

NOVATIQ LIMITED  
UNAUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2020

**NOVATIQ LIMITED**

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# NOVATIQ LIMITED

## COMPANY INFORMATION

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|                  |  |
|------------------|--|
| <b>Directors</b> | J Hulford-Funnell<br>S C Chandler<br>J Curry<br>T M Field<br>G D Fink<br>C Butterworth (appointed 15 May 2020) |
|------------------|--|

|                          |         |
|--------------------------|---------|
| <b>Company secretary</b> | T Wills |
|--------------------------|---------|

|                          |          |
|--------------------------|----------|
| <b>Registered number</b> | 12091658 |
|--------------------------|----------|

|                          |  |
|--------------------------|--|
| <b>Registered office</b> | Marlborough House<br>Victoria Road South<br>Chelmsford<br>Essex<br>CM1 1LN |
|--------------------------|--|

|                    |   |
|--------------------|---|
| <b>Accountants</b> | Blick Rothenberg Limited<br>Chartered Accountants<br>16 Great Queen Street<br>Covent Garden<br>London<br>WC2B 5AH |
|--------------------|---|

**NOVATIQ LIMITED****BALANCE SHEET  
AS AT 31 DECEMBER 2020**

|   | <b>Note</b> | <b>2020<br/>£</b>       | <b>2019<br/>£</b>       |
|---|-------------|-------------------------|-------------------------|
| <b>Fixed assets</b>                                     |             |                         |                         |
| Investments   | 4           | 2,700,001               | 2,700,001               |
| <b>Current assets</b>                                   |             |                         |                         |
| Debtors: amounts falling due within one year            | 5           | 7,060                   | 115,453                 |
| Cash at bank and in hand                                |             | 1,446,596               | 1,693,214               |
|   |             | <u>1,453,656</u>        | <u>1,808,667</u>        |
| Creditors: amounts falling due within one year          | 6           | (115,281)               | (131,420)               |
| <b>Net current assets</b>                               |             | <u>1,338,375</u>        | <u>1,677,247</u>        |
| <b>Total assets less current liabilities</b>            |             | <u>4,038,376</u>        | <u>4,377,248</u>        |
| Creditors: amounts falling due after more than one year | 7           | (2,055,207)             | -                       |
| <b>Net assets</b>                                       |             | <u><u>1,983,169</u></u> | <u><u>4,377,248</u></u> |
| <b>Capital and reserves</b>                             |             |                         |                         |
| Called up share capital                                 | 9           | 6,445,001               | 5,824,772               |
| Profit and loss account                                 |             | (4,461,832)             | (1,447,524)             |
|   |             | <u><u>1,983,169</u></u> | <u><u>4,377,248</u></u> |

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the period 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 within Part 15 of the Companies Act 2006 and in accordance with Section 1A of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

**NOVATIQ LIMITED**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2020**

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The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....  
**G D Fink**  
Director

Date: 31 August 2021

The notes on pages 4 to 9 form part of these financial statements.

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# NOVATIQ LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

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### 1. General information

Novatiq Ltd is a private company limited by shares incorporated in England and Wales. Its registered office address is Marlborough House, Victoria Road South, Chelmsford, Essex, United Kingdom, CM1 1LN.

The financial statements are presented in Sterling (£).

### 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 Exemption from preparing consolidated financial statements

The company, and the group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and group are considered eligible for the exemption to prepare consolidated accounts.

#### 2.3 Going concern

On 30 January 2020 the World Health Organisation declared Coronavirus (COVID-19) a public health emergency. Following the outbreak of COVID-19 the company took advantage of some of the economic measures put in place by the UK Government and the company adapted its operations and overhead base accordingly.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

#### 2.4 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.

#### 2.5 Borrowing costs

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

#### 2.6 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

#### 2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

# NOVATIQ LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

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### 2. Accounting policies (continued)

#### 2.8 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 2.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### 2.10 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

##### Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

##### Financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

# NOVATIQ LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

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### 2. Accounting policies (continued)

#### Financial instruments (continued)

##### Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

##### Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 3. Employees

The average monthly number of employees, including directors, during the year/period was 6 (2019 - 5).



# NOVATIQ LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

### 4. Fixed asset investments

|                          | Investments in subsidiary companies<br>£ |
|--------------------------|--|
| <b>Cost or valuation</b> |  |
| At 1 January 2020        | 2,700,001                                |
| At 31 December 2020      | <u>2,700,001</u>                         |

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

| Name                         | Registered office | Class of shares | Holding |
|------------------------------|-------------------|-----------------|---------|
| Novatiq Solutions Limited    | England & Wales   | Ordinary        | 100 %   |
| Novatiq Technologies Limited | England & Wales   | Ordinary        | 100 %   |

The aggregate of the share capital and reserves as at 31 December 2020 and the profit or loss for the period ended on that date for the subsidiary undertakings were as follows:

| Name                         | Aggregate of share capital and reserves<br>£ | Loss<br>£   |
|------------------------------|--|-------------|
| Novatiq Solutions Limited    | (2,248,686)                                  | (1,512,539) |
| Novatiq Technologies Limited | (1,452,153)                                  | (959,185)   |

# NOVATIQ LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

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### 5. Debtors

|                                  | 2020<br>£    | 2019<br>£      |
|----------------------------------|--------------|----------------|
| Other debtors                    | 4,819        | 15,453         |
| Called up share capital not paid | -            | 100,000        |
| Prepayments and accrued income   | 2,241        | -              |
|                                  | <u>7,060</u> | <u>115,453</u> |

### 6. Creditors: Amounts falling due within one year

|                              | 2020<br>£      | 2019<br>£      |
|------------------------------|----------------|----------------|
| Trade creditors              | 7,548          | 15,787         |
| Other creditors              | 97,581         | 107,481        |
| Accruals and deferred income | 10,152         | 8,152          |
|                              | <u>115,281</u> | <u>131,420</u> |

### 7. Creditors: Amounts falling due after more than one year

|                   | 2020<br>£        | 2019<br>£ |
|-------------------|------------------|-----------|
| Convertible loans | <u>2,055,207</u> | <u>-</u>  |

During the year, the company entered into a convertible loan agreement between the Future Fund and the current shareholders of the company.

As at the balance sheet date, the directors agree that it is more probable than not that conversion to equity will occur at the end of the three year term.

Interest is charged at 8% p.a. on the convertible loan and on conversion, there would be a 20% discount on the price per share.

The value of the loan as at the balance sheet date has been calculated based on the above terms.

# NOVATIQ LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2020

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### 8. Loans

Analysis of the maturity of loans is given below:

|                                      | 2020<br>£        | 2019<br>£ |
|--------------------------------------|------------------|-----------|
| <b>Amounts falling due 2-5 years</b> |                  |           |
| Convertible loans                    | <u>2,055,207</u> | <u>-</u>  |

### 9. Share capital

|  | 2020<br>£        | 2019<br>£        |
|--|------------------|------------------|
| <b>Allotted, called up and fully paid</b>                      |                  |                  |
| 644,500,100 (2019 - 582,477,200) Ordinary shares of £0.01 each | <u>6,445,001</u> | <u>5,824,772</u> |

During the year the company issued 62,022,900 Ordinary £0.01 shares at par, the allotment was fully paid up.

As at 31 December 2020 the company had 88,000,000 employee share options granted over the Ordinary shares of the company. Options over Ordinary shares have been granted in various tranches from 2019 to 2020 at a strike price of £0.01 per share. There has been no charge recognised in the profit & loss account in respect of these options.

### 10. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are wholly owned part of the group.

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.