

PQSHIELD LTD

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2021

PQSHIELD LTD
REGISTERED NUMBER: 11388567

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	As restated 2020 £
Fixed assets			
Tangible assets	4	51,330	11,188
Investments	5	1,807	-
		53,137	11,188
Current assets			
Debtors: amounts falling due within one year	6	604,841	376,247
Cash at bank and in hand	7	16,345,763	2,930,355
		16,950,604	3,306,602
Creditors: amounts falling due within one year	8	(453,187)	(88,691)
Net current assets		16,497,417	3,217,911
Total assets less current liabilities		16,550,554	3,229,099
Net assets		16,550,554	3,229,099
Capital and reserves			
Called up share capital	9	369	251
Share premium account	10	19,418,268	4,476,045
Share based payment reserve	10	2,760,608	2,288,906
Profit and loss account	10	(5,628,691)	(3,536,103)
		16,550,554	3,229,099

PQSHIELD LTD
REGISTERED NUMBER: 11388567

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

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 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:

A El-Kaafarani
Director

Date: 15 December 2022

The notes on pages 3 to 8 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

PQShield Ltd is a private company limited by share capital and incorporated in England and Wales.

The registered office is at: 267 (Prama House) Banbury Road, Summertown, Oxford, OX2 7HT.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Rendering of services

Revenue 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 revenue 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.

2.3 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.4 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss 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 Statement of comprehensive income in the same period as the related expenditure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.5 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 Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.6 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 operates and generates income.

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:

Office equipment	-	33%
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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.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

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.

2.11 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.

2.12 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. Employees

The average monthly number of employees, including directors, during the year was 8 (2020 - 11).

PQSHIELD LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 January 2021	15,576
Additions	48,713
At 31 December 2021	<u>64,289</u>
Depreciation	
At 1 January 2021	4,388
Charge for the year on owned assets	8,571
At 31 December 2021	<u>12,959</u>
Net book value	
At 31 December 2021	<u><u>51,330</u></u>

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
Additions	1,807
At 31 December 2021	<u><u>1,807</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Debtors

	2021 £	2020 £
Amounts owed by group undertakings	133,160	917
Other debtors	16,348	229,049
Prepayments and accrued income	117,872	146,281
Tax recoverable	337,461	-
	<u>604,841</u>	<u>376,247</u>

7. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	16,345,763	2,930,355
	<u>16,345,763</u>	<u>2,930,355</u>

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	66,586	48,179
Amounts owed to group undertakings	94,603	-
Other taxation and social security	35,789	30,223
Other creditors	32,642	2,189
Accruals and deferred income	223,567	8,100
	<u>453,187</u>	<u>88,691</u>

9. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
70,362 (2020 - 85,044) Ordinary shares of £0.001 each	71	85
46,263 (2020 - 46,263) Series Seed I shares of £0.001 each	46	46
120,223 (2020 - 120,223) Series Seed II shares of £0.001 each	120	120
132,136 (2020 - Nil) Series A shares of £0.001 each	132	-
	<u>369</u>	<u>251</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Share capital (continued)

During the year 14,682 Ordinary shares were reclassified to Series A shares.

117,454 Series A shares of £0.001 were issued for a total consideration of £14,986,241. Costs of £43,900 directly attributable to the share issue have been posted against share premium.

10. Reserves

Share premium account

The share premium account represents premiums received on the initial issuance of share capital. Incremental costs directly attributable to the new share capital are shown as a deduction, net of tax, from the share premium account.

Share based payment reserve

The share based payment reserve represents the cumulative amount which has been expensed in the Statement of Comprehensive Income in connection with equity settled share based payments, less any amounts transferred to the retained earnings on the exercise of share options.

Profit and loss account

The profit and loss account includes all current and prior results disclosed in the Statement of Comprehensive Income.

11. Share based payments

During the year 15,321 (2020: 86,999) EMI and unapproved share options were granted. Included within the profit and loss is an amount of £471,702 (2020: £1,985,867) as an estimation of the share based payment charge.

12. Prior year adjustment

A prior year adjustment has been posted to account for an estimation of the share based payment charge in respect of options granted in 2020. The result of the adjustment is a £1,985,867 increase in the share based payment reserve and a corresponding £1,985,867 decrease in the profit and loss account reserve.

13. 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 £26,500 during the accounting year (2020: £30,268). Contributions of £5,779 (2020: £NIL) were payable to the fund at the balance sheet date.

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.