

**SENSEON TECH LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

Senseon Tech Ltd
Unaudited Financial Statements
For The Year Ended 31 December 2020

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Senseon Tech Ltd
Balance Sheet
As at 31 December 2020

Registered number: 11032394

		2020		2019	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible Assets	5		52,494		30,160
Tangible Assets	6		16,542		28,765
Investments	7		8		8
			<u>69,044</u>		<u>58,933</u>
CURRENT ASSETS					
Stocks	8	253,046		370,257	
Debtors	9	837,421		817,829	
Cash at bank and in hand		<u>1,754,242</u>		<u>286,603</u>	
		2,844,709		1,474,689	
Creditors: Amounts Falling Due Within One Year	10	<u>(1,213,723)</u>		<u>(413,267)</u>	
NET CURRENT ASSETS (LIABILITIES)			<u>1,630,986</u>		<u>1,061,422</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,700,030</u>		<u>1,120,355</u>
Creditors: Amounts Falling Due After More Than One Year	11		<u>(1,719,223)</u>		<u>-</u>
NET (LIABILITIES)/ASSETS			<u>(19,193)</u>		<u>1,120,355</u>
CAPITAL AND RESERVES					
Called up share capital	12		160		159
Share premium account			4,862,442		4,862,442
Other reserves			241,233		243,504
Profit and Loss Account			<u>(5,123,028)</u>		<u>(3,985,750)</u>
SHAREHOLDERS' FUNDS			<u>(19,193)</u>		<u>1,120,355</u>

Senseon Tech Ltd
Balance Sheet (continued)
As at 31 December 2020

For the year ending 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.
- The company has taken advantage of section 444(1) of the Companies Act 2006 and opted not to deliver to the registrar a copy of the company's Profit and Loss Account.

On behalf of the board

Mr David Atkinson

Director

29 December 2021

The notes on pages 4 to 10 form part of these financial statements.

Senseon Tech Ltd
Notes to the Financial Statements
For The Year Ended 31 December 2020

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

1.2. Going Concern Disclosure

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 taken into account the additional equity raised in 2021 as detailed in the Post Balance Sheet Event note and consider 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.

1.3. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

Interest receivable and payable

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest rate method.

1.4. Intangible Fixed Assets and Amortisation - Other Intangible

Purchased intangible assets

Purchased intangible assets are initially recognised at cost. After recognition, intangible assets are measured at cost less any accumulated amortization and impairment losses.

All intangible assets are considered to have a finite useful life. The estimated useful lives are as follows:

Patents – 20 years on a straight line basis once approved

At each reporting date the company assesses whether there is any indication of impairment. If such indications 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. Any impairment loss is recognised immediately as an expense within profit or loss.

1.5. Research and Development

Expenditure on research and development is written off in the year it is incurred.

Senseon Tech Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

1.6. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & Machinery	Over 3 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.

Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

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

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. Any impairment loss is recognised immediately as an expense within the profit or loss.

1.7. Leasing and Hire Purchase Contracts

Leases in which the company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases.

Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, calculated using the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expenses.

1.8. Stocks and Work in Progress

Stocks is valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

Senseon Tech Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

1.9. Financial Instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction prices less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Investments

Investments in subsidiaries are held at cost less accumulated impairment losses.

Impairment of financial assets

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 within profit or loss.

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

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

1.10. Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.11. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

1.12. Pensions

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 in 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 in the periods during which services are rendered by employees.

Senseon Tech Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

1.13. Government Grant

Government grants are recognised in the profit and loss account in an appropriate manner that matches them with the expenditure towards which they are intended to contribute.

Grants for immediate financial support or to cover costs already incurred are recognised immediately in the profit and loss account. Grants towards general activities of the entity over a specific period are recognised in the profit and loss account over that period.

Grants towards fixed assets are recognised over the expected useful lives of the related assets and are treated as deferred income and released to the profit and loss account over the useful life of the asset concerned.

All grants in the profit and loss account are recognised when all conditions for receipt have been complied with.

1.14. Share Based Payments

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking in to account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do not meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

1.15. Related party exemption

The company has taken advantage of the exemption available under FRS 102 not to disclose related party transactions with wholly owned subsidiaries within a group.

1.16. Preparation of consolidated financial statements

The company is exempt under Section 399 of the Companies Act from the requirement to prepare consolidated financial statements by virtue of the fact it is subject to the small companies regime. These financial statements contain information the company as an individual undertaking and not about this group.

2. Average Number of Employees

Average number of employees, including directors, during the year was as follows: 19 (2019: 32)

5. Intangible Assets

	Patents
	£
Cost	
As at 1 January 2020	30,160
Additions	22,334
As at 31 December 2020	<u>52,494</u>
Net Book Value	
As at 31 December 2020	<u>52,494</u>
As at 1 January 2020	<u>30,160</u>

Senseon Tech Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

6. Tangible Assets

	Plant & Machinery	Computer Equipment	Total
	£	£	£
Cost			
As at 1 January 2020	15,520	32,618	48,138
Additions	2,214	2,453	4,667
As at 31 December 2020	<u>17,734</u>	<u>35,071</u>	<u>52,805</u>
Depreciation			
As at 1 January 2020	5,700	13,673	19,373
Provided during the period	5,911	10,979	16,890
As at 31 December 2020	<u>11,611</u>	<u>24,652</u>	<u>36,263</u>
Net Book Value			
As at 31 December 2020	<u>6,123</u>	<u>10,419</u>	<u>16,542</u>
As at 1 January 2020	<u>9,820</u>	<u>18,945</u>	<u>28,765</u>

7. Investments

	Unlisted £
Cost	
As at 1 January 2020	8
As at 31 December 2020	<u>8</u>
Provision	
As at 1 January 2020	-
As at 31 December 2020	<u>-</u>
Net Book Value	
As at 31 December 2020	<u>8</u>
As at 1 January 2020	<u>8</u>

8. Stocks

	2020	2019
	£	£
Stock	253,046	370,257
	<u>253,046</u>	<u>370,257</u>

9. Debtors

	2020	2019
	£	£
Due within one year		
Trade debtors	109,031	25,344
Amounts owed by group undertakings	368,852	312,520
Other debtors	359,538	479,965
	<u>837,421</u>	<u>817,829</u>

Senseon Tech Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

10. Creditors: Amounts Falling Due Within One Year

	2020	2019
	£	£
Trade creditors	76,446	52,027
Bank loans and overdrafts	41,667	-
Other creditors	785,658	324,163
Taxation and social security	309,952	37,077
	<u>1,213,723</u>	<u>413,267</u>

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At the balance sheet date unpaid contributions amounted to £4,670 (2019: £nil) were due to the fund and included in Other Creditors.

11. Creditors: Amounts Falling Due After More Than One Year

	2020	2019
	£	£
Bank loans	208,333	-
Other creditors	1,510,890	-
	<u>1,719,223</u>	<u>-</u>

12. Share Capital

	2020	2019
Allotted, Called up and fully paid	<u>160</u>	<u>159</u>

13. Post Balance Sheet Events

In 2021 the Company raised £12.7m of equity financing via a Series A fundraising round. At completion of the fundraise the convertible loan of £1,519,890 (included in Current Creditors as at 31 December 2020) converted to equity, along with an additional £1m convertible loan note raised in 2021.

14. Share Based Payments

The company operates an equity based share option scheme to certain employees which provides additional remuneration for those employees who are key to the company. The options are granted under an approved EMI option plan, with the exercise price equalling the nominal value of the shares. The options expire ten years after the date of the grant. Employees are not entitled to dividends until the shares are exercised. All options granted have performance conditions relating to the relevant employee remaining in the employment of the company at exercise.

A reconciliation of share option movements during the year ended 31 December 2020 is shown below:

Number of options - weighted average exercise price

Outstanding as at 1 January 2020: 1,059,505 - £307,256

Granted during the year: nil - £nil

Forfeited during the year: (120,419) - (£34,920)

Exercised during the year: (85,622) - (£24,830)

Outstanding as at 31 December 2020: 853,464 - £247,506

The company is unable to directly measure the fair value of the share options. Instead the fair value of the share options granted during the year is determined using the Black-Scholes model. The model is internationally recognised as being appropriate to value share option schemes similar to that of the company.

Equity settled schemes - charges arising: £33,496

Senseon Tech Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

15. General Information

Senseon Tech Ltd is a private company, limited by shares, incorporated in England & Wales, registered number 11032394 . The registered office is 8 St. James's Square, St James's, London, SW1Y 4JU.

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.