

COMPANY REGISTRATION NUMBER: 06936809

**FUTURE TRANSPORT SYSTEMS LTD**  
**FILLETED FINANCIAL STATEMENTS**  
**31 JANUARY 2022**



**JOSEPH MILLER**  
**Chartered Accountants**  
**Newcastle upon Tyne**

**FUTURE TRANSPORT SYSTEMS LTD**  
**STATEMENT OF FINANCIAL POSITION**  
**31 JANUARY 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	5	51,374	85,479
Investments	6	100	100
		<u>51,474</u>	<u>85,579</u>
<b>Current assets</b>			
Stocks		5,712	6,228
Debtors	7	4,290,607	3,448,349
Cash at bank and in hand		67,937	1,658,492
		<u>4,364,256</u>	<u>5,113,069</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(425,519)</u>	<u>(115,367)</u>
<b>Net current assets</b>		3,938,737	4,997,702
<b>Net assets</b>		<u>3,990,211</u>	<u>5,083,281</u>
<b>Capital and reserves</b>			
Called up share capital	9	3,622	3,622
Share premium account	10	9,061,913	9,061,913
Profit and loss account	10	(5,075,324)	(3,982,254)
<b>Shareholders funds</b>		<u>3,990,211</u>	<u>5,083,281</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

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.

These financial statements were approved by the board of directors and authorised for issue on 27 October 2022, and are signed on behalf of the board by:



M M G L Lumsden  
Director

Company registration number: 06936809

The notes on pages 2 to 7 form part of these financial statements.

**FUTURE TRANSPORT SYSTEMS LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JANUARY 2022**

**1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is C/o Joseph Miller, Floor A, Milburn House, Dean Street, Newcastle upon Tyne, NE1 1LE.

**2. Statement of compliance**

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

**3. Accounting policies**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

**Going concern**

The company incurred a loss for the financial year of £1,093,070. As at 31 January 2022, the company's assets exceeded its liabilities by £3,990,211. However, within the company's assets was a balance of £4,057,818 due from the company's subsidiary undertaking, which as at the balance sheet date had net liabilities of £3,261,259. Continuing losses incurred by both the company and its subsidiary undertaking necessary to further develop the business have depleted the group's cash reserves.

However, the receipt of investment funds of £15,455,848 in June 2022 (see note 12) enables the company to continue in operation and the accounts are therefore prepared on a going concern basis.

**Consolidation**

The entity has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

**Judgements and key sources of estimation uncertainty**

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable.

Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

In assessing whether there have been any indicators of impairment of assets, the directors have considered both external and internal sources of information such as market conditions, consumer demands and the experience of recoverability.

The directors have considered the specific estimates regarding the carrying value of the investments in group undertakings and the recoverability of the amounts due from these group undertakings, as explained in note 7.

**FUTURE TRANSPORT SYSTEMS LTD**  
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**3. Accounting policies** *(continued)*

**Revenue recognition**

Turnover is measured at the fair value of consideration receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Revenue is recognised when it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

**Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date. Current tax includes amounts recoverable in respect of enhanced loss surrender of research and development costs.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

**Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

**Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

**Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

**Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold improvements	-	33% straight line
Plant and machinery	-	33% straight line
Furniture and fittings	-	15% reducing balance
Equipment	-	25% straight line

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**3. Accounting policies (continued)**

**Investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

**Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly.

**Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

**Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

**Research and development**

Research expenditure is written off in the period in which it is incurred.

**4. Employee numbers**

The average number of persons employed by the company during the year amounted to 16 (2021: 20).

**5. Tangible assets**

	Leasehold improvements £	Plant and machinery £	Furniture and fittings £	Equipment £	Total £
<b>Cost</b>					
At 1 February 2021	52,932	2,712	14,309	132,963	202,916
Additions	–	–	–	1,475	1,475
<b>At 31 January 2022</b>	<u>52,932</u>	<u>2,712</u>	<u>14,309</u>	<u>134,438</u>	<u>204,391</u>
<b>Depreciation</b>					
At 1 February 2021	6,495	527	4,857	105,558	117,437
Charge for the year	17,643	904	1,418	15,615	35,580
<b>At 31 January 2022</b>	<u>24,138</u>	<u>1,431</u>	<u>6,275</u>	<u>121,173</u>	<u>153,017</u>
<b>Carrying amount</b>					
<b>At 31 January 2022</b>	<u>28,794</u>	<u>1,281</u>	<u>8,034</u>	<u>13,265</u>	<u>51,374</u>
At 31 January 2021	<u>46,437</u>	<u>2,185</u>	<u>9,452</u>	<u>27,405</u>	<u>85,479</u>

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**6. Investments**

	Shares in group undertakings £
<b>Cost</b>	
At 1 February 2021 and 31 January 2022	100
<b>Impairment</b>	
At 1 February 2021 and 31 January 2022	—
<b>Carrying amount</b>	
At 31 January 2022	100
At 31 January 2021	100

The company owns 100% of the issued share capital of the company listed below:

**Aggregate capital and reserves**

	2022 £	2021 £
Connected Energy Ltd	(3,261,259)	(2,631,268)

**(Loss) for the year**

	2022 £	2021 £
Connected Energy Ltd	(629,991)	(999,662)

Under the provision of section 398 of the Companies Act 2006, the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

**7. Debtors**

	2022 £	2021 £
Amounts owed by group undertakings	4,057,818	3,291,939
Other debtors	232,789	156,410
	<u>4,290,607</u>	<u>3,448,349</u>

The company has reviewed the recoverability of the amounts owed by group undertakings of £4,057,818 (2021: £3,291,939) shown above. The loan is interest free and repayable on demand. The company is confident that the full value of the amounts due to it from the subsidiary will be recovered.

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade creditors	55,622	26,566
Social security and other taxes	93,406	44,972
Other loans	200,000	–
Other creditors	76,491	43,829
	<u>425,519</u>	<u>115,367</u>

Other loans comprise secured convertible loans which are classed as financial liabilities. The loans accrue interest at a rate of 8% per annum.

**9. Called up share capital**

**Issued, called up and fully paid**

	<b>2022</b>		<b>2021</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	1,067	1,067	1,067	1,067
Series A shares of £1 each	1,112	1,112	1,112	1,112
Series B1 shares of £1 each	1,206	1,206	1,206	1,206
Series B2 shares of £1 each	237	237	237	237
	<u>3,622</u>	<u>3,622</u>	<u>3,622</u>	<u>3,622</u>

**10. Reserves**

The share premium account reserve records the amount above the nominal value received for shares sold, less transaction costs. The profit and loss account reserve records retained earnings and accumulated losses.

**11. Operating leases**

The total future minimum lease payments under non-cancellable operating leases are as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Not later than 1 year	3,167	3,807
Later than 1 year and not later than 5 years	160	800
	<u>3,327</u>	<u>4,607</u>

**12. Events after the end of the reporting period**

On 14 June 2022, the company issued 1,876 series B1 £1 shares at a premium of £7,877 per share and 47 series B1 shares in respect of the conversion of the loan disclosed in note 11 to the accounts. On 30 June 2022, the company issued a further 53 series B1 £1 shares at a premium of £7,877 per share. The total funds raised from this investment were £15,455,848.

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**13. Summary audit opinion**

The auditor's report for the year dated 28 October 2022 was unqualified, however, the auditor drew attention to the following by way of emphasis:

"In forming our opinion on the financial statements, which is not modified in this respect, we have considered the adequacy of the disclosures made in note 7 to the financial statements concerning the uncertainty regarding the value of the amounts due from group undertakings. The financial statements do not include provision for any impairment or amount that the company is subsequently unable to recover."

The senior statutory auditor was D R Gold (Senior statutory auditor), for and on behalf of Joseph Miller.

**14. Related party transactions**

The accounts do not include disclosure of transactions between the company and entities that are part of the Future Transport Systems Ltd group. Connected Energy Ltd is wholly owned by Future Transport Systems Ltd and therefore there is no requirement to disclose such transactions under FRS 102 Section 1A.

No transactions with related parties were undertaken such as are required to be disclosed under FRS 102 Section 1A.