

Q5D TECHNOLOGIES LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

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COMPANIES HOUSE

Q5D TECHNOLOGIES LIMITED
REGISTERED NUMBER: 11556045

BALANCE SHEET
AS AT 31 DECEMBER 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	4	3,978	27,847
Tangible assets	5	100,242	88,417
		<u>104,220</u>	<u>116,264</u>
Current assets			
Stocks and WIP		50,967	104,457
Debtors: amounts falling due after more than one year	6	66,000	66,000
Debtors: amounts falling due within one year	6	334,340	386,173
Cash at bank and in hand	7	42,447	559,808
		<u>493,754</u>	<u>1,116,438</u>
Creditors: amounts falling due within one year	8	(215,859)	(242,939)
Net current assets		<u>277,895</u>	<u>873,499</u>
Total assets less current liabilities		<u>382,115</u>	<u>989,763</u>
Creditors: amounts falling due after more than one year	9	(19,437)	(28,411)
Net assets		<u>362,678</u>	<u>961,352</u>
Capital and reserves			
Called up share capital	11	13	13
Share premium account		2,913,753	2,079,570
Profit and loss account		(2,551,088)	(1,118,231)
		<u>362,678</u>	<u>961,352</u>

Q5D TECHNOLOGIES LIMITED
REGISTERED NUMBER: 11556045

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2023

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.

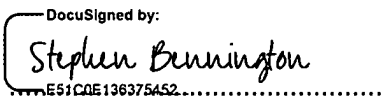
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 income and retained earnings 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:

DocuSigned by:

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Mr Stephen Bennington
Director

Date: 30-09-24

The notes on pages 3 to 16 form part of these financial statements.

Q5D TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. General information

Q5D Technologies Limited is a company limited by share capital incorporated in England & Wales with registration number 11556045. The company's trading address is Harbour Place, Serbert Road, Portishead, Bristol, BS20 7GF.

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 FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the requirements of the Companies Act 2006. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The following principal accounting policies have been applied:

2.2 Going concern

The board of directors are of the opinion that the accounts have been prepared on a going concern basis.

The board of directors have a reasonable expectation that the company has adequate resources to continue its operations for a period of at least 12 months from the date that the financial statements are approved. The key method for assessing going concern is through the business planning process which considers profitability, liquidity, and solvency. The business planning process considers the company's business activities, together with factors likely to affect its future development, successful performance and position, and key risks in the current economic climate.

Q5D TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.3 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 income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

Q5D TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.4 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

2.5 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.

2.6 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.

Q5D TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.7 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 income and retained earnings in the same period as the related expenditure following approval of the grant giving body.

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.

2.9 Borrowing costs

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

2.10 Pensions

Defined contribution pension plan

The company contributes to 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.

Q5D TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)**2.11 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 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 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.

2.12 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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 balance sheet date.

Q5D TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.13 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.

2.14 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.

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.

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:

Short-term leasehold property	-	10% straight line
Plant and machinery	-	33% straight line
Office equipment	-	33% straight line
Computer equipment	-	33% 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.

2.15 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

Q5D TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. Accounting policies (continued)

2.16 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.

2.17 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.

2.18 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.

3. Employees

The average monthly number of employees, including directors, during the year was 18 (2022 - 15).

Q5D TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

4. Intangible assets

	Computer software £
Cost	
At 1 January 2023	71,606
At 31 December 2023	<u>71,606</u>
Amortisation	
At 1 January 2023	43,759
Charge for the year on owned assets	23,869
At 31 December 2023	<u>67,628</u>
Net book value	
At 31 December 2023	<u><u>3,978</u></u>
At 31 December 2022	<u><u>27,847</u></u>

Q5D TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. Tangible fixed assets

	Short-term leasehold property £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2023	17,431	85,000	-	19,046	121,477
Additions	43,884	3,650	2,500	11,211	61,245
At 31 December 2023	<u>61,315</u>	<u>88,650</u>	<u>2,500</u>	<u>30,257</u>	<u>182,722</u>
Depreciation					
At 1 January 2023	-	28,333	-	4,726	33,059
Charge for the year on owned assets	11,412	29,449	764	7,796	49,421
At 31 December 2023	<u>11,412</u>	<u>57,782</u>	<u>764</u>	<u>12,522</u>	<u>82,480</u>
Net book value					
At 31 December 2023	<u>49,903</u>	<u>30,868</u>	<u>1,736</u>	<u>17,735</u>	<u>100,242</u>
At 31 December 2022	<u>17,431</u>	<u>56,667</u>	<u>-</u>	<u>14,319</u>	<u>88,417</u>

Q5D TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

6. Debtors

	2023 £	2022 £
Due after more than one year		
Other debtors	66,000	66,000
	<u>66,000</u>	<u>66,000</u>
	2023 £	2022 £
Due within one year		
Trade debtors	2,930	39,677
Other debtors	282,966	241,074
Prepayments and accrued income	48,444	105,422
	<u>334,340</u>	<u>386,173</u>

7. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	42,447	559,808
	<u>42,447</u>	<u>559,808</u>

8. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	8,976	8,752
Trade creditors	200,945	229,187
Other creditors	938	-
Accruals and deferred income	5,000	5,000
	<u>215,859</u>	<u>242,939</u>

The above bank balance represents a loan under the Bounce Back Loan Scheme (BBLs). The loan is 100% backed by the UK government and no security has been provided.

Q5D TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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

	2023 £	2022 £
Bank loans	19,437	28,411
	<u>19,437</u>	<u>28,411</u>

The above bank balance represents a loan under the Bounce Back Loan Scheme (BBLs). The loan is 100% backed by the UK government and no security has been provided.

10. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year		
Bank loans	8,976	8,752
	<u>8,976</u>	<u>8,752</u>
Amounts falling due 1-2 years		
Bank loans	9,203	8,976
	<u>9,203</u>	<u>8,976</u>
Amounts falling due 2-5 years		
Bank loans	10,232	19,435
	<u>10,232</u>	<u>19,435</u>
	<u>28,411</u>	<u>37,163</u>

Q5D TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

11. Share capital

	2023	2022
	£	£
Allotted, called up and fully paid		
34,650 (2022 - 33,400) Ordinary shares of £0.00001 each	0.34650	<i>0.33400</i>
300,000 (2022 - 300,000) A Ordinary shares of £0.00001 each	3.00000	<i>3.00000</i>
200,000 (2022 - 200,000) B Ordinary shares of £0.00001 each	2.00000	<i>2.00000</i>
776,084 (2022 - 753,225) Preference shares shares of £0.00001 each	7.76084	<i>7.53225</i>
	13.10734	<i>12.86625</i>

During the reporting period, the company issued 22,859 preference shares at £3.28 per share, with a nominal value of £0.000001. The excess over nominal value has been recognised as share premium during the reporting period.

During the reporting period, the company also entered into Advance Subscription Agreements which grant Investors automatic subscription rights for senior shares in a future financing round in exchange for cash payments. Funds received during the year amounted to £759,262, with no equity instruments issued at the balance sheet date. As the company has no obligation to repay the funds, the company has recognised the receipts as an increase in share premium during the year.

Q5D TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

12. Share-based payments

During the reporting period, the company granted options over 21,865 (2022: 299,200) ordinary shares at an exercise price of £0.000001. These were granted in order to both remunerate and retain employees, and secure services from third party providers.

The options are valid for 10 years from the date of the grant. After satisfaction of any performance conditions included in the award, 25% of options will become exercisable on the first anniversary of the vesting start date with a further 2.0833% of options becoming exercisable each month thereafter, such that by the fourth anniversary of the the vesting start date the entirety of the options will be exercisable. The net asset value of the company at the valuation date is below that of the company's share capital value, and as such the directors consider the current value of the options to be of nominal value.

The fair value of the options at the end of the period was £0.000001.

The share based payment expense recognised in the income statement during the period was £Nil

	Weighted average exercise price (pence) 2023	Number 2023	<i>Weighted average exercise price (pence) 2022</i>	<i>Number 2022</i>
Outstanding at the beginning of the year	0.000001	291,200		-
Granted during the year	0.000001	21,865	<i>0.000001</i>	<i>291,200</i>
Exercised during the year	0.000001	(1,250)		-
Lapsed during the year	0.000001	(6,750)		-
Outstanding at the end of the year	0.000001	305,065	<i>0.000001</i>	<i>291,200</i>

13. Pension commitments

The company contributes into 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 £104,581 (2022: £64,116). Contributions totaling £Nil (2022: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

Q5D TECHNOLOGIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

14. Government support received

During the reporting period the Company has received Government support as follows:-

1. A Bounce Back Loan (BBL) of £45,000 was taken up with HSBC with interest of 2.5% on 29/01/2021. At the balance sheet date, the amount repayable remained at £28,409 (2022: £37,164).
2. An Innovate UK Smart Grants: August 2020 was awarded to the Company for the project titled Overprinting with High Performance Polymers (OverHiPP), with the terms that the project is completed by 31 May 2023. The rate of grant is 70.00% and the grant totals £189,624. The grant is included in government grants in the profit and loss account, and £82,353 (2022: £Nil) was received within the period.
3. An Innovate UK ATI Program: batch 32 research projects grant was awarded to the Company for the project titled LiveWire. The rate of the grant is 43.05% and the grant totals £517,599. The grant is included in government grants in the profit and loss account, and £51,724 (2022: £454,433) was received within the period.
4. An Innovate UK EUREKA GlobalStars Taiwan digital industrial collaboration research projects grant was awarded to the Company for the project titled PRIME-3D. The rate of the grant is 50.00% and the grant totals £188,924. The grant is included in government grants in the profit and loss account, and £124,869 (2022: £Nil) was received within the period.
5. An Innovate Edge Catapult research projects grant was awarded to the Company for the project titled Advanced Printed Electronics. The rate of the grant is 100.00% and the grant totals £15,000. The grant is included in government grants in the profit and loss account and £15,000 (2022: £Nil) was received within the period.