

Flux Systems Limited

Unaudited Financial Statements

Year Ended

30 November 2020

Company Number 09882195



Flux Systems Limited
Registered number: 09882195

Statement of Financial Position
As at 30 November 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	51,462	71,988
Current assets			
Debtors	5	702,683	509,541
Cash and cash equivalents		3,017,350	3,830,724
		<u>3,720,033</u>	<u>4,340,265</u>
Creditors: amounts falling due within one year	6	(257,786)	(258,825)
Net current assets		3,462,247	4,081,440
Creditors: amounts falling due after more than one year	7	(3,040,000)	-
Net assets		<u>473,709</u>	<u>4,153,428</u>
Capital and reserves			
Called up share capital	8	194	194
Share premium account		7,157,484	7,155,395
Profit and loss account		(6,683,969)	(3,002,161)
		<u>473,709</u>	<u>4,153,428</u>

Flux Systems Limited
Registered number: 09882195

Statement of Financial Position (continued)
As at 30 November 2020

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 year in question in accordance with section 476 of the Companies Act 2006.

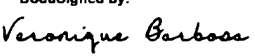
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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

6464AAAB736842B:.....
V Barbosa
Director

Date: 27-Aug-21

The notes on pages 3 to 10 form part of these financial statements.

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2020

1. General information

Flux Systems Limited is a private company, limited by shares and registered in England and Wales. The Company's registered office address is People's Mission Hall, 20-30 Whitechapel Road, London, E1 1EW.

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

The Company's financial statements have been prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Company's needs. In assessing going concern, the directors have a reasonable expectation that the Company will continue as a going concern and is able to meet all of its obligations as they fall due for a minimum of 12 months from the date of approval of these 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.

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 the Statement of Comprehensive Income 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 the Statement of Comprehensive Income within 'other operating income'.

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2020

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover from a contract to provide services is recognised in the period in which the services are provided.

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.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Research and development

Expenditure on research and development is written off as incurred.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.8 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 the 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.

2.9 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 the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2020

2. Accounting policies (continued)

2.10 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income 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 the Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with fair value of goods and services received.

2.11 Taxation

Tax is recognised in the Statement of Comprehensive Income 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.

2.12 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2020

2. Accounting policies (continued)

2.12 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:

Long-term leasehold property	- Over the life of the lease
Fixtures and fittings	- Over 5 years on a straight line basis
Computer equipment	- Over 3 years on a straight line basis

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 the Statement of Comprehensive Income.

Repairs and maintenance costs are charged to the Statement of Comprehensive Income during the period in which they are incurred.

2.13 Debtors

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

2.14 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.

2.15 Creditors

Short term creditors are measured at the transaction price.

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Notes to the Financial Statements For the Year Ended 30 November 2020

2. Accounting policies (continued)

2.16 Financial instruments

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a 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.

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

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

2.17 Convertible debt

Compound financial instruments issued by the Company comprise convertible loan notes that can be converted to share capital at the option of the holder. The interest on the loan notes is compounding annually and as such the number of shares to be issued will vary with changes in the fair value.

Due to the varying number of shares to be issued the loan notes are treated as liabilities and not split between equity and liabilities. The liability is initially and subsequently measured at fair value, with the fair value movements recognised in the Statement of Comprehensive Income.

Transaction costs that relate to the issue of the instrument are expensed to the Statement of Comprehensive Income.

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2020

3. Employees

The average monthly number of employees, including directors, during the year was 35 (2019 - 20).

4. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 December 2019	21,548	15,402	62,695	99,645
Additions	-	4,891	16,727	21,618
At 30 November 2020	21,548	20,293	79,422	121,263
Depreciation				
At 1 December 2019	6,087	1,300	20,270	27,657
Charge for the year	12,313	3,951	25,880	42,144
At 30 November 2020	18,400	5,251	46,150	69,801
Net book value				
At 30 November 2020	3,148	15,042	33,272	51,462
At 30 November 2019	15,461	14,102	42,425	71,988

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2020

5. Debtors

	2020 £	2019 £
Trade debtors	-	2,194
Other debtors	638,953	447,631
Prepayments and accrued income	63,730	59,716
	<u>702,683</u>	<u>509,541</u>

6. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	89,235	105,491
Other taxation and social security	85,850	63,457
Other creditors	8,019	6,038
Accruals and deferred income	74,682	83,839
	<u>257,786</u>	<u>258,825</u>

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

	2020 £	2019 £
Convertible loan	<u>3,040,000</u>	<u>-</u>

During the year £3,000,000 was received in respect of the convertible loan. The loan accrues interest at 8% per annum, and expires in October 2023.

8. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1,031,930 (2019 - 1,027,451) Ordinary shares of £0.0001 each	103	103
380,147 (2019 - 380,147) Seed Preference shares of £0.0001 each	38	38
531,967 (2019 - 531,967) Series A Preference shares of £0.0001 each	53	53
	<u>194</u>	<u>194</u>

On 14 September 2020 the company issued 3,875 Ordinary shares at a premium of £0.4574 per share and on 18 November 2020 issued a further 604 Ordinary shares at a premium of £0.5245.

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2020

9. Pension commitments

The Company operates a defined contribution 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 £39,629 (2019 - £16,876). Contributions totalling £8,016 (2019 - £5,739) were payable to the fund at the reporting date and are included in creditors.

10. Commitments under operating leases

At 30 November 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	69,492	277,968
Later than 1 year and not later than 5 years	-	69,492
	<u>69,492</u>	<u>347,460</u>

11. Related party transactions

During the year the Company received loans from a director of £nil (2019 - £nil) and made repayments of £nil (2019 - £nil). As at 30 November 2019 the Company owed £298 to the director. This balance has been written off during the year and the balance owed at 30 November 2020 was £nil. All balances attract a nil rate of interest and are repayable on demand.