

**FILTERED TECHNOLOGIES LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**FILTERED TECHNOLOGIES LIMITED**  
**REGISTERED NUMBER: 06888906**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	5	-	17,258
		<u>-</u>	<u>17,258</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	2,515,419	1,731,451
Cash at bank and in hand	7	763,748	1,729,374
		<u>3,279,167</u>	<u>3,460,825</u>
Creditors: amounts falling due within one year	8	(1,849,805)	(1,635,619)
<b>Net current assets</b>		<u>1,429,362</u>	<u>1,825,206</u>
<b>Total assets less current liabilities</b>		<u>1,429,362</u>	<u>1,842,464</u>
Creditors: amounts falling due after more than one year	9	(784,859)	(774,614)
<b>Net assets</b>		<u><u>644,503</u></u>	<u><u>1,067,850</u></u>
<b>Capital and reserves</b>			
Called up share capital	10	49	46
Share premium account	11	3,909,071	3,408,446
Other reserves	11	226,415	226,415
Profit and loss account	11	(3,491,032)	(2,567,057)
		<u><u>644,503</u></u>	<u><u>1,067,850</u></u>

---

**FILTERED TECHNOLOGIES LIMITED**  
**REGISTERED NUMBER: 06888906**

---

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2021**

---

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:

**M Zao-Sanders**

Director

Date: 30 September 2022

The notes on pages 4 to 13 form part of these financial statements.

FILTERED TECHNOLOGIES LIMITED

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
<b>At 1 January 2020</b>	<b>46</b>	<b>3,408,446</b>	<b>226,415</b>	<b>(1,952,542)</b>	<b>1,682,365</b>
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(614,515)	(614,515)
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	(614,515)	(614,515)
<b>Total transactions with owners</b>	-	-	-	-	-
<b>At 1 January 2021</b>	<b>46</b>	<b>3,408,446</b>	<b>226,415</b>	<b>(2,567,057)</b>	<b>1,067,850</b>
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(923,975)	(923,975)
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	(923,975)	(923,975)
Shares issued during the year	3	500,625	-	-	500,628
<b>Total transactions with owners</b>	3	500,625	-	-	500,628
<b>At 31 December 2021</b>	<b>49</b>	<b>3,909,071</b>	<b>226,415</b>	<b>(3,491,032)</b>	<b>644,503</b>

The notes on pages 4 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

---

**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.

**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 Going concern**

At 31 December 2021, the Company had net assets of £644,503 (2020: £1,067,850). These net assets include a loan of £672,729 (2020: £800,000) of which £187,865 (2020: £256,908) is repayable within one year.

The Company is in the development stage of its growth and incurred a loss of £923,975 (2020: loss of £614,515) during the financial year.

The forecast prepared by the directors for the 12 months from the signing of the financial statements show that the Company has sufficient resources to meet its obligations as they fall due. The directors have considered the potential impact of the macro-level risks arising from the withdrawal of the UK from the EU, the after-effects of the COVID-19 pandemic and the current uncertain economic environment. The directors also note that the forecasts include assumptions relating to conversion of sales pipeline, receipt of R&D Expenditure Credit (RDEC) from HMRC as well as potential deferral of the above-mentioned loan. Notwithstanding the above risks the directors do not consider that there is any serious doubt over the ability of the Company to continue to operate for a period of at least twelve months from the date of this report. Accordingly, the financial statements have been prepared on the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

---

**2. Accounting policies (continued)**

**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.

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'.

**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.

**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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

---

**2. Accounting policies (continued)**

**2.6 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

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

The government grants are Coronavirus Job Retention Scheme (CJRS) grants related to staff who have been furloughed. As per FRS 102 the grants have been recognised as income within the profit and loss account.

**2.7 Interest income**

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

**2.8 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.

**2.9 Borrowing costs**

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

**2.10 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 Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

---

**2. Accounting policies (continued)**

**2.11 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.

**2.12 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.

**2.13 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.

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
------------------	---	-----	---------------

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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

---

**2. Accounting policies (continued)**

**2.14 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.

**2.15 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.

**2.16 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.

**2.17 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. Judgments 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 the estimation means that actual outcomes could differ from those estimates. On this background, 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.

---

FILTERED TECHNOLOGIES LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

---

4. Employees

The average monthly number of employees, including directors, during the year was 37 (2020 - 37).

5. Tangible fixed assets

	Office equipment £
At 1 January 2021	39,023
Disposals	(39,023)
At 31 December 2021	-
At 1 January 2021	21,765
Disposals	(21,765)
At 31 December 2021	-
<b>Net book value</b>	
At 31 December 2021	-
<b>At 31 December 2020</b>	<b>17,258</b>

FILTERED TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

**6. Debtors**

	2021 £	2020 £
Trade debtors	598,984	1,139,423
Other debtors	627,364	433,976
Prepayments and accrued income	1,289,071	158,052
	<u>2,515,419</u>	<u>1,731,451</u>

**7. Cash and cash equivalents**

	2021 £	2020 £
Cash at bank and in hand	763,748	1,729,374
	<u>763,748</u>	<u>1,729,374</u>

**8. Creditors: Amounts falling due within one year**

	2021 £	2020 £
Other loans	187,865	256,908
Trade creditors	298,038	129,565
Other taxation and social security	59,031	123,331
Other creditors	128,250	15,133
Accruals and deferred income	1,176,621	1,110,682
	<u>1,849,805</u>	<u>1,635,619</u>

---

FILTERED TECHNOLOGIES LIMITED

---

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

---

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

	2021 £	2020 £
Other loans	484,864	543,092
Accruals and deferred income	299,995	231,522
	<u>784,859</u>	<u>774,614</u>

Held within other loans is a loan of £672,729 (2020 - £800,000) of which there is a fixed charge held over specific intellectual property generated by Filtered Technologies Limited as agreed with the lender.

**FILTERED TECHNOLOGIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**10. Share capital**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
321,860 (2020 - 300,000) Ordinary shares of £0.0001 each	<b>32.186</b>	30.000
124,264 (2020 - 124,260) Ordinary B Shares shares of £0.0001 each	<b>12.426</b>	12.426
42,972 (2020 - 42,970) Series A Preferred Shares shares of £0.0001 each	<b>4.297</b>	4.297
	<u><b>48.909</b></u>	<u>46.723</u>

During the year ended 31 December 2021 5,219 shares were issued for at a price of £2.12 and a further 16,641 shares were issued at a price of £30.02.

**11. 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.

**12. 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 48,964 options (2020 : 54,178) including 14,819 yet to vest (2020 : 9,259) the weighted average of the vested options over Ordinary Shares was £15.38 (2020 : £10.48) 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 2021 or 31 December 2020.

**13. Pension commitments**

The Company pays into defined contribution plans for its employees. The pension cost charge represents contributions payable by the Company to the plan and amounted to £62,766 (2020 - £56,869). Contributions totalling £9,439 (2020 - £12,286) were payable to the plan at the balance sheet date and are included in creditors.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

---

**14. Commitments under operating leases**

The Company had no commitments under non-cancellable operating leases at the balance sheet date.

**15. Related party transactions**

During the year the company entered into an agreement with a shareholder to provide consultancy services to the company over a period of 36 months in exchange for an issue of new shares in the company. During the period a total expense of £69,384 was recognised in relation to these services and a balance of £430,179 was included in prepayments at the Balance Sheet date.

**16. Post balance sheet events**

After the year end the company decided to cancel the service agreement with a supplier. The agreement required the supplier to provide services that were being released to the profit and loss account over a 36 month term. As a result of the agreement being cancelled the balance held in prepayments at year end of £430,179 has been written off in the current period.

**17. Auditors' information**

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

In their report, the auditors emphasised the following matter without qualifying their report:

In forming our opinion, we have considered the adequacy of note 2.2 in the financial statements concerning the going concern status of the company. In view of the significance of this note to the basis of the preparation of the financial statements, we consider that it should be drawn to your attention, but our opinion is not qualified in this respect. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included enquiries of management, reviewing budgets and forecasts, and checking correspondence in relation to going concern. Our opinion is not modified in respect of this matter

The audit report was signed on 30 September 2022 by Mr James Tillotson (Senior statutory auditor) on behalf of Wellers.

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.