

Registration number: 09893012

LettUs Grow Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2022

Pages for filing with Registrar

LettUs Grow Ltd

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LettUs Grow Ltd

Company Information

Directors	J R Farmer C Guy B G Crowther Parkwalk Advisors Ltd R T Todd H S P Parry
Registered office	Unit 4 Avon Valley Business Park Chapel Way Bristol BS4 4EU
Registered number	09893012
Accountants	Corrigan Accountants Limited 1st Floor 25 King Street Bristol BS1 4PB

LettUs Grow Ltd

(Registration number: 09893012) Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	<u>4</u>	315,702	422,192
Tangible assets	<u>5</u>	59,586	112,808
		375,288	535,000
Current assets			
Stocks		184,848	-
Debtors	<u>6</u>	630,221	339,795
Cash at bank and in hand		1,287,039	354,621
		2,102,108	694,416
Creditors: Amounts falling due within one year	<u>7</u>	(578,302)	(1,351,837)
Net current assets/(liabilities)		1,523,806	(657,421)
Net assets/(liabilities)		1,899,094	(122,421)
Capital and reserves			
Called up share capital		1,172	676
Share premium reserve		7,532,936	2,849,632
Share option reserve		34,339	25,592
Other reserves		-	276,644
Profit and loss account		(5,669,353)	(3,274,965)
Total equity		1,899,094	(122,421)

LettUs Grow Ltd

(Registration number: 09893012)

Balance Sheet as at 31 December 2022 (continued)

For the financial year ending 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised for issue by the Board on 13 June 2023 and signed on its behalf by:

.....

C Guy

Director

LettUs Grow Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

1 Statutory information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Unit 4 Avon Valley Business Park

Chapel Way

Bristol

BS4 4EU

2 Accounting policies

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' as applied to smaller entities, and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

The financial statements are prepared in pounds sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

In assessing whether the financial statements should be prepared on a going concern basis, the directors have considered a period of twelve months from the date of these financial statements.

As a technology development company, Lettus Grow continues to rely largely on equity investment and grant awards to meet its ongoing funding requirements. At the date of signing, further funding has been secured through an investment round and the Directors believe that the existing cash runway is sufficient to meet forecast costs for a period that will allow additional investment to be secured for the Company.

LettUs Grow Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

and it is probable that future economic benefits will flow to the entity.

Government grants

Government grants are recognised, using the accrual model, at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense or credit for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge or credit is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

LetUs Grow Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation. The cost of tangible fixed assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

Office equipment	25% on cost
Computer equipment	25% on cost
Leasehold improvements	Over the term of the lease
Plant and equipment	20% on cost

Intangible fixed assets

Development costs relating to the Avon Valley development farm are capitalised as the directors are satisfied that the project is technically, commercially and financially viable. Development costs are shown at historical cost. Development costs have a limited useful life due to the speed of technological advancements and are carried at cost less accumulated amortisation.

Amortisation will be provided to write off the development costs over its useful life once the project is complete.

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Avon valley development farm	Straight-line over 5 years
Software licences	Straight-line over 3 years

Technical research costs

Research costs where they don't relate to a specific project are written off to the profit and loss account during the year in which they are incurred.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits.

Trade debtors

Trade debtors are recognised initially at the transaction price. They are subsequently measured less any provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

LettUs Grow Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are recognised at the transaction price, and subsequently measured at amortised cost using the effective interest method.

Borrowings

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Compound financial instruments

Compound financial instruments consist of convertible loans that can be converted to share capital at the option of the holder.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method, and interest expense included within interest payable and similar charges. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

LettUs Grow Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense when the services are received. The cost of any unused holiday entitlement is recognised in the period in which the employees' services are received.

Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the profit and loss account over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the profit and loss account is charged with fair value of goods and services received.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 37 (2021 - 31).

LettUs Grow Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

4 Intangible fixed assets

	Avon Valley Development £	Software licences £	Total £
Cost			
At 1 January 2022	526,488	15,055	541,543
Additions	-	4,750	4,750
At 31 December 2022	526,488	19,805	546,293
At 1 January 2022	114,073	5,278	119,351
Amortisation charge	105,298	5,942	111,240
At 31 December 2022	219,371	11,220	230,591
Carrying amount			
At 31 December 2022	307,117	8,585	315,702
At 31 December 2021	412,415	9,777	422,192

LettUs Grow Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

5 Tangible fixed assets

	Office equipment £	Computer equipment £	Leasehold improvements £	Plant and equipment £	Total £
Cost					
At 1 January 2022	1,344	37,252	19,791	90,992	149,379
Additions	1,143	18,711	-	27,775	47,629
Disposals	-	-	-	(90,992)	(90,992)
At 31 December 2022	2,487	55,963	19,791	27,775	106,016
Depreciation					
At 1 January 2022	1,219	13,306	10,530	11,516	36,571
Charge for the period	266	10,960	6,910	6,273	24,409
Eliminated on disposal	-	-	-	(14,550)	(14,550)
At 31 December 2022	1,485	24,266	17,440	3,239	46,430
Carrying amount					
At 31 December 2022	1,002	31,697	2,351	24,536	59,586
At 31 December 2021	125	23,946	9,261	79,476	112,808

LettUs Grow Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

6 Debtors: amounts falling due within one year

	2022	2021
	£	£
Trade debtors	720	240
Other debtors	14,750	15,146
Prepayments and accrued income	127,442	175,804
Corporation tax	443,014	123,376
VAT	44,295	25,229
	630,221	339,795
	630,221	339,795

7 Creditors

	2022	2021
	£	£
Amounts falling due within one year		
Convertible loan	-	988,027
Trade creditors	176,519	109,386
Taxation and social security	46,788	28,503
Other creditors	17,006	8,960
Accruals and deferred income	337,989	216,961
	578,302	1,351,837
	578,302	1,351,837

8 Loans and borrowings

	2022	2021
	£	£
Current loans and borrowings		
Convertible loan	-	988,027
	-	988,027
	-	988,027

LettUs Grow Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

9 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £0.01 each	67,589	675.89	67,589	675.89
A Ordinary shares of £0.01 each	49,598	495.98	-	-
	117,187	1,172	67,589	676
	117,187	1,172	67,589	676

New shares allotted

During the year, 49,598 A Ordinary shares having an aggregate nominal value of £496 were allotted for an aggregate consideration of £4,684,400.

10 Obligations under leases

Operating leases

The total of future minimum lease payments is as follows:

	2022	2021
	£	£
Total	93,621	129,381
	93,621	129,381

11 Share-based payments

EMI Options

Scheme details and movements

The company has issued options over its unissued shares to employees. The options vest at annual intervals over a two year period from the date of grant, and vesting may also be conditional upon other criteria such as the option holder's continuing employment by the company.

The term of the options are 10 years from the date of grant.

LetUs Grow Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

11 Share-based payments (continued)

The movements in the number of share options during the year were as follows:

	2022	2021
	Number	Number
Outstanding, start of period	3,605	1,345
Granted during the period	-	2,260
Forfeited during the period	(330)	-
Outstanding, end of period	3,275	3,605
Exercisable, end of period	-	2,098

The movements in the weighted average exercise price of share options during the year were as follows:

	2022	2021
	£	£
Outstanding, start of period	52.39	34.55
Granted during the period	-	63.00
Forfeited during the period	63.00	-
Outstanding, end of period	51.32	52.39
Exercisable, end of period	48.46	34.55

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Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

11 Share-based payments (continued)

Unapproved options

Scheme details and movements

The company has issued options over its unissued shares to part time employees and non-executive Directors. The options vest at 6 monthly intervals over a two year period from the date of grant, and vesting may also be conditional upon other criteria such as the option holder's continuing services to the company.

The term of the options are 10 years from the date of grant.

The movements in the number of share options during the year were as follows:

	2022	2021
	Number	Number
Outstanding, start of period	244	244
Outstanding, end of period	244	244
Exercisable, end of period	244	244

The movements in the weighted average exercise price of share options during the year were as follows:

	2022	2021
	£	£
Outstanding, start of period	49.35	49.35
Outstanding, end of period	49.35	49.35
Exercisable, end of period	49.35	49.35

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.