

Company registration number SC409777 (Scotland)

SOFANT TECHNOLOGIES LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024
PAGES FOR FILING WITH REGISTRAR

SOFANT TECHNOLOGIES LTD

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SOFANT TECHNOLOGIES LTD

BALANCE SHEET

AS AT 31 MARCH 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3		11,746,848		8,877,599
Tangible assets	4		411,935		212,914
			<u>12,158,783</u>		<u>9,090,513</u>
Current assets					
Stocks		-		4,769	
Debtors	5	838,684		848,438	
Cash at bank and in hand		1,147,380		267,669	
		<u>1,986,064</u>		<u>1,120,876</u>	
Creditors: amounts falling due within one year	6	<u>(4,161,845)</u>		<u>(1,149,914)</u>	
Net current liabilities			<u>(2,175,781)</u>		<u>(29,038)</u>
Total assets less current liabilities			<u>9,983,002</u>		<u>9,061,475</u>
Creditors: amounts falling due after more than one year	7		(404,174)		-
Provisions for liabilities			<u>(371,057)</u>		<u>(504,480)</u>
Net assets			<u>9,207,771</u>		<u>8,556,995</u>
Capital and reserves					
Called up share capital	9		1,328		1,193
Share premium account			13,273,207		11,042,917
Profit and loss reserves			<u>(4,066,764)</u>		<u>(2,487,115)</u>
Total equity			<u>9,207,771</u>		<u>8,556,995</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 31 March 2024 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.

SOFANT TECHNOLOGIES LTD

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2024

The financial statements were approved by the board of directors and authorised for issue on 16 May 2024 and are signed on its behalf by:

D M WITHER

D M Wither
Director

Company registration number SC409777 (Scotland)

SOFANT TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Company information

Sofant Technologies Ltd is a private company limited by shares incorporated in Scotland. The registered office is Suite 2, Ground Floor Orchard Brae House, 30 Queensferry Road, Edinburgh, Scotland, EH4 2HS.

1.1 Reporting period

FRS 102 3.10 An entity shall present a complete set of financial statements (including comparative information as set out in paragraph 3.14) at least annually. When the end of an entity's reporting period changes and the annual financial statements are presented for a period longer or shorter than one year, the entity shall disclose the following: (a) that fact; (b) the reason for using a longer or shorter period; and (c) the fact that comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

1.2 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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.3 Going concern

The directors, having made due and careful enquiry, are of the opinion that the company has adequate working capital to execute its operations over the next 12 months. At the balance sheet date, the company had net current liabilities of £2,175,781 (2023 - £29,038). The directors have confirmed that they will continue to support the company. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services 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.

SOFANT TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (Continued)

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.

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:

Patents	Evenly until the expiry of each Patent's life
Development costs	20 years straight line
Licences	20% straight line

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:

Leasehold land and buildings	33% straight line
Plant and equipment	25% straight line
Fixtures and fittings	25% straight line
Office equipment	25% straight line

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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

SOFANT TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

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.

1.9 Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial assets, which include prepaid expenses and accrued income, taxes receivable and cash at bank, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Basic financial liabilities, which include trade creditors, accrued expenses and taxes due are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

At each reporting date the company assesses whether there is objective evidence that any financial asset has been impaired. A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due. The amount of the provision is recognised immediately in profit or loss.

1.10 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.

1.11 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.

SOFANT TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 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.

1.13 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using an appropriate pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.14 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.

SOFANT TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

2 Employees

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

	2024 Number	2023 Number
Total	22	19

3 Intangible fixed assets

	Patents £	Development costs £	Licences £	Total £
Cost				
At 1 April 2023	214,292	8,691,982	50,000	8,956,274
Additions - internally developed	197,249	3,275,878	-	3,473,127
At 31 March 2024	411,541	11,967,860	50,000	12,429,401
Amortisation and impairment				
At 1 April 2023	28,675	-	50,000	78,675
Amortisation charged for the year	3,878	600,000	-	603,878
At 31 March 2024	32,553	600,000	50,000	682,553
Carrying amount				
At 31 March 2024	378,988	11,367,860	-	11,746,848
At 31 March 2023	185,617	8,691,982	-	8,877,599

SOFANT TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

4 Tangible fixed assets	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2023	-	277,892	11,564	120,828	410,284
Additions	279,724	21,043	1,229	5,427	307,423
Disposals	-	-	-	(34,215)	(34,215)
At 31 March 2024	<u>279,724</u>	<u>298,935</u>	<u>12,793</u>	<u>92,040</u>	<u>683,492</u>
Depreciation and impairment					
At 1 April 2023	-	126,714	3,851	66,805	197,370
Depreciation charged in the year	15,540	66,792	3,060	23,010	108,402
Eliminated in respect of disposals	-	-	-	(34,215)	(34,215)
At 31 March 2024	<u>15,540</u>	<u>193,506</u>	<u>6,911</u>	<u>55,600</u>	<u>271,557</u>
Carrying amount					
At 31 March 2024	<u>264,184</u>	<u>105,429</u>	<u>5,882</u>	<u>36,440</u>	<u>411,935</u>
At 31 March 2023	<u>-</u>	<u>151,178</u>	<u>7,713</u>	<u>54,023</u>	<u>212,914</u>
5 Debtors				2024	2023
Amounts falling due within one year:				£	£
Trade debtors				-	171,379
Corporation tax recoverable				411,676	461,511
Other debtors				427,008	215,548
				<u>838,684</u>	<u>848,438</u>
6 Creditors: amounts falling due within one year				2024	2023
				£	£
Convertible loans				620,000	-
Trade creditors				1,867,750	1,051,866
Taxation and social security				199,155	59,367
Other creditors				1,474,940	38,681
				<u>4,161,845</u>	<u>1,149,914</u>

SOFANT TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

7	Creditors: amounts falling due after more than one year	2024	2023
		£	£
	Other creditors	404,174	-
		<u>404,174</u>	<u>-</u>

SOFANT TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

8 Share-based payments

Certain employees had been granted options to subscribe for shares in the company under share option schemes as follows:

The unapproved options outstanding granted on 14 May 2018, 5 February 2020, 22 March 2020, 12 May 2021, 24 May 2021, 11 April 2022 and 12 April 2023 at option prices of £6.22, £15.52, £18.57 and £28.80, are shown below:

	Number of shares
Option exercise period May 2018 to May 2028	450
Option exercise period March 2020 to March 2030	157
Option exercise period May 2021 to May 2031	1,800
Option exercise period April 2022 to April 2032	1,798
Option exercise period April 2023 to April 2033	396

TOTAL	4,601

The EMI options outstanding, granted on 21 August 2018, 22 March 2020, 12 April 2020, 1 June 2021, 12 April 2023 and 15 March 2024 at option prices of £5.94, £13.19, £16.71, £28.80 and £32.40, are shown below:

	Number of EMI shares
Option exercise period August 2018 to August 2028	317
Option exercise period March 2020 to March 2030	850
Option exercise period April 2020 to April 2030	250
Option exercise period June 2021 to June 2031	1,750
Option exercise period July 2022 to July 2032	1,100
Option exercise period April 2023 to April 2033	1,300
Option exercise period March 2024 to March 2034	576

TOTAL	6,143

SOFANT TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

8 Share-based payments

(Continued)

The estimated fair values were calculated by applying the Black-Scholes option pricing model. The model inputs were:

	2024
Share price at grant date	£6.22 - £35.64
Exercise price	£5.41 - £32.40
Expected volatility	70%
Expected life	10 years
Risk free rate	0.306% - 4.102%
Expected dividends yields	0%

The estimated fair value of each share option granted is as follows:

Option	Number	Exercise Price	Fair Value
Unapproved	550	£28.80	£28.58
EMI Options	1,876	£28.80 - £32.40	£28.32 - £28.58

Details of the number and weighted average exercise prices (WAEP) of share options during the period are as follows:

	31 Mar 24		31 Mar 23	
	No.	WAEP	No.	WAEP
Outstanding at 1 April 2023	11,715	17.50	16,129	16.88
Granted during the period	2,426	29.65	--	--
Exercised during the period	(3,427)	17.68	(4,284)	14.81
Expired during the period	--	--	(130)	28.80
	-----	-----	-----	-----
Outstanding at 31 March 2024	10,714	20.19	11,715	17.50
	-----	-----	-----	-----

The total expense recognised in profit or loss for the periods as follows:

	31 Mar 24	31 Mar 23
	£	£
Equity-settled share-based payments	52,166	51,672

SOFANT TECHNOLOGIES LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

9	Called up share capital	2024	2023	2024	2023
	Ordinary share capital	Number	Number	£	£
	Issued and fully paid				
	Ordinary shares of 0.01p each each	132,782	119,308	1,328	1,193
		<u> </u>	<u> </u>	<u> </u>	<u> </u>

During the year, 13,474 ordinary shares of 0.01p each were issued for a total consideration of £2,230,425.

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:

	2024	2023
	£	£
	991,417	16,702
	<u> </u>	<u> </u>

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