

REGISTERED NUMBER: 09808169 (England and Wales)

Unaudited Financial Statements for the Year Ended 31 January 2019

for

Hadean Supercomputing Ltd

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for the Year Ended 31 January 2019**

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Hadean Supercomputing Ltd

**Company Information
for the Year Ended 31 January 2019**

DIRECTORS:

R M Mansoor
I Fox
V Bhargava
C Beddis
D Cummings

REGISTERED OFFICE:

9 Appold Street
London
EC2A 2AP

REGISTERED NUMBER:

09808169 (England and Wales)

ACCOUNTANTS:

Grunberg & Co Limited
Chartered Accountants
5 Technology Park
Colindeep Lane
Colindale
London
NW9 6BX

Hadean Supercomputing Ltd (Registered number: 09808169)

**Statement of Financial Position
31 January 2019**

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Tangible assets	4		44,005		23,045
CURRENT ASSETS					
Debtors	5	154,175		30,652	
Cash at bank		<u>1,128,870</u>		<u>498,017</u>	
		1,283,045		528,669	
CREDITORS					
Amounts falling due within one year	6	<u>278,800</u>		<u>114,884</u>	
NET CURRENT ASSETS			<u>1,004,245</u>		<u>413,785</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,048,250		436,830
PROVISIONS FOR LIABILITIES			<u>30,011</u>		<u>3,440</u>
NET ASSETS			<u>1,018,239</u>		<u>433,390</u>
CAPITAL AND RESERVES					
Called up share capital			28		25
Share premium			5,123,282		2,143,182
Fair value reserve			143,485		15,480
Retained earnings			<u>(4,248,556)</u>		<u>(1,725,297)</u>
SHAREHOLDERS' FUNDS			<u>1,018,239</u>		<u>433,390</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 January 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 January 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) 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.
- (b)

The notes form part of these financial statements

Hadean Supercomputing Ltd (Registered number: 09808169)

Statement of Financial Position - continued
31 January 2019

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

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

The financial statements were approved by the Board of Directors on 27 March 2019 and were signed on its behalf by:

C Beddis - Director

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 January 2019**

1. STATUTORY INFORMATION

Hadean Supercomputing Ltd 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. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Computer equipment	- 25% on cost

Financial instruments

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at transaction price.

Taxation

Taxation for the year 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 or deferred taxation assets and liabilities are not discounted.

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 statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred, until such point as when the project is able to clearly demonstrate with no uncertainty that is commercially viable, and will generate future economic benefits, at which point it is recognised as an intangible asset.

**Notes to the Financial Statements - continued
for the Year Ended 31 January 2019**

2. ACCOUNTING POLICIES - continued

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.

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 9.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest unless the exercise period commences immediately following the grant date, in which case the entire fair value of the equity-settled share-based payment is expensed to the income statement. At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

In respect of equity settled share based payments entered into or granted prior to the start of the financial period where the accounting policies adopted did not require recognition of the fair value thereof annual charges in respect to earlier periods are recognised as prior year adjustments to the opening position and reflected in the comparative numbers where appropriate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 15 (2018 - 8).

Notes to the Financial Statements - continued
for the Year Ended 31 January 2019

4. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 February 2018	1,343	27,684	29,027
Additions	386	31,634	32,020
Disposals	(494)	(2,210)	(2,704)
At 31 January 2019	<u>1,235</u>	<u>57,108</u>	<u>58,343</u>
DEPRECIATION			
At 1 February 2018	352	5,630	5,982
Charge for year	229	8,602	8,831
Eliminated on disposal	(99)	(376)	(475)
At 31 January 2019	<u>482</u>	<u>13,856</u>	<u>14,338</u>
NET BOOK VALUE			
At 31 January 2019	<u>753</u>	<u>43,252</u>	<u>44,005</u>
At 31 January 2018	<u>991</u>	<u>22,054</u>	<u>23,045</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Other debtors	43,543	9,594
VAT	97,165	15,394
Prepayments and accrued income	13,467	5,664
	<u>154,175</u>	<u>30,652</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	64,921	25,310
Social security and other taxes	66,476	37,906
Other creditors	9,668	809
Accrued expenses	137,735	50,859
	<u>278,800</u>	<u>114,884</u>

7. LEASING AGREEMENTS

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

	2019 £	2018 £
Within one year	<u>95,648</u>	<u>-</u>

8. POST BALANCE SHEET EVENTS

After the reporting period, but before the approval date of these financial statements, the Company concluded the first close of a funding round with an initial issuance of 792,497 Preference shares of nominal value £0.00001 totalling £4.75m.

Notes to the Financial Statements - continued
for the Year Ended 31 January 2019

9. SHARE-BASED PAYMENT TRANSACTIONS

The Company has a share option scheme for all employees of the Company. Options are exercisable at a price agreed with HMRC prior to the date of grant. The options vest either on the date of grant or upon a schedule over up to four years. Options are forfeited if the employee leaves the Company's employment before the options have fully vested, although a short period is provided in which they may be exercised following such end of employment to the extent that options have actually vested. The share option scheme also provides for the issue of non-EMI options to employees where they do not qualify for EMI option grant or to non-employees. For any non-EMI options granted under the share option scheme the exercise price is set at a price determined by the Board. In addition, prior to the establishment of the scheme, certain advisers to the Company have been granted ad hoc options exercisable at a price determined by the Board at the time of grant.

During the year ended 31st January 2019 the Company issued a warrant in respect of services rendered and to be rendered by an advisor.

Details of the share options and warrants outstanding during the year ended 31st January 2019 and the period ended 31st January 2018 are as follows:

	2019	2019	2018	2018
	Number of	Weighted	Number of	Weighted
	ordinary shares	average	ordinary shares	average
	under option	exercise	under option	exercise
		price		price
		£		£
Outstanding at beginning of year	137,407	2.3702	74,253	0.0001
Issued in year	280,633	-	96,252	
Exercised in year	-	-	(11,049)	
Forfeited in year	(6,846)	-	(22,049)	
Expired in year	-	-	-	
Outstanding at end of the year	411,194	1.2706	137,407	2.3702

The option outstanding at 31st January 2019 had a weighted average exercise price of £1.2706 and a weighted average remaining contractual life of 11 years. In the period to 31st January 2019 rights to acquire equity shares were granted in February and August 2018. The aggregate of the estimated fair value of these options granted in the period to 31st January 2019 was £253,800.

The inputs to the Black-Scholes model are as follows:

	2019	2018
Value at grant	£5.29	£4.289
Expected volatility	18.5%	15.8%
Expected life	10 years	10 years
Risk free interest rate	1.28%	1.55%
Expected dividend yield	0%	0%
Adjustment to reflect unquoted early stage	50%	50%

The Company recognised total expenses of £128,005 and £15,480 from equity share-based payment transactions in the financial year ended 31st January 2019 and the period ended 31st January 2018 respectively.

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.