Registration number: 11710367

Universal Quantum Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2021

SRC-Time Ltd
2nd Floor
Stanford Gate
South Road
Brighton
East Sussex
BN1 6SB

Universal Quantum Ltd

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Universal Quantum Ltd

Company Information

Directors	Dr Sebastian Weidt Prof Dr Winfried Hensinger
Registered office	2nd Floor Stanford Gate South Road Brighton East Sussex BN1 6SB

Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited Statutory Accounts of Universal Quantum Ltd for the Year Ended 31 December 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Universal Quantum Ltd for the year ended 31 December 2021 as set out on pages 3 to 9 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at http://www.icaew.com/regulation.

This report is made solely to the Board of Directors of Universal Quantum Ltd, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Universal Quantum Ltd and state those matters that we have agreed to state to the Board of Directors of Universal Quantum Ltd, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Universal Quantum Ltd and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Universal Quantum Ltd has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Universal Quantum Ltd. You consider that Universal Quantum Ltd is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Universal Quantum Ltd. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

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13 April 2022

Universal Quantum Ltd

(Registration number: 11710367)
Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	521,489	57,721
Tangible assets	5	228,419	23,724
Investments	6	22,932	-
		772,840	81,445
Current assets			
Debtors	7	578,108	95,905
Cash at bank and in hand		1,507,712	3,127,698
		2,085,820	3,223,603
Creditors: Amounts falling due within one year	8	(354,905)	(412,375)
Net current assets		1,730,915	2,811,228
Net assets		2,503,755	2,892,673
Capital and reserves			
Called up share capital		106	106
Other reserves		5,759,377	4,363,693
Profit and loss account		(3,255,728)	(1,471,126)
Shareholders' funds		2,503,755	2,892,673

For the financial year ending 31 December 2021 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 of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 13 April 2022 and signed on its behalf by:

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Dr Sebastian Weidt

Director

The notes on pages 4 to 9 form an integral part of these financial statements.

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:
2nd Floor Stanford Gate
South Road
Brighton
East Sussex
BN1 6SB

These financial statements were authorised for issue by the Board on 13 April 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.
The company recognises revenue when:
The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.
Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.
The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Computer equipment	Straight line over 3 years
Office equipment	Reducing balance 25%
Quantum Computer build	No depreciation until completion

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Intangible assets

External Software and/or licences acquired the rights of which span greater than 1 year are to be depreciated over their useful life.

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.
Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.
Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.
Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.
Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 19 (2020 - 8).

4 Intangible assets

	Internally generated software development costs £	Other intangible assets £	Total £
Cost or valuation			
At 1 January 2021	-	57,721	57,721
Additions acquired separately	17,488	447,446	464,934
At 31 December 2021	17,488	505,167	522,655
Amortisation			
Amortisation charge	1,166	-	1,166
At 31 December 2021	1,166	-	1,166
Carrying amount			
At 31 December 2021	16,322	505,167	521,489
At 31 December 2020	-	57,721	57,721

Included within Other intangible assets additions is £357,060 in relation to quantum computer build.

5 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Total £
Cost or valuation			
At 1 January 2021	-	30,121	30,121
Additions	156,006	66,042	222,048
At 31 December 2021	156,006	96,163	252,169
Depreciation			
At 1 January 2021	-	7,397	7,397
Charge for the year	-	16,353	16,353
At 31 December 2021	-	23,750	23,750
Carrying amount			
At 31 December 2021	156,006	72,413	228,419
At 31 December 2020	-	23,724	23,724

Included within the net book value of land and buildings above is £156,006 (2020 - £Nil) in respect of long leasehold land and buildings.

6 Investments

	2021 £	2020 £
Investments in subsidiaries	22,932	-

Subsidiaries	£
Cost or valuation	
Additions	22,932
Provision	
Carrying amount	
At 31 December 2021	22,932

7 Debtors

	2021 £	2020 £
Prepayments	8,536	14,076
Other debtors	569,572	81,829
	578,108	95,905

8 Creditors

Creditors: amounts falling due within one year

	2021 £	2020 £
Due within one year		
Trade creditors	253,260	371,085
Taxation and social security	46,026	29,861
Accruals and deferred income	36,449	-
Other creditors	19,170	11,429
	354,905	412,375