

Registered number: SC604675

SENSE PHOTONICS LTD

UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



SENSE PHOTONICS LTD
REGISTERED NUMBER: SC604675

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	147,930	116,381
		<u>147,930</u>	<u>116,381</u>
Current assets			
Debtors: amounts falling due within one year	5	706,761	130,210
Cash at bank and in hand	6	112,602	149,059
		<u>819,363</u>	<u>279,269</u>
Creditors: amounts falling due within one year	7	(740,017)	(265,383)
Net current assets		<u>79,346</u>	<u>13,886</u>
Total assets less current liabilities		<u>227,276</u>	<u>130,267</u>
Net assets		<u>227,276</u>	<u>130,267</u>
Capital and reserves			
Called up share capital	8	1	1
Profit and loss account	9	227,275	130,266
		<u>227,276</u>	<u>130,267</u>

SENSE PHOTONICS LTD
REGISTERED NUMBER: SC604675

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

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.


The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

 11 August 2021
Shauna McIntyre
Director

The notes on pages 3 to 9 form part of these financial statements.

SENSE PHOTONICS LTD

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

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is Sense Photonics Ltd, One, St Colme Street, Edinburgh, Scotland, EH3 6AA.

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.

2.2 Going concern

At the date of signing the report, the global economy faces much uncertainty with the outbreak of the Coronavirus (COVID-19), which the World Health Organisation has described as a pandemic. The final outcome of the pandemic is unknown, and its future financial implications on the worldwide trading situation cannot be determined. However the Director feels confident that the Company, supported as required by its parent company, will have the sufficient resources to continue trading for the next year. Therefore they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

SENSE PHOTONICS LTD

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

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Turnover represents the amounts receivable under the terms of the research and development agreement that the Company holds with the parent company. Turnover also consists of government grant income which is measured on the performance model and only recognised when the performance related conditions under the Scottish Enterprise Grant Award are met.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.6 Government grants

Grants are accounted under the performance related model as permitted by FRS 102. Grant income is only recognised once the performance related conditions have been met and income subsequently received by the Company.

Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

SENSE PHOTONICS LTD

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

2. Accounting policies (continued)

2.8 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

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

2.9 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.10 Development costs

Development costs of £2,113,411 (2019: £428,552) are written off to the profit and loss account as expensed unless clearly identifiable to a relevant period.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

SENSE PHOTONICS LTD

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

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	-	33%
Fixtures and fittings	-	10%
Computer equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Debtors

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

2.13 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs.

3. Employees

The average monthly number of employees, including directors, during the year was 15 (2019 - 6).

SENSE PHOTONICS LTD

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

4. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation				
At 1 January 2020	94,084	12,173	25,905	132,162
Additions	83,307	-	6,868	90,175
At 31 December 2020	177,391	12,173	32,773	222,337
Depreciation				
At 1 January 2020	10,283	910	4,588	15,781
Charge for the year on owned assets	47,505	1,221	9,900	58,626
At 31 December 2020	57,788	2,131	14,488	74,407
Net book value				
At 31 December 2020	119,603	10,042	18,285	147,930
At 31 December 2019	83,801	11,263	21,317	116,381

5. Debtors

	2020 £	2019 £
Other debtors	66,658	35,853
Prepayments and accrued income	640,103	94,357
	706,761	130,210

6. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	112,602	149,059
	112,602	149,059

SENSE PHOTONICS LTD

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

7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	9,328	18,086
Amounts owed to group undertakings	607,081	115,665
Corporation tax	15,598	3,924
Other taxation and social security	41,567	29,183
Other creditors	6,809	4,404
Accruals and deferred income	59,634	94,121
	<u>740,017</u>	<u>265,383</u>

Amounts due to group undertakings are unsecured, interest-free and repayable on demand.

8. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 (2019 - 1) Ordinary share share of £1.00	<u>1</u>	<u>1</u>

9. Reserves

Profit and loss account

The Profit and Loss account represents cumulative profits and losses

10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £39,260 (2019: £15,212). Contributions totalling £6,809 (2019: £4,404) are payable to the fund at the reporting date and are included in creditors.

11. Share based payments

Share based payment expense is made on the basis of a reasonable allocation of the expenses from the parent company.

The share based expense from the parent company for the year ended 31 December 20 was £ Nil.

SENSE PHOTONICS LTD

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

12. Related party transactions

The Company has taken advantage of the exemption available under paragraph 33.1A of FRS 102, whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertakings of the group.

13. Controlling party

The Company is a wholly owned subsidiary of Sense Photonics Inc, a company registered in USA and whose address is 3021 E Corwallis Road Durham , NC 27709. Sense Photonics Inc is the largest group and smallest group to consolidate these financial statements.