

Company Registration No. 03781545 (England and Wales)

SURREY NANOSYSTEMS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020
PAGES FOR FILING WITH REGISTRAR

SURREY NANOSYSTEMS LIMITED

CONTENTS

	Page
Balance sheet	1 - 2
Notes to the financial statements	3 - 9

SURREY NANOSYSTEMS LIMITED

BALANCE SHEET

AS AT 30 JUNE 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		238,062		196,125
Tangible assets	5		1,528,076		1,338,326
			<u>1,766,138</u>		<u>1,534,451</u>
Current assets					
Stocks		51,663		54,519	
Debtors	6	890,517		588,216	
Cash at bank and in hand		2,476,452		4,591,142	
		<u>3,418,632</u>		<u>5,233,877</u>	
Creditors: amounts falling due within one year	7	(462,275)		(613,284)	
Net current assets			<u>2,956,357</u>		<u>4,620,593</u>
Total assets less current liabilities			<u>4,722,495</u>		<u>6,155,044</u>
Creditors: amounts falling due after more than one year	8	(75,308)		(254,177)	
Net assets			<u><u>4,647,187</u></u>		<u><u>5,900,867</u></u>
Capital and reserves					
Called up share capital	9		1,639		1,639
Share premium account			15,792,875		15,792,875
Profit and loss reserves			(11,147,327)		(9,893,647)
Total equity			<u><u>4,647,187</u></u>		<u><u>5,900,867</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 June 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

SURREY NANOSYSTEMS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2020

The financial statements were approved by the board of directors and authorised for issue on 13 May 2021 and are signed on its behalf by:

Dr D Wong
Director

Company Registration No. 03781545

SURREY NANOSYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

Company information

Surrey Nanosystems Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Walbrook Building, 25 Walbrook, London, EC4N 8AF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The directors have assessed whether the going concern basis of preparation continues to be appropriate, based on whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. This assessment has been required in the light of the significant uncertainty around the short to medium impact of the Covid-19 virus.

At the time of approving the financial statements the directors believe that all appropriate measures have been or will be taken to ensure that the company will be able to continue its operations for at least the next 12 months and thus conclude that the going concern basis remains appropriate.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

SURREY NANOSYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	33.3% straight line basis
Patents granted	10% straight line basis
Patents not granted	Not amortised

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	20% straight line basis
Fixtures and fittings	20% straight line basis
Computers	20% straight line basis
Office equipment	20% straight line basis
Leased office equipment	20% straight line basis
Production assets	20% straight line basis

Assets in the course of construction are not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

SURREY NANOSYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes 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 reporting end date.

SURREY NANOSYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

SURREY NANOSYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	26	25

4 Intangible fixed assets

	Software Patents granted		Patents not granted	Total
	£	£	£	£
Cost				
At 1 July 2019	19,485	176,432	106,679	302,596
Additions	-	23,990	42,884	66,874
At 30 June 2020	19,485	200,422	149,563	369,470
Amortisation and impairment				
At 1 July 2019	3,996	102,475	-	106,471
Amortisation charged for the year	6,495	18,442	-	24,937
At 30 June 2020	10,491	120,917	-	131,408
Carrying amount				
At 30 June 2020	8,994	79,505	149,563	238,062
At 30 June 2019	15,489	73,957	106,679	196,125

SURREY NANOSYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

5 Tangible fixed assets	Assets under construction	Plant and machinery etc	Office equipment	Leased office equipment	Production assets	Total
	£	£	£	£	£	£
Cost						
At 1 July 2019	50,809	1,545,667	14,012	399,014	434,736	2,444,238
Additions	530,544	22,013	124	-	35,943	588,624
Transfers	(1,729)	-	-	-	(113,263)	(114,992)
	<u>579,624</u>	<u>1,567,680</u>	<u>14,136</u>	<u>399,014</u>	<u>357,416</u>	<u>2,917,870</u>
At 30 June 2020						
Depreciation and impairment						
At 1 July 2019	-	998,706	8,687	-	98,519	1,105,912
Depreciation charged in the year	-	131,441	1,148	79,803	71,490	283,882
	<u>-</u>	<u>1,130,147</u>	<u>9,835</u>	<u>79,803</u>	<u>170,009</u>	<u>1,389,794</u>
At 30 June 2020						
Carrying amount						
At 30 June 2020	<u>579,624</u>	<u>437,533</u>	<u>4,301</u>	<u>319,211</u>	<u>187,407</u>	<u>1,528,076</u>
At 30 June 2019	<u>50,809</u>	<u>546,961</u>	<u>5,325</u>	<u>399,014</u>	<u>336,217</u>	<u>1,338,326</u>
6 Debtors					2020	2019
Amounts falling due within one year:					£	£
Trade debtors					159,360	164,118
Corporation tax recoverable					643,220	347,493
Other debtors					87,937	76,605
					<u>890,517</u>	<u>588,216</u>
7 Creditors: amounts falling due within one year					2020	2019
					£	£
Trade creditors					84,562	276,134
Taxation and social security					34,686	45,270
Other creditors					343,027	291,880
					<u>462,275</u>	<u>613,284</u>

SURREY NANOSYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2020

8	Creditors: amounts falling due after more than one year			2020	2019
				£	£
	Other creditors			75,308	254,177
				<u> </u>	<u> </u>
9	Called up share capital				
		2020	2019	2020	2019
	Ordinary share capital	Number	Number	£	£
	Issued and fully paid				
	Ordinary shares of 1p each	39,233	39,233	392	392
	A Ordinary shares of 1p each	124,256	124,256	1,243	1,243
	A2 Ordinary shares of 0.01p each	43,261	43,261	4	4
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
		206,750	206,750	1,639	1,639
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

Holders of all classes of shares are entitled to equal voting rights.

On liquidation or other return of capital event, the holders of A ordinary shares and A2 ordinary shares are entitled to a sum equal to the issue price of the shares plus £100 pro rata to their shareholding less 0.0001% of the sum payable to ordinary shareholders. Once such sum has been satisfied, the ordinary shares, A ordinary shares and A2 shares rank pari-passu for distributions.

In the event of a sale of the company and dependant on the level of consideration achieved ordinary shares rank behind A ordinary shares and A2 shares, whereby the holders of the A ordinary shares and A2 ordinary shares will receive their issue price back first ahead of any return to the holder of ordinary shares.

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2020	2019
	£	£
	26,054	41,100
	<u> </u>	<u> </u>

11 Related party transactions

As at 30 June 2020, the company owed £4,500 (2019: £1,500) to Octopus Ventures Limited, a company with a significant shareholding. This amount was included within trade creditors, however post year end the balance was agreed to be written off due to the impact of Covid-19.

12 Directors' transactions

As at 30 June 2020, the company owed £4,500 (2019: £24) to IP Group Plc, a company with a significant shareholding. This amount was included within trade creditors, however post year end the balance was agreed to be written off due to the impact of Covid-19.

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.