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**CORROSION RADAR LIMITED**

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**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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**CORROSION RADAR LIMITED**

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**REPORT TO THE DIRECTORS ON THE PREPARATION OF THE UNAUDITED STATUTORY FINANCIAL STATEMENTS OF  
CORROSION RADAR LIMITED  
FOR THE YEAR ENDED 31 DECEMBER 2023**

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Corrosion Radar Limited for the year ended 31 December 2023 which comprise the Income Statement, the Statement of Financial Position and the related notes 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 of Scotland, we are subject to its ethical and other professional requirements which are detailed at <https://icas.com/icas-framework-preparation-of-accounts>.

This report is made solely to the Board of Directors of Corrosion Radar Limited, as a body, in accordance with the terms of our engagement letter dated 13 February 2018. Our work has been undertaken solely to prepare for your approval the financial statements of Corrosion Radar Limited and state those matters that we have agreed to state to the Board of Directors of Corrosion Radar Limited, as a body, in this report in accordance with the requirements of the Institute of Chartered Accountants of Scotland as detailed at <https://icas.com/icas-framework-preparation-of-accounts>. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Corrosion Radar Limited and its Board of Directors, as a body, for our work or for this report.

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

We have not been instructed to carry out an audit or review of the financial statements of Corrosion Radar Limited. 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 financial statements.

**Wilson Partners Limited  
Chartered Accountants**

Windsor House  
Station Court  
Station Road  
Great Shelford  
Cambridge  
CB22 5NE

Date: 14 September 2024

**CORROSION RADAR LIMITED**  
**REGISTERED NUMBER: 10727666**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2023**

	Note	2023 £	2022 £
<b>Fixed assets</b>			
Tangible assets	5	8,868	9,449
		8,868	9,449
<b>Current assets</b>			
Stocks	6	235,564	132,825
Debtors: amounts falling due within one year	7	409,431	485,169
Cash at bank	8	303,843	546,288
		948,838	1,164,282
Creditors: amounts falling due within one year	9	(241,874)	(259,461)
<b>Net current assets</b>		<b>706,964</b>	<b>904,821</b>
<b>Total assets less current liabilities</b>		<b>715,832</b>	<b>914,270</b>
<b>Provisions for liabilities</b>			
Deferred tax	10	(1,685)	(1,795)
		(1,685)	(1,795)
<b>Net assets</b>		<b>714,147</b>	<b>912,475</b>
<b>Capital and reserves</b>			
Called up share capital	11	5,289	4,328
Share premium account	13	5,982,554	4,504,767
Other reserves	13	385,516	277,983
Profit and loss account	13	(5,659,212)	(3,874,603)
		714,147	912,475

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

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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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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 income statement 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:

.....  
**Mehrdad Silatani**  
Director

Date: 14 September 2024

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

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

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**1. General information**

The company is registered in England and Wales and its registration number is 10727666. It is a private limited company limited by shares.

Registered office:

1 Medway Court Cranfield Technology Park,

Cranfield,

Bedford,

England,

MK43 0FQ

**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 FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the requirements of the Companies Act 2006. 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 following principal accounting policies have been applied:

**2.2 Going concern**

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the director's report and financial statements.

**2.3 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

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

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2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

**Sale of goods**

Turnover from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the income statement on a straight-line basis over the lease term.

2.6 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

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

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**2. Accounting policies (continued)**

**2.7 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 the income statement 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 income statement in the same period as the related expenditure.

**2.8 Interest income**

Interest income is recognised in the income statement using the effective interest method.

**2.9 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.

**2.10 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

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**2. Accounting policies (continued)**

**2.11 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.

The estimated useful lives range as follows:

Office equipment	- 3 years
Computer equipment	- 3 years
Other fixed assets	- 3 years

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 the income statement.

**2.12 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the income statement.

**2.13 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.

**2.14 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.

**2.15 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.

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

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**2. Accounting policies (continued)**

**2.16 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

**2.17 Provisions for liabilities**

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to the income statement.

**2.18 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the date of the Statement of Financial Position and the amounts reported for revenues and expenses during the year.

**4. Employees**

The average monthly number of employees, including directors, during the year was 19 (2022 - 18).

**CORROSION RADAR LIMITED**

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

**5. Tangible fixed assets**

	Computer equipment £	Office equipment £	Other fixed assets £	Total £
<b>Cost or valuation</b>				
At 1 January 2023	26,062	6,342	-	32,404
Additions	4,949	-	1,760	6,709
At 31 December 2023	<u>31,011</u>	<u>6,342</u>	<u>1,760</u>	<u>39,113</u>
<b>Depreciation</b>				
At 1 January 2023	18,486	4,469	-	22,955
Charge for the year	5,569	1,203	518	7,290
At 31 December 2023	<u>24,055</u>	<u>5,672</u>	<u>518</u>	<u>30,245</u>
<b>Net book value</b>				
At 31 December 2023	<u>6,956</u>	<u>670</u>	<u>1,242</u>	<u>8,868</u>
<i>At 31 December 2022</i>	<u>7,576</u>	<u>1,873</u>	<u>-</u>	<u>9,449</u>

**6. Stocks**

	2023 £	2022 £
Stocks	235,564	132,825
	<u>235,564</u>	<u>132,825</u>

**7. Debtors**

	2023 £	2022 £
Trade debtors	186,718	248,422
Other debtors	124,835	213,425
Prepayments and accrued income	97,878	23,322
	<u>409,431</u>	<u>485,169</u>

**CORROSION RADAR LIMITED**

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

**8. Cash and cash equivalents**

	2023	2022
	£	£
Cash at bank	303,843	546,288
	<b>303,843</b>	<b>546,288</b>
	<b>303,843</b>	<b>546,288</b>

**9. Creditors: Amounts falling due within one year**

	2023	2022
	£	£
Trade creditors	102,765	129,340
Other taxation and social security	36,292	23,940
Other creditors	3,749	2,953
Accruals and deferred income	99,068	103,228
	<b>241,874</b>	<b>259,461</b>
	<b>241,874</b>	<b>259,461</b>

**10. Deferred taxation**

	2023	2022
	£	£
At beginning of year	(1,795)	(1,778)
Charged to profit or loss	110	(17)
	<b>(1,685)</b>	<b>(1,795)</b>
<b>At end of year</b>	<b>(1,685)</b>	<b>(1,795)</b>

The provision for deferred taxation is made up as follows:

	2023	2022
	£	£
Accelerated capital allowances	(1,685)	(1,795)
	<b>(1,685)</b>	<b>(1,795)</b>
	<b>(1,685)</b>	<b>(1,795)</b>

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CORROSION RADAR LIMITED

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

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11. Share capital

	2023	2022
	£	£
<b>Allotted, called up and fully paid</b>		
1,000,000 (2022: 1,000,000) Ordinary Shares @ 0.001	1,000	1,000
396,825 (2022: 396,825) A Ordinary Shares @ 0.001	397	397
386,101 (2022: 386,101) B Ordinary Shares @ 0.001	386	386
3,505,831 (2022: 2,544,910) C Ordinary Shares @ 0.001	3,506	2,545
	<hr/>	<hr/>
	<b>5,289</b>	<b>4,328</b>
	<hr/> <hr/>	<hr/> <hr/>

During the year, the Company issued 960,921 C Ordinary Shares at £0.001 par for a value of £961.

**CORROSION RADAR LIMITED**

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

**12. Share based payments**

The company has an EMI share option scheme for all employees of the company and an unapproved share option scheme for other key individuals. Options are exercisable at a price equal to the estimated fair value of the company's shares on the date of grant.

**EMI share option scheme**

In September 2023, 70,154 new approved equity-settled share-based payment arrangements were granted to 6 employees with an exercise price of £0.01 vesting over 3 years. There were no performance conditions associated with these options.

In October 2023, 3,960 approved equity-settled share-based payment arrangements lapsed.

**Unapproved share option scheme**

In June 2023, 30,127 new unapproved equity-settled share-based payment arrangements were granted to 1 key individual with an exercise price of £0.01 vesting over 3 years. There were no performance conditions associated with these options.

In January 2023, 9,898 unapproved equity-settled share-based payment arrangements lapsed.

Summary of the share option movements during the year are as follows:

	Weighted average exercise price (pence) 2023	Number	Weighted average exercise price (pence) 2022	Number
Outstanding at the beginning of the year	0.01	620,657	0.01	125,704
Granted during the year	0.01	100,281	0.01	509,800
Lapsed during the year	0.01	(13,858)	0.01	(14,847)
<b>Outstanding at the end of the year</b>	<b>0.01</b>	<b>707,080</b>	<b>0.01</b>	<b>620,657</b>

The equity-settled share based payments arrangements outstanding at the year-end had a weighted average exercisable price of £0.01 (2022: £0.01). The aggregate of the estimated fair values of the equity settled share-based payment arrangements granted on the dates is £385,516 (2022: £277,983).

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

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**13. Reserves**

**Share premium account**

The share premium account is used to record the aggregate amount or value of premiums paid when the company's shares are issued at an amount in excess of nominal value.

**Other reserves**

This reserve relates to the estimated fair values of the equity settled share-based payment arrangements.

**Profit and loss account**

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

**14. 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 £16,758 (2022: £12,919). Contributions totalling £3,749 (2022: £2,845) were payable to the fund at the reporting date and are included in creditors.

**15. Post balance sheet events**

On 15 March 2024, the company issued 2,114,535 D Ordinary Shares for a total consideration of £4,799,994 and on 25 April 2024 the company issued a further 484,583 D Ordinary Shares for a total consideration of £1,100,003.

As at the signing date, the company was still in negotiations for a new lease agreement for a term of 5 years.

**16. Controlling party**

There is no ultimate controlling party.

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.