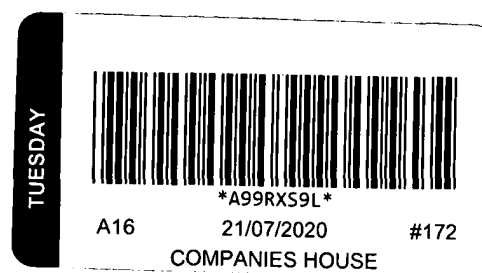


FILTERED TECHNOLOGIES LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**



FILTERED TECHNOLOGIES LIMITED
REGISTERED NUMBER: 06888906

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	6	22,533	7,708
		<u>22,533</u>	<u>7,708</u>
Current assets			
Debtors: amounts falling due within one year	7	921,402	701,493
Cash at bank and in hand	8	2,533,297	468,366
		<u>3,454,699</u>	<u>1,169,859</u>
Creditors: amounts falling due within one year	9	(994,864)	(656,281)
Net current assets		<u>2,459,835</u>	<u>513,578</u>
Total assets less current liabilities		<u>2,482,368</u>	<u>521,286</u>
Creditors: amounts falling due after more than one year	10	(800,000)	(300,000)
Net assets		<u><u>1,682,368</u></u>	<u><u>221,286</u></u>
Capital and reserves			
Called up share capital	11	47	34
Share premium account	12	3,408,447	1,156,087
Other reserves	12	226,415	226,415
Profit and loss account	12	(1,952,541)	(1,161,250)
		<u><u>1,682,368</u></u>	<u><u>221,286</u></u>

FILTERED TECHNOLOGIES LIMITED
REGISTERED NUMBER: 06888906

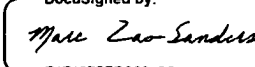
BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2019

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

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

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

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

DocuSigned by:

.....E4F1676E00684B0.....
M Zao-Sanders
Director

Date: 24 June 2020

The notes on pages 3 to 12 form part of these financial statements.

FILTERED TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

The company is a limited liability company incorporated in England and Wales. The registered office and principal place of trading is 86-90 Paul Street, London EC2A 4NE. The principal activity of the company is that of the provision of online training services. The comparative figures for the year ended 31 December 2018 are unaudited.

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 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

FILTERED TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 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.

2.4 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.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.6 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.

2.7 Borrowing costs

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

FILTERED TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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 Balance Sheet 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 balance sheet date in the countries where the Company operates and generates income.

2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

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.

FILTERED TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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:

Office equipment	- 33% straight line
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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. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 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.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

FILTERED TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are 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 Statement of Comprehensive Income.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates. On this background, the directors consider there are no judgements in any accounting policies that might have a material effect on the balances held at the Statement of Financial Position date.

4. Employees

The average monthly number of employees, including directors, during the year was 31 (2018 - 31).

FILTERED TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Intangible assets

	Website £
At 1 January 2019	43,617
Disposals	(43,617)
At 31 December 2019	<u>-</u>
At 1 January 2019	43,617
On disposals	(43,617)
At 31 December 2019	<u>-</u>
Net book value	
At 31 December 2019	<u>-</u>
At 31 December 2018	<u>-</u>

FILTERED TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 January 2019	30,279
Additions	24,332
Disposals	(18,122)
At 31 December 2019	<u>36,489</u>
Depreciation	
At 1 January 2019	22,571
Charge for the year on owned assets	8,023
Disposals	(16,638)
At 31 December 2019	<u>13,956</u>
Net book value	
At 31 December 2019	<u><u>22,533</u></u>
At 31 December 2018	<u><u>7,708</u></u>

7. Debtors

	2019 £	2018 £
Trade debtors	343,150	274,121
Other debtors	477,585	371,305
Prepayments and accrued income	100,667	56,067
	<u><u>921,402</u></u>	<u><u>701,493</u></u>

FILTERED TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	2,533,297	468,366
	<u>2,533,297</u>	<u>468,366</u>

9. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	65,446	11,693
Other taxation and social security	72,882	75,833
Other creditors	13,882	6,235
Accruals and deferred income	842,654	562,520
	<u>994,864</u>	<u>656,281</u>

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

	2019 £	2018 £
Other loans	800,000	300,000
	<u>800,000</u>	<u>300,000</u>

Held within other loans is a loan of £800,000 (2018: £300,000) of which there is a fixed charge held over specific intellectual property generated by Filtered Technologies Limited as agreed with the lender.

11. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
300,000 (2018 - 300,000) Ordinary shares - £0.0001 each	30	30
124,264 (2018 - Nil) B Ordinary shares - £0.0001 each	13	-
42,972 (2018 - 42,972) Series A Preferred shares - £0.0001 each	4	4
	<u>47</u>	<u>34</u>

On 4 July 2019 124,264 B Ordinary shares were issued at a price of £20.12 per share.

FILTERED TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

12. Reserves

Other reserves

Other reserves represent the cumulative value of share based payments to date in relation to unexercised options extant at the balance sheet date.

13. Share based payments

Share options are granted at the HMRC approved price of the Company's shares at the grant date. The employee is entitled to exercise the share options on the occurrence of an exit event (as detailed in the share option plan). If options remain unexercised after a period of 10 years from the date of grant the options expire.

At the balance sheet date the Company had granted a total of 49,462 options (2018:- 43,430) including 3,637 yet to vest (2018:- 10,370) the weighted average of the vested options over Ordinary Shares was £17.47 (2018:- £15.78) per option.

The fair value of the options is calculated by considering the expected life of the options and has been adjusted, based upon 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 options 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.

There were no share based payments recognised in the financial statements for the year ended 31 December 2019 or 31 December 2018.

In April 2020 a number of issued options were surrendered and replaced with options with a lower exercise price.

14. Pension commitments

The Company pays into defined contribution plans 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 pension cost charge represents contributions payable by the Company to the plan and amounted to £37,708 (2018 - £25,285). Contributions totalling £10,638 (2018 - £4,166) were payable to the plan at the balance sheet date and are included in creditors.

FILTERED TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

15. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	90,000	29,068
	<u>90,000</u>	<u>29,068</u>

16. Related party transactions

At the balance sheet date Filtered Technologies Limited owed a director, £Nil (2018: £300,000), the company has paid £15,000 (2018 :£22,500) in interest payments to the director during the year. The balance of £300,000 was fully repaid during the year.

During the year Filtered Technologies Limited paid £nil (2018: £9,375) in interest payments to a shareholder in the company, the loan to which this interest related was converted to share capital in 2018. Interest payments ceased following the conversion into shares.

17. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified and no matters were drawn attention to by way of emphasis.

The senior statutory auditor was James Tillotson for and on behalf of Wellers.