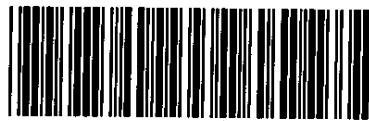


ACCELERCOMM LTD

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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ACCELERCOMM LTD

COMPANY INFORMATION

Directors	Dr Thomas Cronk IP2IPO Services Limited IQ Capital Directors Nominees LTD David Leftley Professor Robert Maunder Parkwalk Advisors Ltd (appointed 5 April 2023) Mr Par Lange (appointed 6 April 2023)
Registered number	10043949
Registered office	5 Benham Road Southampton Science park Chilworth Southampton SO16 7QJ
Independent auditor	BDO LLP Arcadia House Maritime Walk Ocean Village Southampton SO14 3TL

ACCELERCOMM LTD

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ACCELERCOMM LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- *select suitable accounting policies for the company's financial statements and then apply them consistently;*
- *make judgments and accounting estimates that are reasonable and prudent; and*
- *prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.*

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year are disclosed on the company information page.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

ACCELERCOMM LTD

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Post balance sheet events

On 25th January 2023 a further Convertible loan note was issued of £1m.

As part of a round B fundraising exercise Accelercomm Limited secured additional funding from its original and new investors to the sum of £21.7m. The timing of the funding was split into 3 stages and resulted in the total allotment and issue of a new share capital (B Preference Shares £0.01 nominal value) of 447,751.

Stage 1 of completion having occurred on 17th March 2023 which resulted in the allotment and issue of share capital B Preference shares. This allotment comprised of 202,655 shares and the sum of £4,799,916 was received in cash and £4,428,454 (£4,200,000 principal equity and interest) was used from the Convertible loan note conversion of debt into equity at a 20% discount on the share price paid. The fair value of the Convertible loan note gross of the 20% discount was £5,535,568.

Stage 2 of completion occurred after advanced EIS assurance was granted by HMRC on 5th April 2023 which resulted in the allotment and issue of share capital B Preference shares, this allotment comprised of 117,647 shares and the sum of £5,999,997 was received in cash (total share price paid £51).

The third and final stage of completion occurred 1 business day after the second completion on 6th April 2023 which resulted in the allotment and issue of share capital B Preference shares, this allotment comprised of 127,449 shares and the sum of £6,499,899 was received in cash (total share price paid £51).

In total this comprised of a nominal value of £4,477.51 plus a premium of £21,723,788.49.


Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:

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Dr Thomas Cronk
Director
Date: 20 June 2023

ACCELERCOMM LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCELERCOMM LTD

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Accelercomm Limited ("the Company") for the year ended 31 December 2022 which comprise Profit and Loss Account, Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

ACCELERCOMM LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCELERCOMM LTD (CONTINUED)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in

ACCELERCOMM LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACCELERCOMM LTD (CONTINUED)

accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Company and the industry in which it operates, we considered those laws and regulations that have a direct impact on the financial statements, such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results.

Audit procedures performed included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, corroborating responses with information gained from other aspects of the audit;
- Assessing journal entries against specific criteria and to specific accounts that we considered as at a greater risk of fraud as part of our planned audit approach. We assessed whether there was a business rationale for the journals identified and obtained supporting documentation for the entries;
- Discussions with those charged with governance regarding known, alleged or suspected instances of fraud. We were not made aware of any.

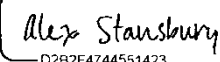
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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Alex Stansbury (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor
Southampton, United Kingdom

Date: 20 June 2023

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

ACCELERCOMM LTD

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover		2,011,756	2,661,004
Cost of sales		(1,106,582)	(819,926)
Gross profit		<u>905,174</u>	<u>1,841,078</u>
Administrative expenses		(9,657,146)	(4,905,341)
Other operating income		2,039,368	-
Operating loss		<u>(6,712,604)</u>	<u>(3,064,263)</u>
Interest receivable and similar income		4,764	998
Interest payable and similar expenses		(970,626)	-
Loss before tax		<u>(7,678,466)</u>	<u>(3,063,265)</u>
Tax on loss		207,703	548,488
Loss for the financial year		<u><u>(7,470,763)</u></u>	<u><u>(2,514,777)</u></u>

There were no recognised gains and losses for 2022 or 2021 other than those included in the profit and loss account.

The notes on pages 8 to 17 form part of these financial statements.


ACCELERCOMM LTD
REGISTERED NUMBER:10043949

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	6	442,863	176,100
Investments	7	7	7
		442,870	176,107
Current assets			
Debtors: amounts falling due within one year	8	1,777,950	1,011,300
Cash at bank and in hand		1,362,578	4,158,154
		3,140,528	5,169,454
Creditors: amounts falling due within one year	9	(5,660,227)	(1,210,267)
Net current (liabilities)/assets		(2,519,699)	3,959,187
Total assets less current liabilities		(2,076,829)	4,135,294
Creditors: amounts falling due after more than one year	10	(87,076)	-
Net (liabilities)/assets		(2,163,905)	4,135,294
Capital and reserves			
Called up share capital	11	4,150	4,123
Share premium account	12	8,779,120	8,743,612
Share Option Reserve	12	1,779,113	641,350
Profit and loss account	12	(12,726,288)	(5,253,791)
		(2,163,905)	4,135,294

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 were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

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Dr Thomas Cronk
 Director
 Date: 20 June 2023

The notes on pages 8 to 17 form part of these financial statements.

ACCELERCOMM LTD

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

1. General information

AccelerComm Limited is a private company limited by shares, with registered number 10043949, incorporated in England and Wales under the Companies Act. The registered office address is 5 Benham Road, Southampton Science park, Chilworth, Southampton, SO16 7QJ.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The company and group headed by it, qualifies as small as set out in the section 383 of the companies Act 2006. Consequently, the company and group are considered eligible for the exemption to prepare consolidated accounts such that these are the accounts of AccelerComm Limited as a single entity.

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

In preparing the financial statements, the directors have considered the ability of the company to continue as a going concern and have reviewed cash flow forecasts to inform their decisions.

As the company is still early in its life-cycle, it has recorded a loss for the period. During this stage, the company will remain in a net cash outflow position in the near term.

Cash-flow forecasts have been prepared identifying all contractual cash commitments for the next 12 months post approval of the financial statements and these have been compared to current cash holdings and expected revenues and other cash inflows. In particular the company has secured series B funding from the original and new investors to the sum of £21.7m, of which £17.3m was received in cash. Consequently, the directors are satisfied that the financial statements should be prepared on the going concern basis and that there is no material uncertainty related to going concern.

ACCELERCOMM LTD

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

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods and delivery of software

Turnover from the sale of goods and delivery of software is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer and *customer acceptance has been obtained*;
- the amount of turnover can be measured reliably; and
- it is probable that the company will receive the consideration due under the transaction.

Rendering of services

Turnover from a contract to provide services, which include support and maintenance contracts and professional 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 turnover 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 Operating leases

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.

2.5 Research and development

Research and development expenditure is expensed to the profit and loss account as incurred.

2.6 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 and included in the other operating income in the Profit and loss account in the same period as the related expenditure.

ACCELERCOMM LTD

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

2. Accounting policies (continued)

2.7 Interest income

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

2.8 Finance costs

Finance costs are charged to the profit and loss account 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.

2.9 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 the profit and loss account 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.

2.10 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 or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest.

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 profit or loss over the remaining vesting period.

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

2.11 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.

The estimated useful lives range as follows:

Other intangible fixed assets	-	5	years
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ACCELERCOMM LTD

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

2. Accounting policies (continued)

2.12 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:

Plant and machinery	-	20%
Fixtures and fittings	-	20%
Office equipment	-	25%
Computer equipment	-	25%

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.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Financial instruments

The company's cash at bank and in hand, trade and other debtors, and its trade and other creditors are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

The company also holds non-basic financial instruments in the form of convertible loan notes. These instruments carry a coupon rate of interest but also convert into a variable number of shares at a 20% discount to the share price at a qualifying funding round. The convertible loan notes are carried at fair value and remeasured at each reporting date.

2.15 Taxation

Tax is recognised in the profit and loss account except that a charge attributable to an item on 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 reporting date in the country where the company operates and generates income.

Research and development tax credits are recognised to the extent that it is probable that economic benefits will flow to the company and the research and development tax credits can be reliably measured. It is an accounting policy choice to present the research and development tax credits in other operating income.

ACCELERCOMM LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

In preparing these financial statements, the directors have made the following key estimates:

- The company has estimated its research and development tax credit receivable for the year ended 31 December 2022 and this is material to the financial statements. It has been prepared in line with HMRC current requirements and is subject to submission after the approval of the financial statements; and

- The company has estimated the fair value of the share based payment options taking into account key assumptions relating to the fair value. The key assumptions include the fair value of the shares at the date of issue and the volatility of the share price. In preparing these financial statements, the directors have made the following key judgements:

- The convertible loan notes are remeasured at fair value, with a valuation of £4,165,385 having been recognised at the balance sheet date; this resulted in a charge to profit and loss of £833,077. The key judgement in ascertaining the fair value at the balance sheet date was the likelihood and proximity of a funding event. Such an event would trigger a conversion to equity for a variable number of shares and at a discount of 20% from the share price. The directors considered such an event to be imminent at the balance sheet date, and therefore a finance charge for the full 20% discount has been imputed to align the carrying value of the convertible loan notes with the equity instruments expected to be issued.

4. Employees

The average monthly number of employees, including directors, during the year was 52 (2021: 34).

5. Intangible assets

	Other intangible assets £
Cost	
At 1 January 2022	260
At 31 December 2022	<u>260</u>
Amortisation	
At 1 January 2022	260
At 31 December 2022	<u>260</u>
Net book value	
At 31 December 2022	<u><u>-</u></u>
At 31 December 2021	<u><u>-</u></u>

ACCELERCOMM LTD

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

6. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost					
At 1 January 2022	2,802	27,903	15,062	184,359	230,126
Additions	70,310	112,318	39,347	153,926	375,901
Disposals	-	(26,834)	(2,386)	-	(29,220)
At 31 December 2022	<u>73,112</u>	<u>113,387</u>	<u>52,023</u>	<u>338,285</u>	<u>576,807</u>
Depreciation					
At 1 January 2022	93	9,140	6,874	37,919	54,026
Charge for the year on owned assets	5,914	12,705	6,796	67,945	93,360
Disposals	-	(12,022)	(1,420)	-	(13,442)
At 31 December 2022	<u>6,007</u>	<u>9,823</u>	<u>12,250</u>	<u>105,864</u>	<u>133,944</u>
Net book value					
At 31 December 2022	<u>67,105</u>	<u>103,564</u>	<u>39,773</u>	<u>232,421</u>	<u>442,863</u>
At 31 December 2021	<u>2,709</u>	<u>18,763</u>	<u>8,188</u>	<u>146,440</u>	<u>176,100</u>

7. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2022	7
At 31 December 2022	<u>7</u>

ACCELERCOMM LTD

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

8. Debtors

	2022 £	2021 £
Trade debtors	30,990	191,268
Other debtors	152,271	83,546
Prepayments and accrued income	958,922	192,462
R&D Tax Credit Receivable	635,767	544,024
	<u>1,777,950</u>	<u>1,011,300</u>

9. Creditors: Amounts falling due within one year

	2022 £	2021 £
Convertible loan note	4,165,385	-
Trade creditors	283,066	305,591
Amounts owed to group undertakings	58,761	27,704
Other taxation and social security	103,600	71,909
Obligations under finance lease and hire purchase contracts	53,631	-
Other creditors	45,144	-
Accruals and deferred income	950,640	805,063
	<u>5,660,227</u>	<u>1,210,267</u>

There are no debts included under 'creditors' in respect of which any security has been given by the entity.

There are no debts included which are payable or repayable otherwise than by instalment and fall due for payment or repayment after the end of the period of five years beginning with the day next following the reporting date.

The convertible loan notes issued were considered to be a debt instrument with no element of equity.

Interest is charged at 12% per annum on the convertible loan note.

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

	2022 £	2021 £
Net obligations under finance leases and hire purchase contracts	87,076	-
	<u>87,076</u>	<u>-</u>

ACCELERCOMM LTD

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

11. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
231,537 (2021: 231,537) A Ordinary Shares shares of £0.01 each	2,315	2,315
183,415 (2021: 180,793) Ordinary Shares shares of £0.01 each	1,835	1,808
	<u>4,150</u>	<u>4,123</u>

On 3 May 2022, 126 ordinary shares with nominal value of £0.01 was allotted for a total consideration of £1,489.

On 11 May 2022 1,120 Ordinary shares with nominal value of £0.01 was allotted for a total consideration of £19,281.

On 6 June 2022, a further 420 Ordinary share was allotted of nominal value £0.01 for a total consideration of £4.

On 28 June 2022 a further 773 Ordinary shares was allotted which had a nominal value of £0.01 for a total consideration of £14,758.

On 7 October 2022 75 Ordinary shares was allotted which had nominal value of £0.01 for a total consideration of £1.

On 9 November 2022, 108 Ordinary shares with a nominal value of £0.01 and for a total consideration of £1.

All shares issued during the year were through exercising of approved and unapproved share options.

ACCELERCOMM LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**12. Reserves**

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Share option reserve

The share option reserves represents cumulative fair value of share options issued.

The company operates an equity-settled share based remuneration scheme for employees, with the only vesting condition being that the individuals remain as employees across the four year vesting period. The Black-Scholes options pricing model has been used to value the equity-settled share-based payment awards as it was considered this approach would result in materially accurate estimate of the fair value of options granted. The key assumptions are considered to be the expected volatility, estimated at 40%, and the share price as derived from recent share issues.

During the year there was a modification of share options granted which had not vested yet, the incremental fair value of the options due to the modification for services received has been recognised over the remainder of the original vesting period. The modification to the share options was in relation to the reduced exercise price payable by the employees.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

13. Commitments under operating leases

At 31 December 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Within 1 year	390,578	2,315
2-5 years	395,946	1,808
	<u>786,524</u>	<u>4,123</u>

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

14. Post balance sheet events

In March and April 2023 the company completed a round B fundraising exercise. Accelercomm Limited secured additional funding from its original and new investors to the sum of £21.7m. The timing of the funding was split into 3 stages and resulted in the total allotment and issue of a new share capital (B Preference Shares £0.01 nominal value) of 447,751.

Stage 1 of completion having occurred on 17th March 2023 which resulted in the allotment and issue of share capital B Preference shares. This allotment comprised of 202,655 shares and the sum of £4,799,916 was received in cash and £4,428,454 (£4,200,000 principal equity and interest) was used from the Convertible loan note conversion of debt into equity at a 20% discount on the share price paid. The fair value of the Convertible loan note gross of the 20% discount was £5,535,568.

Stage 2 of completion occurred after advanced EIS assurance was granted by HMRC on 5th April 2023 which resulted in the allotment and issue of share capital B Preference shares, this allotment comprised of 117,647 shares and the sum of £5,999,997 was received in cash (total share price paid £51).

The third and final stage of completion occurred 1 business day after the second completion on 6th April 2023 which resulted in the allotment and issue of share capital B Preference shares, this allotment comprised of 127,449 shares and the sum of £6,499,899 was received in cash (total share price paid £51).

In total this comprised of a nominal value of £4,477.51 plus a premium of £21,723,788.49.