

Registered number: 07940023

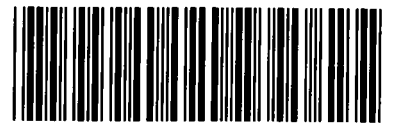
REZATEC LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2022

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REZATEC LIMITED
REGISTERED NUMBER: 07940023

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	4	293,987	632,760
Tangible assets	5	250,760	272,713
		<u>544,747</u>	<u>905,473</u>
Current assets			
Debtors: amounts falling due within one year	7	1,070,042	2,299,535
Cash at bank and in hand	8	1,010,710	178,543
		<u>2,080,752</u>	<u>2,478,078</u>
Creditors: amounts falling due within one year	9	(2,190,348)	(2,404,781)
Net current (liabilities)/assets		<u>(109,596)</u>	<u>73,297</u>
Total assets less current liabilities		<u>435,151</u>	<u>978,770</u>
Creditors: amounts falling due after more than one year	10	(2,892,723)	(72,445)
Provisions for liabilities			
Net (liabilities)/assets		<u>(2,457,572)</u>	<u>906,325</u>
Capital and reserves			
Called up share capital	13	518	441
Share premium account		10,815,952	8,984,837
Foreign exchange reserve		-	1,261
Profit and loss account		(13,274,042)	(8,080,214)
Equity attributable to owners of the parent Company		<u>(2,457,572)</u>	<u>906,325</u>

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 consolidated 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:

P Newton

Patrick Newton 19 Dec 2022 14:26:58 GMT (UTC +0)

P Newton
Director

Date: 19 December 2022

The notes on pages 6 to 19 form part of these financial statements.

REZATEC LIMITED
REGISTERED NUMBER: 07940023

COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	4	293,987	632,760
Tangible assets	5	250,760	272,713
Investments	6	1	1
		<u>544,748</u>	<u>905,474</u>
Current assets			
Debtors: amounts falling due within one year	7	3,679,425	3,462,810
Cash at bank and in hand	8	983,339	153,205
		<u>4,662,764</u>	<u>3,616,015</u>
Creditors: amounts falling due within one year	9	(3,652,117)	(3,798,432)
Net current assets/(liabilities)		<u>1,010,647</u>	<u>(182,417)</u>
Total assets less current liabilities		<u>1,555,395</u>	<u>723,057</u>
Creditors: amounts falling due after more than one year	10	(2,892,723)	(72,445)
Net (liabilities)/assets		<u><u>(1,337,328)</u></u>	<u><u>650,612</u></u>
Capital and reserves			
Called up share capital	13	518	441
Share premium account		10,815,952	8,984,837
Profit and loss account carried forward		(12,153,798)	(8,334,666)
		<u><u>(1,337,328)</u></u>	<u><u>650,612</u></u>

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

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The Company has opted not to file the consolidated 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:

P Newton

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P Newton

Director

Date: 19 December 2022

The notes on pages 6 to 19 form part of these financial statements.

REZATEC LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£	£
At 1 April 2021	441	8,984,837	1,261	(8,080,214)	906,325	906,325
Comprehensive income for the year						
Loss for the year	-	-	-	(5,306,316)	(5,306,316)	(5,306,316)
Currency translation differences	-	-	(1,261)	-	(1,261)	(1,261)
Total comprehensive income for the year	-	-	(1,261)	(5,306,316)	(5,307,577)	(5,307,577)
Contributions by and distributions to owners						
Shares issued during the year	77	1,831,115	-	-	1,831,192	1,831,192
Share based payment charge	-	-	-	112,488	112,488	112,488
Total transactions with owners	77	1,831,115	-	112,488	1,943,680	1,943,680
At 31 March 2022	518	10,815,952	-	(13,274,042)	(2,457,572)	(2,457,572)

The notes on pages 6 to 19 form part of these financial statements.

REZATEC LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2020 (as previously stated)	433	8,671,876	-	(4,333,099)	4,339,210
Prior year adjustment	-	-	-	(378,579)	(378,579)
At 1 April 2020 (as restated)	433	8,671,876	-	(4,711,678)	3,960,631
Comprehensive income for the year					
Loss for the year	-	-	-	(3,362,858)	(3,362,858)
Currency translation differences	-	-	1,261	-	1,261
Other comprehensive income for the year	-	-	1,261	-	1,261
Total comprehensive income for the year	-	-	1,261	(3,362,858)	(3,361,597)
Contributions by and distributions to owners					
Shares issued during the year	8	312,961	-	-	312,969
Share based payment charge	-	-	-	(5,678)	(5,678)
Total transactions with owners	8	312,961	-	(5,678)	307,291
At 31 March 2021	441	8,984,837	1,261	(8,080,214)	906,325

The notes on pages 6 to 19 form part of these financial statements.

REZATEC LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2021	441	8,984,837	(8,334,666)	650,612
Comprehensive income for the year				
Loss for the year	-	-	(3,931,620)	(3,931,620)
	<u>-</u>	<u>-</u>	<u>(3,931,620)</u>	<u>(3,931,620)</u>
Total comprehensive income for the year				
Contributions by and distributions to owners				
Shares issued during the year	77	1,831,115	-	1,831,192
Share based payment charge	-	-	112,488	112,488
	<u>77</u>	<u>1,831,115</u>	<u>112,488</u>	<u>1,943,680</u>
Total transactions with owners				
	<u>77</u>	<u>1,831,115</u>	<u>112,488</u>	<u>1,943,680</u>
At 31 March 2022	<u>518</u>	<u>10,815,952</u>	<u>(12,153,798)</u>	<u>(1,337,328)</u>

The notes on pages 6 to 19 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2020 (as previously stated)	433	8,671,876	(4,511,811)	4,160,498
Prior year adjustment	-	-	(310,434)	(310,434)
	<u>433</u>	<u>8,671,876</u>	<u>(4,822,245)</u>	<u>3,850,064</u>
Comprehensive income for the year				
Loss for the year	-	-	(3,506,743)	(3,506,743)
	<u>-</u>	<u>-</u>	<u>(3,506,743)</u>	<u>(3,506,743)</u>
Contributions by and distributions to owners				
Shares issued during the year	8	312,961	-	312,969
Share based payment charge	-	-	(5,678)	(5,678)
	<u>8</u>	<u>312,961</u>	<u>(5,678)</u>	<u>307,291</u>
Total transactions with owners				
	<u>8</u>	<u>312,961</u>	<u>(5,678)</u>	<u>307,291</u>
At 31 March 2021	<u>441</u>	<u>8,984,837</u>	<u>(8,334,666)</u>	<u>650,612</u>

The notes on pages 6 to 19 form part of these financial statements.

REZATEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General information

Rezatec Limited is a private company, limited by shares and incorporated in the United Kingdom and registered in England and Wales (registered number 07940023).

The registered office and principal place of business is Quad One, Becquerel Avenue, Harwell, Didcot, Oxfordshire, OX11 0RA.

As a geospatial AI (artificial intelligence) business, the principal activity in the period under review is to provide proprietary geospatial data products to customers in key industry sectors including agriculture, water, forestry and energy. These products enable the Company's customers to manage their ground based assets and critical infrastructure remotely, at scale and cost-effectively. Customers access their products through a fully scalable, always-on, web-based platform, which they subscribe to on a multi-year, renewable basis.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2016.

REZATEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.3 Going concern

The Group had a loss attributable to shareholders for the year of £5,306,316 (2021 loss: £3,362,858) and as at 31 March 2022 had a cash balance of £1,010,710 (2021: £178,543). The directors have prepared forecasts and projections using what the directors believe to be reasonable assumptions relating to the Company's financial performance, current financial position and existing financial resources for the period of at least 12 months from signing of the financial statements which show the Company to be a going concern. Additionally, the Company has undertaken a reorganisation in order to reduce overall costs.

The Company launched an EIS equity investment round of up to £2,000,000 in August 2022, open to both existing shareholders and new investors. As at 7th December 2022, this has raised £1,473,287 and the Company are engaged with several additional interested parties. The round closes in January 2023.

Based on the above, the directors are of the opinion that the going concern principle is applicable and that the Company has the necessary resources to continue as a going concern for the foreseeable future. Nonetheless, they recognise that the full round has not yet been secured and that this, therefore represents a material uncertainty with regard to going concern.

2.4 Revenue

Turnover comprises both commercially generated income in respect of services supplied during the year along with public sector income received. Turnover is exclusive of Value Added Tax and trade discounts.

Commercial income is recognised in line with agreements established with customers. Where services are provided but amounts are not invoiced by year end, accrued income is recognised within the accounts accordingly.

The Group's commercial subscription revenue is recognised as income on an Annual Recurring Revenue (ARR) basis to reflect the fact that the business is predominantly subscription based with customers accessing Rezatec products via a "software as a service" (SAAS) or "data as a service" (DAAS) model. This matches investor understanding of the Rezatec business model and is in line with the appropriate GAAP current practise at the time of reporting.

2.5 Public sector revenue

Public Sector (grant) income is accounted for under the accruals model as permitted by FRS 102. The deferred element of Public Sector income is included in creditors as deferred income.

Public Sector income is recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

REZATEC LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****2. Accounting policies (continued)****2.6 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Patents	-	33 % straight line
Development expenditure	-	33 % straight line

2.7 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:

Software	-	50% straight line
Fixtures and fittings	-	20% - 30% straight line
Computer equipment	-	10% - 33% straight line

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.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 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.

2.10 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.

REZATEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.11 Financial instruments

The Group 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.

2.12 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.

2.13 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.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.14 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.16 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group 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 Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

REZATEC LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022****2. Accounting policies (continued)****2.17 Interest income**

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

2.18 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 balance sheet date in the countries where the Company and the Group operate and generate income.

2.19 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.

2.20 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

3. Employees

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

2022	2021
No.	No.
55	49
<u>55</u>	<u>49</u>

REZATEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4. Intangible assets

Group

	Patents £	Development expenditure £	Total £
Cost			
At 1 April 2021	38,306	1,059,969	1,098,275
Additions	22,956	-	22,956
At 31 March 2022	<u>61,262</u>	<u>1,059,969</u>	<u>1,121,231</u>
Amortisation			
At 1 April 2021	27,531	437,984	465,515
Charge for the year on owned assets	8,406	353,323	361,729
At 31 March 2022	<u>35,937</u>	<u>791,307</u>	<u>827,244</u>
Net book value			
At 31 March 2022	<u>25,325</u>	<u>268,662</u>	<u>293,987</u>
At 31 March 2021	<u>10,775</u>	<u>621,985</u>	<u>632,760</u>

REZATEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

4. Intangible assets (continued)

Company

	Patents £	Development expenditure £	Total £
Cost			
At 1 April 2021	38,306	1,059,969	1,098,275
Additions	22,956	-	22,956
At 31 March 2022	<u>61,262</u>	<u>1,059,969</u>	<u>1,121,231</u>
Amortisation			
At 1 April 2021	27,531	437,984	465,515
Charge for the year	8,406	353,323	361,729
At 31 March 2022	<u>35,937</u>	<u>791,307</u>	<u>827,244</u>
Net book value			
At 31 March 2022	<u>25,325</u>	<u>268,662</u>	<u>293,987</u>
At 31 March 2021	<u>10,775</u>	<u>621,985</u>	<u>632,760</u>

REZATEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. Tangible fixed assets

Group

	Software £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2021	117,552	299,976	291,013	708,541
Additions	21,130	3,337	30,960	55,427
Disposals	-	-	(4,498)	(4,498)
At 31 March 2022	<u>138,682</u>	<u>303,313</u>	<u>317,475</u>	<u>759,470</u>
Depreciation				
At 1 April 2021	117,552	164,033	154,243	435,828
Charge for the year on owned assets	1,040	22,240	54,100	77,380
Disposals	-	-	(4,498)	(4,498)
At 31 March 2022	<u>118,592</u>	<u>186,273</u>	<u>203,845</u>	<u>508,710</u>
Net book value				
At 31 March 2022	<u>20,090</u>	<u>117,040</u>	<u>113,630</u>	<u>250,760</u>
At 31 March 2021	<u>-</u>	<u>135,943</u>	<u>136,770</u>	<u>272,713</u>

REZATEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. Tangible fixed assets (continued)

Company

	Software £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2021	117,552	299,976	291,013	708,541
Additions	21,130	3,337	30,960	55,427
Disposals	-	-	(4,498)	(4,498)
At 31 March 2022	<u>138,682</u>	<u>303,313</u>	<u>317,475</u>	<u>759,470</u>
Depreciation				
At 1 April 2021	117,552	164,033	154,243	435,828
Charge for the year on owned assets	1,040	22,240	54,100	77,380
Disposals	-	-	(4,498)	(4,498)
At 31 March 2022	<u>118,592</u>	<u>186,273</u>	<u>203,845</u>	<u>508,710</u>
Net book value				
At 31 March 2022	<u>20,090</u>	<u>117,040</u>	<u>113,630</u>	<u>250,760</u>
At 31 March 2021	<u>-</u>	<u>135,943</u>	<u>136,770</u>	<u>272,713</u>

REZATEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2021	1
At 31 March 2022	<u>1</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Rezatec (UK Services) Limited	United Kingdom	Ordinary	100%
Rezatec Global Inc	United States	Ordinary	100%
Rezatec Europe Limited	Ireland	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Rezatec (UK Services) Limited	(1,068,710)	(1,345,035)
Rezatec Global Inc	44,015	(24,424)
Rezatec Europe Limited	-	-

7. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	347,408	951,469	-	-
Amounts owed by group undertakings	-	-	2,958,247	2,831,322
Other debtors	52,261	59,812	52,261	59,812
Prepayments and accrued income	169,549	851,702	168,093	135,124
Tax recoverable	500,824	436,552	500,824	436,552
	<u>1,070,042</u>	<u>2,299,535</u>	<u>3,679,425</u>	<u>3,462,810</u>

REZATEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

8. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	1,010,710	178,543	983,339	153,205
	<u>1,010,710</u>	<u>178,543</u>	<u>983,339</u>	<u>153,205</u>

9. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	-	211,931	-	211,931
Trade creditors	292,244	439,402	286,585	399,558
Amounts owed to group undertakings	-	-	2,664,440	2,128,352
Other taxation and social security	141,961	511,819	141,961	511,819
Other creditors	81,674	79,757	81,674	79,757
Accruals and deferred income	1,674,469	1,161,872	477,457	467,015
	<u>2,190,348</u>	<u>2,404,781</u>	<u>3,652,117</u>	<u>3,798,432</u>

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

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	2,859,825	-	2,859,825	-
Net obligations under finance leases and hire purchase contracts	32,898	72,445	32,898	72,445
	<u>2,892,723</u>	<u>72,445</u>	<u>2,892,723</u>	<u>72,445</u>

REZATEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

11. Loans

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Amounts falling due within one year				
Bank loans	-	211,931	-	211,931
	<u>-</u>	<u>211,931</u>	<u>-</u>	<u>211,931</u>
Amounts falling due 2-5 years				
Bank loans	2,859,825	-	2,859,825	-
	<u>2,859,825</u>	<u>211,931</u>	<u>2,859,825</u>	<u>211,931</u>

The loan facility is repayable over 5 years with annual interest rate set at 11.75% per annum. It is secured by a fixed and floating charge over all assets of Rezatec Limited and by a fixed and floating charge over all assets of Rezatec (UK Services) Limited.

12. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Within one year	39,578	44,079	39,578	44,079
Between 1-5 years	32,898	75,580	32,898	75,580
	<u>72,476</u>	<u>119,659</u>	<u>72,476</u>	<u>119,659</u>

REZATEC LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
3,330,574 (2021 - 2,560,100) Ordinary shares of £0.0001 each	333.06	256.01
200,000 (2021 - 200,000) G1 shares of £0.0001 each	20.00	20.00
800,000 (2021 - 800,000) A Ordinary shares of £0.0001 each	80.00	80.00
800,000 (2021 - 800,000) A Preferred shares of £0.0001 each	80.00	80.00
52,200 (2021 - 52,200) G2 shares of £0.0001 each	5.22	5.22
	<u>518.28</u>	<u>441.23</u>

On 15 December 2021, the Company issued 558,985 Ordinary shares with a nominal value of £0.0001, for a total consideration of £1,324,739. On this day the Company also issued £211,528 Ordinary shares with a nominal value of £0.0001 for a total consideration of £533,029.

14. Share based payments

The Company has granted its employees Enterprise Management Incentive share options.

	Weighted average exercise price (pence) 2022	Number 2022	Weighted average exercise price (pence) 2021	Number 2021
Outstanding at the beginning of the year	282	316,012	272	302,298
Granted during the year	539	116,686	468	56,714
Forfeited during the year	124	(79,000)	539	(30,500)
Exercised during the year		-	268	(12,500)
Outstanding at the end of the year	<u>402</u>	<u>353,698</u>	<u>282</u>	<u>316,012</u>

	2022 Black- Scholes	2021 Black- Scholes
Option pricing model used		
Weighted average share price (pence)	539	539
Exercise price (pence)	539	539
Weighted average contractual life (days)	10	10
Expected volatility	25	25
Risk-free interest rate	1%	1%

REZATEC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

15. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £278,197 (2021 - £160,230). Contributions totalling £28,987 (2021 - £26,979) were payable to the fund at the balance sheet date and are included in creditors.

16. Related party transactions

The Group has chosen to apply the exemption under FRS 102 Section 33 not to disclose transactions with wholly owned group members.

In the year ended 31 March 2022, the Group paid £75,000 (2021: £6,000) for professional services to a company with a common director. At 31 March 2022 the Group owed £Nil (2021: £Nil) to this company.

17. Post balance sheet events

The Company launched an EIS equity investment round in August 22, open to both existing shareholders and new investors. As at 7th December 2022, this has raised £1,473,287 and the Company are engaged with several additional interested parties. The round closes in January 2023.

18. Controlling party

Rezatec Limited is the parent entity, incorporated in England & Wales.

19. Auditors' information

The auditors' report on the financial statements for the year ended 31 March 2022 was unqualified.

In their report, the auditors draws attention to the material uncertainty relating to going concern without qualifying their report:

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures in note 2.3 to the financial statements concerning the directors' use of the going concern basis of accounting in the preparation of the financial statements.

The financial statements have been prepared on a going concern basis, the validity of which depends upon the success of the directors in raising additional funds from investors as described in note 2.3, the success of which is inherently uncertain. The uncertainty over these activities indicates the existence of a material uncertainty which may cast doubt on the Group's ability to continue as a going concern. The financial statements do not include adjustments that would be necessary if the Group was unable to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

The audit report was signed on 19 December 2022 by Sue Staunton MA FCA CF (Senior statutory auditor) on behalf of James Cowper Kreston.