

**REGISTERED NUMBER: 10867089 (England and Wales)**

**Financial Statements for the Year Ended 31 July 2021**

**for**

**Quantum Motion Technologies Limited**

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**Quantum Motion Technologies Limited (Registered number: 10867089)**

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*for the year ended 31 July 2021*

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# Quantum Motion Technologies Limited

## Company Information *for the year ended 31 July 2021*

**DIRECTORS:**

Professor S C Benjamin  
Professor J J L Morton  
R J Galema  
A L Sangiovanni Vincente  
IP2IPO Services Limited  
S A Harman

**SECRETARY:**

Haddleton & Co Limited

**REGISTERED OFFICE:**

Windsor House  
Cornwall Road  
Harrogate  
West Yorkshire  
HG1 2PW

**REGISTERED NUMBER:**

10867089 (England and Wales)

**ACCOUNTANTS:**

Atraxa Consulting Limited  
Brooke's Mill  
Armitage Bridge  
Huddersfield  
West Yorkshire  
HD4 7NR

**Quantum Motion Technologies Limited (Registered number: 10867089)**

**Statement of Financial Position**

**31 July 2021**

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Tangible assets	5	110,923	9,095
<b>CURRENT ASSETS</b>			
Debtors	6	835,692	44,435
Cash at bank		5,750,968	7,653,615
		<u>6,586,660</u>	<u>7,698,050</u>
<b>CREDITORS</b>			
Amounts falling due within one year	7	198,618	174,906
<b>NET CURRENT ASSETS</b>		<u>6,388,042</u>	<u>7,523,144</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>6,498,965</u>	<u>7,532,239</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	5,143	4,962
Share premium		9,672,348	9,492,641
Retained earnings		(3,178,526)	(1,965,364)
<b>SHAREHOLDERS' FUNDS</b>		<u>6,498,965</u>	<u>7,532,239</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2021.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2021 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on ..... and were signed on its behalf by:

7 April 2022

.....  
Professor S C Benjamin - Director

The notes form part of these financial statements

## Quantum Motion Technologies Limited (Registered number: 10867089)

### Notes to the Financial Statements for the year ended 31 July 2021

#### 1. STATUTORY INFORMATION

Quantum Motion Technologies Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

#### 2. STATEMENT OF COMPLIANCE

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

#### 3. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis which assumes that the company will have sufficient funding available to enable it to continue to operate for the foreseeable future.

To date, the company has been financed by the issue of equity and grants received.

The company anticipates further grant receipts, loan note issues and issue of equity during the next financial year. As a result the directors are confident that they can control future costs and existing cash balances in such a manner that will allow the company to continue as a going concern.

The directors therefore believe that it is appropriate for the financial statements to be prepared on a going concern basis.

##### **Significant judgements and estimates**

There are no material judgements made by the directors in the application of these accounting policies that are expected to have a significant effect on the financial statements or any estimates with a significant risk of material adjustment in the next year.

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

##### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

- Plant and machinery - over 5 years
- Computer equipment - over 3 years
- Fixtures & fittings - over 5 years
- Short leasehold improvement to property costs - over the life of the lease

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

## **Quantum Motion Technologies Limited (Registered number: 10867089)**

### **Notes to the Financial Statements - continued**

*for the year ended 31 July 2021*

#### **3. ACCOUNTING POLICIES - continued**

##### **Taxation**

Taxation for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

##### **Research and development**

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Development costs are only capitalised when the related products meet the recognition criteria of an internally generated intangible asset, the key criteria being as follows:

- it is probable that the future economic benefits that are attributable to the asset will flow to the company;
- the project is technically and commercially feasible;
- the company intends to and has sufficient resources to complete the project;
- the company has the ability to use or sell the asset; and
- the cost of the asset can be measured reliably.

Such intangible assets are amortised on a straight-line basis from the point at which the assets are ready for use over the period of the expected benefit and are reviewed for an indication of impairment at each reporting date. Other development costs are charged against profit or loss as incurred since the criteria for their recognition as an asset are not met.

The costs of an internally generated intangible asset comprise all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Directly attributable costs include employee costs incurred on technical development, testing and certification, materials consumed and any relevant third-party cost. The costs of internally generated developments are recognised as intangible assets and are subsequently measured in the same way as externally acquired intangible assets. However, until completion of the development project, the assets are subject to impairment testing only.

No development costs to date have been capitalised as intangible assets as it is deemed that the probability of future economic benefit is currently uncertain.

##### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

##### **Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

##### **Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Quantum Motion Technologies Limited (Registered number: 10867089)**

**Notes to the Financial Statements - continued**  
*for the year ended 31 July 2021*

**4. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 8 (2020 - 2).

**5. TANGIBLE FIXED ASSETS**

	Land and buildings £	Plant and machinery etc £	Totals £
<b>COST</b>			
At 1 August 2020	-	10,943	10,943
Additions	28,612	79,669	108,281
At 31 July 2021	<u>28,612</u>	<u>90,612</u>	<u>119,224</u>
<b>DEPRECIATION</b>			
At 1 August 2020	-	1,848	1,848
Charge for year	-	6,453	6,453
At 31 July 2021	<u>-</u>	<u>8,301</u>	<u>8,301</u>
<b>NET BOOK VALUE</b>			
At 31 July 2021	<u>28,612</u>	<u>82,311</u>	<u>110,923</u>
At 31 July 2020	<u>-</u>	<u>9,095</u>	<u>9,095</u>

**6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Other debtors	<u>835,692</u>	<u>44,435</u>

**7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Trade creditors	123,676	65,104
Taxation and social security	23,194	8,383
Other creditors	51,748	101,419
	<u>198,618</u>	<u>174,906</u>

**8. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021 £	2020 £
Within one year	31,572	-
Between one and five years	392,397	-
In more than five years	9,021	-
	<u>432,990</u>	<u>-</u>

## Quantum Motion Technologies Limited (Registered number: 10867089)

### Notes to the Financial Statements - continued for the year ended 31 July 2021

#### 9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£	£
2,358,334	Ordinary £0.001	0.1p	2,358	2,358
100,000	Non Voting B	0.1p	100	100
2,560,332	Series A	0.1p	2,560	2,504
125,000	C Ordinary	0.1p	125	-
			<u>5,143</u>	<u>4,962</u>

On 19 September 2020 the company issued 25,000 Series A shares of 0.1p each for total cash consideration of £79,750.

On 13 October 2020 the company issued a further 31,348 Series A shares of 0.1p each for total cash consideration of £100,000.

On 14 July 2021 the company issued 125,000 C Ordinary shares of 0.1p each for total cash consideration of £138.

#### 10. RELATED PARTY DISCLOSURES

During the year, the company incurred consultancy costs of £22,077 (2020:£76,657) for the services of two directors.

Also during the year the company incurred costs of £209,277 (2020: £294,769) in relation to subcontracted research services provided by two shareholders.

## Quantum Motion Technologies Limited (Registered number: 10867089)

### Notes to the Financial Statements - continued for the year ended 31 July 2021

#### 11. SHARE-BASED PAYMENT TRANSACTIONS

##### Share options

The company has share option plans under which it grants options over ordinary shares to certain directors and employees of the company. Options under these plans are exercisable at a range of exercise prices based on the market price of the company's shares on the date of the grant. The options are settled in equity once exercised. If the options remain unexercised for a period after 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the company before the options vest.

The number and weighted average exercise prices of share options are as follows:

	EMI options	Unapproved options	Total	Weighted average exercise price per share (£)
At 1 August 2020	49,167	83,344	132,511	0.36
Exercised during the period	-	-	-	-
Granted during the period	186,000	9,000	195,000	0.36
Cancelled during the period	-	-	-	-
Forfeited during the period	(12,292)	-	(12,292)	(0.36)
At 31 July 2021	<u>222,875</u>	<u>92,344</u>	<u>315,219</u>	<u>0.36</u>

Options vest over a 3 year period from the vesting commencement date. Options not yet exercised have an exercise price of £0.36 per share.

Any share options which are not exercised within 10 years from the date of grant will expire. A share-based payment charge of £nil has been recognised in these financial statements for the year ended 31 July 2021 (2020: £15,848).

Option values were calculated using a Black-Scholes pricing model with the following assumptions:

	Options granted in the year
Dividend yield	0%
Expected volatility	40%
Option maturity period	10 years
Risk free interest rate	1.40%
Weighted average market price of a share	£0.36