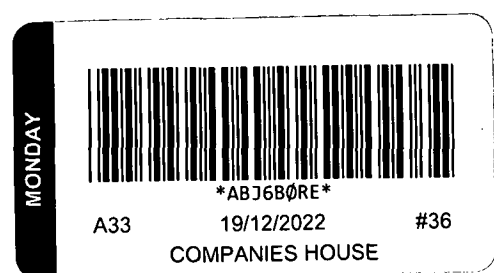


Registered number: 09188032

SELDON TECHNOLOGIES LIMITED

UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022



SELDON TECHNOLOGIES LIMITED

CONTENTS

	Page
Statement of financial position	1 - 2
Statement of changes in equity	3
Notes to the financial statements	4 - 12

SELDON TECHNOLOGIES LIMITED
REGISTERED NUMBER:09188032

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	2022 £	As restated 2021 £
Fixed assets			
Tangible fixed assets	4	48,451	37,760
Fixed asset investments	5	74	428,462
Current assets			
Debtors: amounts falling due within one year	6	1,730,956	1,694,708
Cash at bank and in hand		7,954,124	6,090,333
		<u>9,685,080</u>	<u>7,785,041</u>
Creditors: amounts falling due within one year	7	<u>(1,315,652)</u>	<u>(340,261)</u>
Net current assets		8,369,428	7,444,780
Total assets less current liabilities		8,417,953	7,911,002
Creditors: amounts falling due after more than one year	8	(7,076,143)	-
Net assets		<u>1,341,810</u>	<u>7,911,002</u>
Capital and reserves			
Called up share capital		28	28
Share premium account	11	10,135,544	10,134,794
Share option reserve	11	147,559	133,483
Profit and loss account	11	(8,941,321)	(2,357,303)
		<u>1,341,810</u>	<u>7,911,002</u>

SELDON TECHNOLOGIES LIMITED
REGISTERED NUMBER:09188032

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2022

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 M Housley
Director

Date: 19/12/2022

The notes on pages 4 to 12 form part of these financial statements.

SELDON TECHNOLOGIES LIMITED

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

	Called up share capital	Share premium account	Share option reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2020 (as previously stated)	17	3,212,196	165,058	(695,286)	2,681,985
Prior year adjustment	-	-	(60,412)	60,412	-
At 1 April 2020 (as restated)	17	3,212,196	104,646	(634,874)	2,681,985
Loss for the year	-	-	-	(1,722,429)	(1,722,429)
Share option charge	-	-	29,763	-	29,763
Shares issued during the year	11	6,921,672	-	-	6,921,683
Corrections of prior period adjustments	-	926	(926)	-	-
At 1 April 2021 (as previously stated)	28	10,134,794	193,588	(2,417,408)	7,911,002
Prior year adjustment	-	-	(60,105)	60,105	-
At 1 April 2021 (as restated)	28	10,134,794	133,483	(2,357,303)	7,911,002
Loss for the year	-	-	-	(6,584,018)	(6,584,018)
Share option charge	-	-	14,076	-	14,076
Shares issued during the year	-	750	-	-	750
At 31 March 2022	28	10,135,544	147,559	(8,941,321)	1,341,810

The notes on pages 4 to 12 form part of these financial statements.

SELDON TECHNOLOGIES LIMITED

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

1. General information

Seldon Technologies Limited is a private company, limited by shares, incorporated in England and Wales. The address of the registered office is 2 Underwood Row, London, United Kingdom, N1 7LQ and the registered number of the company is 09188032.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared 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 Exemption from preparing consolidated financial statements

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

2.3 Going concern

These accounts are prepared on a going concern basis. The directors have indicated their continued support for the business and have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the signing of these financial statements..

2.4 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

SELDON TECHNOLOGIES LIMITED

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

2. Accounting policies (continued)

2.5 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.

2.6 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.

2.7 Interest income

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

2.8 Finance costs

Finance costs are charged to 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.

SELDON TECHNOLOGIES LIMITED

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

2. Accounting policies (continued)

2.9 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to 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 reporting 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 profit or loss over the remaining vesting period.

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

2.10 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

SELDON TECHNOLOGIES LIMITED

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

2. Accounting policies (continued)

2.11 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, on a reducing balance basis.

Depreciation is provided on the following basis:

Office equipment	-	33% reducing balance
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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.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 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.

2.14 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.

SELDON TECHNOLOGIES LIMITED

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

2. Accounting policies (continued)

2.15 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

2.16 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.

2.17 Operating leases

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

2.18 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 Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

SELDON TECHNOLOGIES LIMITED

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

3. Employees

The average monthly number of employees, including directors, during the year was 44 (2021 - 23).

4. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 April 2021	60,391
Additions	38,076
Disposals	(2,578)
At 31 March 2022	<u>95,889</u>
Depreciation	
At 1 April 2021	22,631
Charge for the year on owned assets	25,300
Disposals	(493)
At 31 March 2022	<u>47,438</u>
Net book value	
At 31 March 2022	<u><u>48,451</u></u>
At 31 March 2021	<u><u>37,760</u></u>

SELDON TECHNOLOGIES LIMITED

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

5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2021	428,462
Additions	50,074
Amounts written off	(478,462)
At 31 March 2022	<u>74</u>

During the year the company made an investment of \$100 in a new subsidiary undertaking, Seldon Inc, registered in the USA.

In July 2022, the company acquired the trade and assets of its subsidiary Seldon Research Limited for consideration of £50,000. The company's investment in Seldon Research Limited was written off to £nil in the year as the subsidiary undertaking has now ceased to trade.

6. Debtors

	2022 £	2021 £
Trade debtors/trade receivables	502,475	75,556
Amounts owed by group undertakings	223,224	1,168,397
Other debtors	748,408	379,835
Prepayments and accrued income	256,849	70,920
	<u>1,730,956</u>	<u>1,694,708</u>

The amount advanced to the subsidiary undertaking of £223,224 at 31 March 2022 is interest free and repayable on demand.

SELDON TECHNOLOGIES LIMITED

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

7. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Trade creditors/trade payables	181,107	95,954
Taxation and social security	121,919	71,119
Other creditors	19,098	54,281
Accrued liabilities and deferred income	993,528	118,907
	1,315,652	340,261

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

	2022	2021
	£	£
Convertible loan notes	7,076,143	-
	7,076,143	-

In February 2022, the company issued £7,076,143 of Convertible Loan Stock. The Loan Stock matures in February 2027 has a cumulative interest rate of 8% per annum.

9. Deferred taxation

The company has tax losses carried forward of £7,758,608 (2021: £1,712,618) available for offset against future profits. No deferred tax asset has been recognised on these losses as their recoverability is uncertain.

10. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
1,014,235 (2021 - 1,014,235) Ordinary A shares of £0.00001 each	10.14	10.10
1,165,821 (2021 - 1,165,821) Preference A shares of £0.00001 each	11.66	11.66
140,638 (2021 - 136,942) Ordinary shares of £0.00001 each	1.41	1.41
468,564 (2021 - 468,564) Seed Series shares of £0.00001 each	4.69	4.69
	27.90	27.86

On 6 April 2021, the company issued 3,696 Ordinary shares of £0.00001 each for a total consideration of £750.

SELDON TECHNOLOGIES LIMITED

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

11. Reserves

Share premium account

The share premium account represents the excess of the issue price over the par value of shares issued less transaction costs arising on issue.

Share option reserve

The share option reserve reflects the fair value of options granted charged to profit and loss over the vesting period.

Profit and loss account

The profit and loss reserve represents cumulative retained earnings less amounts distributed to shareholders.

12. Share based payment

The company operates an EMI qualifying share option scheme for employees of the company and an unapproved share option scheme for non-employees. All share options vest over a period of 4 years from the date of grant with a 12 month cliff. The share options have a maximum term of 10 years. The fair value of share options has been calculated using the Black-Scholes valuation model. The company recognised a share option charge expense in the year of £14,076 (2021: £29,763).

During the year, the company granted 196,148 options (2021 - 4,935) and 3,696 share options were exercised (2021 - Nil). The number of share options which vested during the year was 59,082 (2021 - 61,315) and the number that were forfeited or expired during the year was 46,690 (2021 - 38,243).

13. Prior year adjustment

During the year, the Directors reviewed and considered their accounting policies as well as reviewing prior year transactional data and treatment. As a result, the Directors have corrected the fair value of share options issued in previous financial years and have revised the share option charge accordingly. The Directors have calculated that £60,105 of excess vesting charges had been recognised in previous financial years. The financial effect of this correction is to reduce the share option reserve by £60,105 and increase retained earnings by £60,105.

14. Pension commitments

The Company operates a defined contributions 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 £90,040 (2021 - £44,514). Contributions totalling £19,098 (2021 - £20,422) were payable to the fund at the reporting date and are included in other creditors.

15. Related party transactions

During the year the directors loan of £135 outstanding at 31 March 2021 was written off.