

Unaudited Financial Statements for the Year Ended 31 December 2021

for

Sorex Sensors Limited

**Contents of the Financial Statements
for the Year Ended 31 December 2021**

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

Sorex Sensors Limited
Company Information
for the Year Ended 31 December 2021

DIRECTORS:

Mrs M Cole
A J Flewitt
Dr E E Loukes
R Parmee
M D M Ramos
M J Frost

REGISTERED OFFICE:

C/O Hcr Hewitsons
50-60 Station Road
Cambridge
Cambridgeshire
CB1 2JH

BUSINESS ADDRESS:

Maxwell Centre
University of Cambridge
JJ Thomson Avenue
Cambridge
Cambridgeshire
CB3 0HE

REGISTERED NUMBER:

10544126 (England and Wales)

ACCOUNTANTS:

Hardcastle Burton LLP
Lake House
Market Hill
Royston
Hertfordshire
SG8 9JN

Sorex Sensors Limited (Registered number: 10544126)

Balance Sheet
31 December 2021

	Notes	31.12.21 £	£	31.12.20 £	£
FIXED ASSETS					
Tangible assets	4		32,570		12,505
CURRENT ASSETS					
Debtors	5	180,322		203,394	
Cash at bank		<u>370,062</u>		<u>741,031</u>	
		550,384		944,425	
CREDITORS					
Amounts falling due within one year	6	<u>28,763</u>		<u>39,959</u>	
NET CURRENT ASSETS			<u>521,621</u>		<u>904,466</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>554,191</u>		<u>916,971</u>
CAPITAL AND RESERVES					
Called up share capital	7		2,907		2,907
Share premium	8		2,141,756		2,141,756
Retained earnings	8		<u>(1,590,472)</u>		<u>(1,227,692)</u>
SHAREHOLDERS' FUNDS			<u>554,191</u>		<u>916,971</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 31 March 2022 and were signed on its behalf by:

M D M Ramos - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2021

1. STATUTORY INFORMATION

Sorex Sensors Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The directors have prepared cash-flow forecasts for a period of at least 12 months from the date of signing these accounts, and these forecasts indicate that the Company will need to raise further funds by later in 2022 in order that operations can continue. The directors are in discussion with existing and prospective new investors to provide the required equity funding during 2022.

The directors therefore have concluded that it is appropriate to prepare the accounts on a going concern basis. The Directors consider this basis to be appropriate despite the fact that the balance sheet shows negative retained earnings at 31 December 2021.

The company is considered high risk as it is still in the research and development stage. Should the company be unable to continue trading, adjustments would have been made to adjust the value of the assets to their recoverable amount, to provide for any further liabilities which might arise.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 25% on reducing balance
Computer equipment	- Straight line over 3 years

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and loans that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Share based payments

The company issues equity-settled share based payments to certain employees in the form of share options. These are measured at fair value at the date of grant. The fair value determined at the grant date of the equity settled share-based payments is expensed on a straight-line basis over the vesting period, based on the company's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions. The company has taken advantage from the exemption in FRS 102 1A not to make an adjustment in the accounts for the fair value of the shares issued.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 5 (2020 - 5) .

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

4. TANGIBLE FIXED ASSETS

	Plant and machinery £	Computer equipment £	Totals £
COST			
At 1 January 2021	12,816	6,708	19,524
Additions	28,149	-	28,149
At 31 December 2021	<u>40,965</u>	<u>6,708</u>	<u>47,673</u>
DEPRECIATION			
At 1 January 2021	2,617	4,402	7,019
Charge for year	6,800	1,284	8,084
At 31 December 2021	<u>9,417</u>	<u>5,686</u>	<u>15,103</u>
NET BOOK VALUE			
At 31 December 2021	<u>31,548</u>	<u>1,022</u>	<u>32,570</u>
At 31 December 2020	<u>10,199</u>	<u>2,306</u>	<u>12,505</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21 £	31.12.20 £
Trade debtors	69,551	57,051
R&D tax debtor	105,511	107,615
VAT	4,594	8,545
Prepayments and accrued income	666	30,183
	<u>180,322</u>	<u>203,394</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.21 £	31.12.20 £
Trade creditors	6,022	27,527
Social security and other taxes	7,352	6,989
Other creditors	1,296	1,343
Accrued expenses	14,093	4,100
	<u>28,763</u>	<u>39,959</u>

7. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.21 £	31.12.20 £
2,906,817	Ordinary	0.001	<u>2,907</u>	<u>2,907</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

8. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2021	(1,227,692)	2,141,756	914,064
Deficit for the year	(362,780)		(362,780)
At 31 December 2021	<u>(1,590,472)</u>	<u>2,141,756</u>	<u>551,284</u>

9. PENSION COMMITMENTS

The pension cost charge represents contributions payable by the company to the fund and amounted to £6,512 (2020: £7,328). The pension contributions outstanding at the year end amounted to £1,296 (2020 - £1,237).

10. SHARE OPTION SCHEMES

On 2 January 2019 the company approved the Sorex Sensors Limited Enterprise Management Incentive Scheme. The company granted share options over a total of 55,754 ordinary shares to 4 employees. The options can be exercised at a price of £0.25 per share and the right to option expires on 2 January 2029. The options to acquire shares may only be exercised when certain time periods elapse. All options granted to an employee will lapse should they leave the company. A sum of £nil was paid by each employee on the grant of the option.

There were no options granted to directors.

On 25 March 2021 the company granted share options over a total of 150,185 ordinary shares to 4 employees. The options can be exercised in the event of a sale or listing at a price of 33.75p per share and the right to option expires on 25 March 2031. A sum of £nil was paid by each employee on the grant of the option.

The options granted included options over 129,192 shares to a director of the company.

In addition to the above there were 25,837 unapproved options granted to service providers. Of this amount, £8,074 options were granted to directors.

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.