

NANUSENS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2023

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	4	30,765	184,020
Investments	5	2,637,814	2,637,814
		<hr/>	<hr/>
		2,668,579	2,821,834
Current assets			
Debtors: amounts falling due within one year	6	1,580,485	1,145,816
Cash at bank and in hand	7	961,226	118,704
		<hr/>	<hr/>
		2,541,711	1,264,520
Creditors: amounts falling due within one year	8	(662,211)	(64,833)
		<hr/>	<hr/>
Net current assets		1,879,500	1,199,687
Total assets less current liabilities			
		<hr/>	<hr/>
		4,548,079	4,021,521
Creditors: amounts falling due after more than one year	9	(437,677)	-
		<hr/>	<hr/>
Net assets		<u>4,110,402</u>	<u>4,021,521</u>
Capital and reserves			
Called up share capital	10	98,244	98,244
Share premium account	11	6,754,962	6,754,962
Other reserves	11	1,246,643	-
Profit and loss account	11	(3,989,447)	(2,831,685)
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		<u>4,110,402</u>	<u>4,021,521</u>

NANUSENS LIMITED
REGISTERED NUMBER: 11333973

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2023

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 Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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:

Josep Montanyà Silvestre

Director

Date: 26 March 2024

The notes on pages 4 to 13 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2022	51,597	3,001,679	-	(1,527,436)	1,525,840
Loss for the year	-	-	-	(1,304,249)	(1,304,249)
Shares issued during the year	46,647	3,753,283	-	-	3,799,930
At 1 January 2023	98,244	6,754,962	-	(2,831,685)	4,021,521
Loss for the year	-	-	-	(1,157,762)	(1,157,762)
Advance share subscription movement	-	-	1,170,954	-	1,170,954
Equity portion of convertible debt	-	-	75,689	-	75,689
At 31 December 2023	<u>98,244</u>	<u>6,754,962</u>	<u>1,246,643</u>	<u>(3,989,447)</u>	<u>4,110,402</u>

The notes on pages 4 to 13 form part of these financial statements.

During the year end 31 December 2023, the Company entered into an advance subscription agreement for the amount of £1,170,954 which will be converted to shares at a future funding round in 2024.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. General information

Nanusens Limited is a company limited by shares, incorporated in England and Wales. The company's registered number is 11333973. Its registered office and principal place of business is Epic Innovation Centre White Rock Business Park, Waddeton Close, Paignton, England, TQ4 7RZ.

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 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 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.

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:

Plant and machinery	-	20%
Office equipment	-	33%
Computer equipment	-	33%

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 profit or loss.

2.3 Going concern

The directors have reviewed the company's liabilities over the next 12 months and considers the business to be a going concern. They and the company's shareholders will continue to support the company as required along with steps taken by management to ensure that all financial commitments can be met when they fall due.

2.4 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.6 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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 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 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Statement of Financial Position when the Company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.9 Financial instruments (continued)

traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

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 the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.10 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.11 Taxation

Tax is recognised in profit or loss 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 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.

2.13 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Interest income

Interest income is recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2023 £	2022 £
Average Number of Employees	<u>7</u>	<u>7</u>

4. Tangible fixed assets

	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 January 2023	159,654	12,056	70,272	241,982
Additions	402	-	-	402
Disposals	(148,793)	-	-	(148,793)
At 31 December 2023	<u>11,263</u>	<u>12,056</u>	<u>70,272</u>	<u>93,591</u>
Depreciation				
At 1 January 2023	25,661	3,816	28,485	57,962
Charge for the year on owned assets	31,978	4,019	23,424	59,421
Disposals	(54,557)	-	-	(54,557)
At 31 December 2023	<u>3,082</u>	<u>7,835</u>	<u>51,909</u>	<u>62,826</u>
Net book value				
At 31 December 2023	<u>8,181</u>	<u>4,221</u>	<u>18,363</u>	<u>30,765</u>
At 31 December 2022	<u>133,993</u>	<u>8,240</u>	<u>41,787</u>	<u>184,020</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2023	2,637,814
At 31 December 2023	<u>2,637,814</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

6. Debtors

	2023 £	2022 £
Amounts owed by group undertakings	1,222,847	858,198
Other debtors	216,519	82,366
Prepayments and accrued income	42,796	39,675
Tax recoverable	98,323	165,577
	<u>1,580,485</u>	<u>1,145,816</u>

7. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>961,226</u>	<u>118,704</u>

8. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	46,179	18,245
Amounts owed to group undertakings	6,043	5,547
Other taxation and social security	18,053	20,311
Other creditors	561,966	9,430
Accruals and deferred income	29,970	11,300
	<u>662,211</u>	<u>64,833</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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

	2023	2022
	£	£
Other creditors	<u>437,677</u>	<u>-</u>

Included within other creditors are convertible loan notes to fund the working capital of the business. These loans attract interest at 10%, are unsecured and are all payable on demand or within 18 months and therefore considered to be held at fair value.

As at 31 December 2023, the Company's convertible loan notes in issue total £946,417. The conversion component of these notes allows the note holder to convert the principal and accrued interest to ordinary shares of the company based on the market value at conversion date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

10. Share capital

	2023	2022
	£	£
Allotted, called up and fully paid		
7,296,683 (2022 - 7,296,683) Ordinary shares of £0.01 each	72,967	72,967
1,013,900 (2022 - 1,013,900) A Ordinary shares of £0.01 each	10,139	10,139
466,900 (2022 - 466,900) A Preferred shares of £0.01 each	4,669	4,669
853,700 (2022 - 853,700) B Preferred shares of £0.01 each	8,537	8,537
193,188 (2022 - 193,188) Non-Voting Ordinary shares of £0.01 each	1,932	1,932
	<u>98,244</u>	<u>98,244</u>

11. Reserves

Share premium account

This represents amounts paid for share capital above par value.

Other reserves

This represents the equity reserve relating to advance share subscription funds received in the year.

Profit and loss account

The profit and loss account comprises all current and prior period retained profits and losses.

Share capital

This represents the nominal value of shares issued by the company.

12. Related party transactions

At the balance sheet date £1,222,847 (2022: £858,198) was owed by Nanusens SL, a subsidiary, and is included within Debtors. At the balance sheet date £61,599 (2022: £27,785) was owed by Nanusens SL in respect of interest on the intercompany loan and is included within Debtors.

13. Pension commitments

The Company operates a defined contributions 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 £13,829 (2022 - £96,020). Contributions totalling £5,757 (2022 - £9,430) were payable to the fund at the reporting date and are included in creditors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. Post balance sheet events

In order to provide additional working capital to the company and facilitate its growth, the company raised £1.1m through an advance share subscription between November to December 2023, this is due to convert to shares in 2024.

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.