

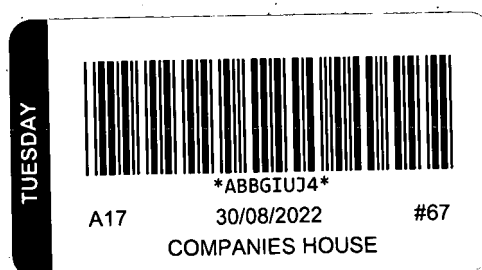
Registered number: 08335617

SMARTGATE SOLUTIONS LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 NOVEMBER 2021



SMARTGATE SOLUTIONS LIMITED
REGISTERED NUMBER: 08335617

BALANCE SHEET
AS AT 30 NOVEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	5	683,478	420,797
Tangible assets	6	36,223	30,451
		<u>719,701</u>	<u>451,248</u>
Current assets			
Debtors: amounts falling due within one year	7	1,109,987	597,962
Cash at bank and in hand		952,110	884,740
		<u>2,062,097</u>	<u>1,482,702</u>
Creditors: amounts falling due within one year	8	(1,462,871)	(991,082)
Net current assets		<u>599,226</u>	<u>491,620</u>
Total assets less current liabilities		<u>1,318,927</u>	<u>942,868</u>
Creditors: amounts falling due after more than one year	9	(1,315,032)	(91,728)
Net assets		<u><u>3,895</u></u>	<u><u>851,140</u></u>
Capital and reserves			
Called up share capital	11	7	7
Share premium account		5,573,131	5,573,131
Profit and loss account		(5,569,243)	(4,721,998)
		<u><u>3,895</u></u>	<u><u>851,140</u></u>

SMARTGATE SOLUTIONS LIMITED
REGISTERED NUMBER: 08335617

BALANCE SHEET (CONTINUED)
AS AT 30 NOVEMBER 2021

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:



L D Williams
Director

Date: 26th August 2022

The notes on pages 3 to 10 form part of these financial statements.

SMARTGATE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2021

1. General information

Smartgate Solutions Limited trading as Radar Healthcare is a private company, limited by shares, registered in England and Wales. The company's registered number is 08335617. The company's registered office is No 1 Leeds, 26 Whitehall Road, Leeds, West Yorkshire, LS12 1BE.

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 Going concern

The Financial statements have been prepared on the going concern basis. The Directors have prepared financial forecasts through to 30th November 2025. In the light of these, together with their understanding of the marketplace, the product, risks and uncertainties, the Directors consider there to be sufficient resources to operate for the foreseeable future. The Board has concluded that the going concern assumption is appropriate in preparing these financial statements.

2.3 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.

2.4 Government grants

Grants are accounted 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 30 NOVEMBER 2021

2. Accounting policies (continued)

2.5 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

2.6 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:

Computer equipment	-	25% 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.

2.7 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.

2.8 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 2 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

2. Accounting policies (continued)

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021

2. Accounting policies (continued)

2.16 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

Development costs

The Company recognises costs incurred on development projects as an intangible asset which satisfies the requirements of FRS 102. The calculation of the costs incurred includes a portion of the time costs of any employees working on the projects developing the Radar Healthcare platform. The decision whether to capitalise and how to determine the period of economic benefit of a project requires an assessment of the commercial viability of each project.

4. Employees

The average monthly number of employees, including directors, during the year was 42 (2020 - 32).

SMARTGATE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

5. Intangible assets

	Development costs £
Cost	
At 1 December 2020	740,325
Additions	474,091
At 30 November 2021	<u>1,214,416</u>
Amortisation	
At 1 December 2020	319,528
Charge for the year	211,411
At 30 November 2021	<u>530,939</u>
Net book value	
At 30 November 2021	<u>683,477</u>
At 30 November 2020	<u>420,798</u>

SMARTGATE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

6. Tangible fixed assets

	Computer equipment £
Cost or valuation	
At 1 December 2020	61,865
Additions	20,557
At 30 November 2021	<u>82,422</u>
Depreciation	
At 1 December 2020	31,415
Charge for the year	14,784
At 30 November 2021	<u>46,199</u>
Net book value	
At 30 November 2021	<u>36,223</u>
At 30 November 2020	<u>30,451</u>

7. Debtors

	2021 £	2020 £
Trade debtors	695,323	362,708
Other debtors	103,850	59,201
Prepayments and accrued income	165,240	176,053
Tax recoverable	145,574	-
	<u>1,109,987</u>	<u>597,962</u>

SMARTGATE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	150,000	129,330
Other taxation and social security	234,547	131,271
Other creditors	10,917	6,339
Accruals and deferred income	1,067,407	724,142
	<u>1,462,871</u>	<u>991,082</u>

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

	2021 £	2020 £
Other loans	1,264,964	-
Deferred income	50,068	91,728
	<u>1,315,032</u>	<u>91,728</u>

10. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due 2-5 years		
Other loans	1,264,964	-
	<u>1,264,964</u>	<u>-</u>

Other loans comprise of convertible loan notes. These have a maturity period of 36 months, with interest applied at 8%. There is the option for these to be repaid at a redemption premium of 100% after 36 months, or for them to convert to a 25% discount on equity at the most recent funding round. As at the year-end, management considered it highly likely for the convertible loan notes to convert before the end of the 36 month period. As a result these have not been accounted for at fair value and instead have been measured at amortised cost.

SMARTGATE SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2021**

11. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
69,783 (2020 - 69,783) Ordinary shares of £0.0001 each	7	7
	<u>7</u>	<u>7</u>

12. Commitments under operating leases

At 30 November 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	61,310	-
	<u>61,310</u>	<u>-</u>

13. Post balance sheet events

In March 2022, 18,882 ordinary shares were subscribed for, with a total subscription price of £4,536,212. This fundraise resulted in conversion of the existing convertible loan notes into 6,998 ordinary shares.

14. Auditors' information

The auditors' report on the financial statements for the year ended 30 November 2021 was unqualified.

The audit report was signed on 26 August 2022 by Jon Dawson (Senior Statutory Auditor) on behalf of Haysmacintyre LLP.