<b>Loss and total comprehensive income for the year</b>		<b>(3,809,103)</b>	<b>(3,522,528)</b>

The income statement has been prepared on the basis that all operations are continuing operations.

# SUPERDIELECTRICS LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

		2023	2022
	Notes	£	as restated £
<b>Non-current assets</b>			
Property, plant and equipment	11	2,151,562	2,574,174
Investments	12	16	16
		<u>2,151,578</u>	<u>2,574,190</u>
<b>Current assets</b>			
Trade and other receivables	14	619,897	809,995
Current tax recoverable		666,304	338,700
Cash and cash equivalents		7,478,013	9,587,313
		<u>8,764,214</u>	<u>10,736,008</u>
<b>Current liabilities</b>			
Trade and other payables	18	1,982,742	1,011,350
Lease liabilities	19	104,865	96,067
		<u>2,087,607</u>	<u>1,107,417</u>
<b>Net current assets</b>		<u>6,676,607</u>	<u>9,628,591</u>
<b>Non-current liabilities</b>			
Lease liabilities	19	305,065	396,657
<b>Net assets</b>		<u>8,523,120</u>	<u>11,806,124</u>
<b>Equity</b>			
Called up share capital	22	603	603
Share premium account	23	17,085,073	17,085,073
Equity reserve	24	711,701	185,602
Retained earnings		(9,274,257)	(5,465,154)
<b>Total equity</b>		<u>8,523,120</u>	<u>11,806,124</u>

The notes on pages 11 to 31 form part of these financial statements.

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

## **SUPERDIELECTRICS LIMITED**

### **STATEMENT OF FINANCIAL POSITION (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 17 August 2023 and are signed on its behalf by:

Mr Marcus Scott  
**Director**

**Company registration number 08536866**

# SUPERDIELECTRICS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Share premium account £	Equity reserve £	Retained earnings £	Total £
<b>Balance at 1 April 2021</b>		524	14,506,945	559,722	(2,316,746)	12,750,445
Prior period correction		-	(121,737)	-	-	(121,737)
<b>Restated Balance at 1 April 2021</b>		524	14,385,208	559,722	(2,316,746)	12,628,708
<b>Year ended 31 March 2022:</b>						
Loss and total comprehensive income for the year		-	-	-	(3,722,822)	(3,722,822)
Transactions with owners in their capacity as owners:						
Issue of share capital	22	79	2,699,865	-	-	2,699,944
Share options exercised		-	-	(374,120)	374,120	-
<b>Balance at 31 March 2022, as previously reported</b>		603	17,085,073	185,602	(5,665,448)	11,605,830
Prior period correction		-	-	-	200,294	200,294
<b>Restated balance at 31 March 2022</b>		603	17,085,073	185,602	(5,465,154)	11,806,124
<b>Year ended 31 March 2023:</b>						
Loss and total comprehensive income for the year		-	-	-	(3,809,103)	(3,809,103)
Transactions with owners in their capacity as owners:						
Share options granted		-	-	526,099	-	526,099
<b>Balance at 31 March 2023</b>		603	17,085,073	711,701	(9,274,257)	8,523,120

# SUPERDIELECTRICS LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

		2023		2022 as restated	
	Notes	£	£	£	£
<b>Cash flows from operating activities</b>					
Cash absorbed by operations	31		(1,932,161)		(3,313,245)
Income taxes refunded			20,859		90,199
<b>Net cash outflow from operating activities</b>			(1,911,302)		(3,223,046)
<b>Investing activities</b>					
Purchase of property, plant and equipment		(123,260)		(2,164,944)	
Purchase of subsidiaries		-		(1)	
Interest received		49,696		5,236	
<b>Net cash used in investing activities</b>			(73,564)		(2,159,709)
<b>Financing activities</b>					
Proceeds from issue of shares		-		2,804,693	
Share issue costs		-		(104,749)	
Payment of lease liabilities		(124,434)		(131,923)	
<b>Net cash (used in)/generated from financing activities</b>			(124,434)		2,568,021
<b>Net decrease in cash and cash equivalents</b>			(2,109,300)		(2,814,734)
Cash and cash equivalents at beginning of year			9,587,313		12,402,047
Cash and cash equivalents at end of year			7,478,013		9,587,313

# **SUPERDIELECTRICS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **1 Accounting policies**

#### **Company information**

Superdielectrics Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Mansion, Chesterford Park, Little Chesterford, Saffron Walden, CB10 1XL. The company's principal activities and nature of its operations are disclosed in the directors' report.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the United Kingdom and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

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 principle 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. The financial statements present information about the company as an individual entity and not about its group.

#### **1.2 Going concern**

The going concern assumption of the company is based upon the success of the research programme currently being undertaken.

The Directors believe the company is a going concern as funding is continually being sought.

There is no reason to suggest that the company is not a going concern on this basis as it will remain solvent for the foreseeable future.

#### **1.3 Property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently measured at cost, 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:

Leasehold property	straight line over the term of the lease
Fixtures and fittings	25% reducing balance
Plant and machinery	10 year straight line
Computer equipment	3 year straight line
Motor vehicles	25% reducing balance

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 recognised in the income statement.

#### **1.4 Impairment of tangible assets**

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

# SUPERDIELECTRICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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### 1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

#### 1.5 Cash and cash equivalents

Cash and cash equivalents 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.

#### 1.6 Financial assets

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets.

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

##### **Financial assets held at amortised cost**

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

#### 1.7 Financial liabilities

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

##### **Other financial liabilities**

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

##### **Derecognition of financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred, or liabilities assumed) is recognised in profit or loss.

# **SUPERDIELECTRICS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **1 Accounting policies**

**(Continued)**

#### **1.8 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

#### **1.9 Taxation**

The tax income represents the sum of the tax currently receivable.

##### **Current tax**

Taxable profit differs from net profit as reported in the income statement 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.

##### **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary 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 income statement, 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 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.11 Retirement benefits**

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



# **SUPERDIELECTRICS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **1 Accounting policies**

**(Continued)**

#### **1.12 Share-based payments**

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black scholes model. The fair value determined at the grant date is expensed on a graded vesting basis over the vesting period, based on the estimate of shares that will eventually vest. Share options are issued by the parent Company Superdielectrics Group Plc and are exercisable within the parent entity, the options issued are in relation to services provided by employees of Superdielectrics Ltd and are credited to the equity reserve as a capital contribution.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

#### **1.13 Leases**

All leases are accounted for by recognising a right-of-asset and a lease liability except for:

- Low value assets; and
- Leases with a duration of 12 months or less.

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

# **SUPERDIELECTRICS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **1 Accounting policies**

**(Continued)**

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

#### **1.14 Research and development expenditure**

Research and development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised within administrative expenses in the statement of comprehensive income as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

## **SUPERDIELECTRICS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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#### **2 Adoption of new and revised standards and changes in accounting policies**

##### **Standards which are in issue but not yet effective**

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective:

IFRS 17	Insurance Contracts (effective for periods beginning on or after 1 January 2023)
IAS 1 (amendments)	Presentation of Financial Statements - Practice Statement 2 (effective for periods beginning on or after 1 January 2023)
IAS 8 (amendments)	Accounting Policies, Changes in Accounting Estimates and Errors (effective for periods beginning on or after 1 January 2023)
IAS 12 (amendments)	Deferred Tax related to Assets and Liabilities arising from Single Transaction (effective for periods beginning on or after 1 January 2023)
IAS 16 (amendments)	Leases on sale and leaseback (effective for periods beginning on or after 1 January 2024)
IAS 1 (amendments)	Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current (effective for periods beginning on or after 1 January 2024)
IAS 1 (amendments)	Presentation of Financial Statements - Non-current Liabilities with Covenants (effective for periods beginning on or after 1 January 2024)

The company is currently assessing the impact of these new accounting amendments but does not expect that their adoption will have a material impact on the financial statements in future periods.

# **SUPERDIELECTRICS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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### **3 Critical accounting estimates and judgements**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

#### **Critical judgements**

##### **Classification of costs between development costs to capitalise and research costs to expense**

The Company reviews expenditures, including wages and benefits for employees, incurred on development activities and based on their judgement of the costs incurred assesses whether the expenditure meets the capitalisation criteria set out in IAS 38. The Company specifically considers if additional expenditure on projects relates to maintenance or new development projects. No development costs have been capitalised to date due to the Company determining they are in the research phase and have not met the capitalisation criteria as set out in IAS 38.

#### **Key sources of estimation uncertainty**

##### **Share payment obligation**

During the year ended 31st March 2023, Superdielectrics Group Plc granted 6,852,000 share options to employees of Superdielectrics Ltd. The options have an exercise price of 0.23pence per option. The options are exercisable within Superdielectrics Group Plc, however, as the holders are employees of Superdielectrics Ltd and the services are being rendered within this Company, consequently the share based payment expense charge is recognised through the income statement of Superdielectrics Ltd with a corresponding value to equity.

The fair value of the warrants and options was determined based on the Black-Scholes option pricing model taking into account the following assumptions:

Fair value of shares of Parent entity	0.25pence per share
Volatility of shares	20%

Further explanations of the key assumptions above are as follows:

Share price: As the Parent Company's shares are not publicly traded as of 31 March 2023, the Company must estimate the fair value of the shares. The fair value of the shares has been determined by using the value of the most recent round of Ordinary shares issued.

Volatility: Since there is no trading history for the company's shares as of 31 March 2023, the expected price volatility for the shares was estimated using a standard deviation technique based on movements in share price in addition to considering volatility of Companies within the AIM listing.

# SUPERDIELECTRICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 4 Exceptional items

During the year-ended 31 March 2022 and 31 March 2023, a significant amount of costs were incurred in respect of the restructuring of the group, as well as fees in relation to the potential initial public offering of its parent company, Superdielectrics Group Plc. Total costs expensed during the year were approximately £130k (2022: approximately £700k). These are recognised within administrative expenses and are not considered to be annual recurring costs going forwards.

### 5 Operating loss

	2023	2022
	£	£
Operating loss for the year is stated after charging/(crediting):		
Research and development costs	566,607	618,679
Fees payable to the company's auditor for the audit of the company's financial statements	28,770	13,000
Depreciation of property, plant and equipment	560,265	360,353
Profit on disposal of property, plant and equipment	-	(34,684)
Share-based payments	526,099	217,535
	<u>526,099</u>	<u>217,535</u>

### 6 Employees

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

	2023	2022
	Number	Number
Management	6	6
Other	18	15
Total	<u>24</u>	<u>21</u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	1,743,461	1,086,552
Social security costs	140,496	118,068
Pension costs	79,499	9,647
	<u>1,963,456</u>	<u>1,214,267</u>

# SUPERDIELECTRICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 7 Directors' remuneration

	2023	2022
	£	As restated £
Remuneration for qualifying services	322,500	499,244
Company pension contributions to defined contribution schemes	29,167	-
	<u>351,667</u>	<u>499,244</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 0).

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 1 (2022 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023	2022
	£	£
Remuneration for qualifying services	<u>200,000</u>	<u>200,000</u>

### 8 Investment income

	2023	2022
	£	£
<b>Interest income</b>		
Financial instruments measured at amortised cost		
Bank interest received	<u>49,696</u>	<u>5,236</u>

Income above relates to assets held at amortised cost, unless stated otherwise.

### 9 Finance costs

	2023	2022
	£	£
Interest on lease liabilities	<u>27,247</u>	<u>26,309</u>

# SUPERDIELECTRICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 10 Income tax credit

	2023	2022 as restated
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	(348,463)	(317,841)

The charge for the year can be reconciled to the loss per the income statement as follows:

	2023	2022 as restated
	£	£
Loss before taxation	(4,157,566)	(3,840,369)
Expected tax credit based on a corporation tax rate of 19.00% (2022: 19.00%)	(789,938)	(729,670)
Effect of expenses not deductible in determining taxable profit	101,690	29
Change in unrecognised deferred tax assets	656,711	681,418
Permanent capital allowances in excess of depreciation	(9,376)	(18,746)
Research and development tax credit	(348,463)	-
Additional deduction for R&D expenditure	(258,082)	(87,059)
Remeasurement of deferred tax for changes in tax rates	(157,611)	-
Surrender of tax losses for R&D tax credit refund	456,606	(163,813)
<b>Taxation credit for the year</b>	<b>(348,463)</b>	<b>(317,841)</b>

Corporation tax rates in the UK are changing from 01 April 2023, the main rate of corporation tax will increase to 25% (from 19%). The main rate will apply to companies with taxable profits in excess of £250,000. For companies with taxable profits below £50,000 the corporation tax rate will continue to be 19%, with marginal rate relief applying for companies with profits between £50,000 and £250,000.

Estimated tax losses of £7,502,367 (2022: £5,108,083) are available for relief against future profits. No deferred tax asset has been provided for in the accounts based on the estimated tax losses.

### 11 Property, plant and equipment

	Leasehold property	Plant and machinery	Fixtures and fittings	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 April 2021	410,103	106,051	-	1,783	52,380	570,317
Additions	2,402,417	194,554	27,014	1,695	43,354	2,669,034
Disposals	(281,170)	-	-	-	-	(281,170)
At 31 March 2022	2,531,350	300,605	27,014	3,478	95,734	2,958,181
Additions	16,309	118,619	2,725	-	-	137,653
At 31 March 2023	2,547,659	419,224	29,739	3,478	95,734	3,095,834

# SUPERDIELECTRICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 11 Property, plant and equipment

(Continued)

	Leasehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
<b>Accumulated depreciation and impairment</b>						
At 1 April 2021	19,038	3,425	-	99	1,092	23,654
Charge for the year	314,370	20,273	5,406	1,159	19,145	360,353
At 31 March 2022	333,408	23,698	5,406	1,258	20,237	384,007
Charge for the year	496,439	38,106	5,687	1,159	18,874	560,265
At 31 March 2023	829,847	61,804	11,093	2,417	39,111	944,272
<b>Carrying amount</b>						
At 31 March 2023	1,717,812	357,420	18,646	1,061	56,623	2,151,562
At 31 March 2022	2,197,942	276,907	21,608	2,220	75,497	2,574,174

Leasehold properties comprise solely of Right of Use Assets.

### 12 Investments

	Current 2023 £	2022 £	Non-current 2023 £	2022 £
Investments in subsidiaries	-	-	16	16

#### Fair value of financial assets carried at amortised cost

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.



# SUPERDIELECTRICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 MARCH 2023**

### 13 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

Name of undertaking	Principal activities	Class of shares held	% Held Direct
Supercapacitor Materials Ltd	Dormant	Ordinary	100.00
Superdielectrics Electric Industrial Products Ltd	Dormant	Ordinary	100.00
Superdielectrics Vertical Farming Ltd	Dormant	Ordinary	100.00
Superdielectrics Electric Ships Ltd	Dormant	Ordinary	100.00
Superdielectrics Mobile Electronics Ltd	Dormant	Ordinary	100.00
Superdielectrics Motorsport Ltd	Dormant	Ordinary	100.00
Superdielectrics Electric Trains Ltd	Dormant	Ordinary	100.00
Superdielectrics Grid Power Management Ltd	Dormant	Ordinary	100.00
Superdielectrics Autonomous Flying Vehicles Ltd	Dormant	Ordinary	100.00
Superdielectrics Automotive Ltd	Dormant	Ordinary	100.00
Superdielectrics Electric Household Products Ltd	Dormant	Ordinary	100.00
Superdielectrics Electric Aircraft Ltd	Dormant	Ordinary	100.00
Superdielectrics Rapid Refuelling Ltd	Dormant	Ordinary	100.00
Superdielectrics Renewable Energy Storage Ltd	Dormant	Ordinary	100.00
Superdielectrics Research Ltd	Dormant	Ordinary	100.00
Superdielectrics Electric Bicycles Ltd	Dormant	Ordinary	100.00

All of the above subsidiaries have the following registered office: The Mansion, Chesterford Park, Little Chesterford, Saffron Walden, England CB10 1XL.

### 14 Trade and other receivables

	2023 £	2022 £
VAT recoverable	46,211	76,736
Amounts owed by subsidiary undertakings	1,800	1,400
Other receivables	89,455	100,249
Prepayments	482,431	631,610
	<u>619,897</u>	<u>809,995</u>

## **SUPERDIELECTRICS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2023**

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#### **15 Trade receivables - credit risk**

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

The Company's operations expose it to degrees of financial risk, including credit risk. Credit risk is primarily attributable to the Company's cash and cash equivalents and other receivable balances.

The Company's cash and cash equivalents are held with banks with credit ratings of the following:-

<b>Rating agency</b>	<b>Fitch</b>	<b>Moody's</b>	<b>Standard &amp; Poor's</b>
<b>Rating</b>	<b>A+</b>	<b>A1</b>	<b>A+</b>

Due to the Company being in its research and development phase there are no associated trade receivables, as a result there are no expected credit losses. Other receivables mainly comprise of rental deposits, these are considered fully recoverable and are not significant in assessing expected credit losses.

Responsibility for credit risk management rests with the board of directors. The Company manage credit risk by maintaining adequate reserves and by continuously monitoring forecasts and actual cash flows.

#### **16 Financial Instruments**

##### **Financial Assets**

The Company holds financial assets measured at amortised cost. At the year-end these financial assets, totalled £7,574,750 (2022: £9,671,850).

##### **Financial Liabilities**

The Company hold financial liabilities measured at amortised cost. At the year-end the carrying amount of these financial liabilities totalled £714,232 (2022 as restated: £1,461,935). The directors consider that the carrying amounts of financial liabilities carried at amortised cost in the financial statements approximate to their fair values.

# SUPERDIELECTRICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2023

#### 17 Liquidity risk

The following table details the remaining contractual maturity for the company's financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the company may be required to pay.

	Less than 1 month £	1 – 3 months £	3 months to 1 year £	1 – 5 years £	Total £
<b>At 31 March 2022</b>					
Trade payables	285,342	-	-	-	285,342
Accruals	683,855	-	-	-	683,855
Lease liabilities	-	30,069	90,207	433,755	554,031
	<u>969,197</u>	<u>30,069</u>	<u>90,207</u>	<u>433,755</u>	<u>1,523,228</u>
<b>At 31 March 2023</b>					
Trade payables	208,663	-	-	-	208,663
Accruals	95,624	-	-	-	95,624
Lease liabilities	-	31,703	92,731	333,762	458,196
	<u>304,287</u>	<u>31,703</u>	<u>92,731</u>	<u>333,762</u>	<u>762,483</u>

#### Liquidity risk management

The Company is exposed to liquidity risk across the financial liability balances identified above, which arises during the normal course of trade and can affect the Company's ability to effectively manage its cash flow and ensure it can meet its obligations as and when they fall due.

Responsibility for liquidity risk management rests with the board of directors, which has established an appropriate risk management framework for the management of the Company's funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

#### Capital risk management

The Company's capital management objectives are:

- to ensure the Company has the necessary capital available to fund its research activities; and
- to ensure the Company's ability to continue as a going concern; and
- to provide long-term returns to shareholders.

The Company defines and monitors capital based on the carrying amount of equity less cash and cash equivalents as presented on the face of financial position. In 2023, this totalled £1,045,107 (2022 as restated: £2,218,811).

The Board of Directors monitors the level of capital as compared to the Company's commitments and adjusts the level of capital as is determined to be necessary by issuing new shares. The Company is not subject to any externally imposed capital requirements.

# SUPERDIELECTRICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 18 Trade and other payables

	2023 £	2022 £
Trade payables	208,663	285,342
Amount owed to parent undertaking	1,633,000	-
Accruals	95,624	683,855
Social security and other taxation	45,440	42,138
Other payables	15	15
	<u>1,982,742</u>	<u>1,011,350</u>

### 19 Lease liabilities

	2023 £	2022 £
<b>Maturity analysis</b>		
Within one year	124,435	120,276
In two to five years	333,762	433,755
	<u>458,197</u>	<u>554,031</u>
Total undiscounted liabilities	458,197	554,031
Future finance charges and other adjustments	(48,267)	(61,307)
	<u>409,930</u>	<u>492,724</u>
Lease liabilities in the financial statements	<u>409,930</u>	<u>492,724</u>

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2023 £	2022 £
Current liabilities	104,865	96,067
Non-current liabilities	305,065	396,657
	<u>409,930</u>	<u>492,724</u>

	2023 £	2022 £
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	<u>27,247</u>	<u>26,309</u>

Other leasing information is included in note 26.

# SUPERDIELECTRICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 20 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	79,499	9,647

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 21 Share-based payments

	Number of share options		Average exercise price	
	2023	2022	2023	2022
	Number	Number	£	£
Outstanding at 1 April 2022	6,136,940	8,640,320	0.23	0.11
Granted in the period	6,852,000	5,248,060	0.23	0.23
Forfeited in the period	(2,024,100)	-	0.23	-
Exercised in the period	-	(7,751,440)	-	0.09
Outstanding at 31 March 2023	10,964,840	6,136,940	0.23	0.23
Exercisable at 31 March 2023	5,555,533	888,880	0.23	0.23

#### Options granted during the year

Options granted to employees in the year are set out below. Fair value was measured using the indirect method valuing the equity instruments themselves. The the Black-Scholes model was used as the option pricing model.

The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirements to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

Non-vesting conditions and market conditions are taken into account when estimating the fair value of the option at grant date. Service conditions and non-market performance conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

	2023
Weighted average fair value	0.106pence per option
Inputs for model:	
- Weighted average share price	0.25pence
- Weighted average exercise price	0.23pence
- Expected volatility	20%
- Expected life	10 years
- Risk free rate	1.30%-4.31%

Volatility was calculated based on the share price volatility over a similar period preceding the grant date in addition to considering volatility within listed companies.

# SUPERDIELECTRICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 21 Share-based payments

(Continued)

During the March 2022 year end there was a group reconstruction whereby Superdielectrics Group Plc undertook a share for share exchange acquiring the entire issued share capital of Superdielectrics limited becoming the company's ultimate parent. As a result the option scheme within Superdielectrics Ltd was terminated and replaced within Superdielectrics Group Plc. All of the terms per the original scheme were kept the same including original grant date and vesting periods. Subsequently this has not led to any increase in benefit by the option holders and there is no increase in fair value of the options resulting in no uplift of the fair value originally calculated on the grant date.

The options will be equity settled and exercisable within the parent company, however, as the services are received within Superdielectrics Ltd this is ultimately where the expense is incurred and recognised. Any further vesting of the options will result in an expense to the income statement with a corresponding increase in equity as a capital contribution.

The outstanding options at the year end were granted at various dates. This being:-

- 888,880 options were granted in November 2020 which vested immediately.
- 1,999,960 options were granted in July 2021, the vesting period is based upon a service condition with the options vesting over 3 years from the date of grant.
- 1,224,000 options were granted in August 2021, the vesting period is based upon a service condition with the options vesting over 6 years from the date of grant in 3 equal tranches. The first tranche being upon the 4th year of service from the date of grant and the remaining tranches on each subsequent year.
- 2,652,000 options were granted throughout the 2023 financial year end, the vesting periods are based upon service conditions with the options vesting over 6 years from the date of grant in 3 equal tranches. The first tranche being upon the 4th year of service from the date of grant and the remaining tranches on each subsequent year.
- 4,000,000 options were granted in June 2022, which vested immediately.
- 200,000 options were granted to a company, defined as an employee under IFRS, these options vest from July 2025 over 3 years.

All share options issued have a life of 10 years.

#### Equity instruments other than share options

During 2020 3,035,820 of equity instruments other than share options were granted. The weighted average fair value of those instruments at the measurement date was £121,736. The equity instruments were issued to a holder other than an employee and vested immediately upon grant date. The equity instruments are therefore fully exercisable as at 31st March 2023. The fair value was determined using the indirect method due to the fair value of the services not being able to be determined. The Black Scholes model was used to value the equity instruments.

#### Expenses

Related to equity settled share based payments	526,099	-
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### 22 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital Issued and fully paid of 0.1p each	60,255,000	60,255,505	603	603

## SUPERDIELECTRICS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

#### 23 Share premium account

	2023 £	2022 £
At the beginning of the year	17,085,073	14,506,945
Prior year adjustment	-	(121,737)
As restated	17,085,073	14,385,208
Issue of new shares	-	2,699,865
At the end of the year	17,085,073	17,085,073

#### 24 Equity reserve

	2023 £	2022 £
At the beginning of the year	185,602	559,722
Other movements	526,099	(374,120)
At the end of the year	711,701	185,602

The Equity reserve relates to the share options reserve, the movement in the year relates to those options which were granted (2022: exercised). The balance outstanding at the year end relates to the options whereby the services have rendered and options have or are expected to vest.

#### 25 Financial Commitments

On the 1 October 2014 the company entered into an agreement with the University of Surrey to commence a research project and provide funding to the University. Further extensions have been added to this lease during the financial year. At the year end the Company are committed to pay £175,570 (2022: £nil).

#### 26 Other leasing information

##### Lessee

Amounts recognised in profit or loss as an expense during the period in respect of lease arrangements are as follows:

	2023 £	2022 £
Expense relating to short-term leases	92,198	155,881

Information relating to lease liabilities is included in note 19.

# SUPERDIELECTRICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 27 Capital commitments

	2023 £	2022 £
At 31 March 2023 the company had capital commitments as follows:		
Contracted for but not provided in the financial statements:		
Acquisition of property, plant and equipment	28,019	-

### 28 Capital risk management

The company is not subject to any externally imposed capital requirements.

### 29 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel, including directors, is included here since it relates to the Board members of Superdielectrics Group Plc and is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2023 £	2022 £
Short-term employee benefits	618,895	632,932
Post-employment benefits	29,167	-
	648,062	632,932

The following amounts were outstanding at the reporting end date:

	2023 £	2022 £
<b>Amounts due to related parties</b>		
Parent company	1,633,000	-

Amounts owed to the parent company is comprised of an intercompany loan of £1,633,000. It is repayable on demand with no interest being accrued on this balance.

The following amounts were outstanding at the reporting end date:

	2023 £	2022 £
<b>Amounts due from related parties</b>		
Parent company	1,000	1,000
Subsidiaries	800	400
	1,800	1,400

Amounts owed to the parent company is comprised of an intercompany loan of £1,633,000. It is repayable on demand with no interest being accrued on this balance.



# SUPERDIELECTRICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 30 Controlling party

The Company's immediate and ultimate parent undertaking is Superdielectrics Group Plc. The registered office is the same as of Superdielectrics Ltd.

### 31 Cash absorbed by operations

	2023 £	2022 £
Loss for the year before income tax	(4,157,566)	(3,840,369)
<b>Adjustments for:</b>		
Finance costs	27,247	26,309
Investment income	(49,696)	(5,236)
Gain on disposal of property, plant and equipment	-	(34,684)
Depreciation and impairment of property, plant and equipment	560,265	360,353
Equity settled share based payment expense	526,099	-
<b>Movements in working capital:</b>		
Decrease/(increase) in trade and other receivables	190,098	(575,128)
Increase in trade and other payables	971,392	755,510
<b>Cash absorbed by operations</b>	<b>(1,932,161)</b>	<b>(3,313,245)</b>

### 32 Prior period adjustment

During the year ended 31st March 2023 the income tax credit for 2022 was amended to reflect the actual 2022 income tax credit repayable to the Company. The adjustment of £200,294 was credited to the income statement with the other side increasing debtors. Retained earnings and total equity subsequently also increased by £200,294.

Furthermore during the year ended 31st March 2023, it was identified that dilapidation costs were incorrectly not included within the initial right of use asset and corresponding lease liability upon initial commencement of lease. As this is material, a prior year restatement has been posted to bring in the provision discounted to net present value, this is a reclassification journal only and has increased the right of use asset (property plant and equipment) by £42,858 with a corresponding increase to finance leases.

### Changes to the statement of financial position

	At 31 March 2022		
	Previously reported	Adjustment	As restated
	£	£	£
Property, plant and equipment	2,531,316	42,858	2,574,174
<b>Current assets</b>			
Debtors due within one year	948,401	200,294	1,148,695
<b>Creditors due after one year</b>			
Finance leases	(353,799)	(42,858)	(396,657)
Net assets	11,605,830	200,294	11,806,124

# SUPERDIELECTRICS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

### 32 Prior period adjustment

(Continued)

	At 31 March 2022		
	Previously reported	Adjustment	As restated
	£	£	£
<b>Capital and reserves</b>			
Retained earnings	(5,665,448)	200,294	(5,465,154)
Total equity	11,605,830	200,294	11,806,124
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Changes to the income statement</b>			
	Period ended 31 March 2022		
	Previously reported	Adjustment	As restated
	£	£	£
Taxation	117,547	200,294	317,841
Loss for the financial period	(3,722,822)	200,294	(3,522,528)
	<u>          </u>	<u>          </u>	<u>          </u>

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.