

Company registration number 08683577 (England and Wales)

OXFORD SPACE SYSTEMS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

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OXFORD SPACE SYSTEMS LIMITED

COMPANY INFORMATION

Directors	D J E Denny M J Dreaper T House M Lawrence R P Spurrett S G C Sutcliffe J F Yates IQ Capital Directors Nominees Limited	(Appointed 29 January 2024) (Appointed 20 August 2024) (Appointed 1 March 2024)
Secretary	M J Dreaper	
Company number	08683577	
Registered office	1 Zephyr Building Eighth Street Harwell Space Cluster Harwell OX11 0RL	
Auditor	Richardsons 30 Upper High Street Thame Oxfordshire OX9 3EZ	

OXFORD SPACE SYSTEMS LIMITED

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OXFORD SPACE SYSTEMS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present the strategic report for the year ended 31 December 2024.

Review of the business

The Board plans and assesses the Company's performance based on the following key performance indicators:

	Year ending 31 December	
	2024	2023
# of units with space flight heritage	17	12
Order book - Year End Value	£6,914k	£10,663k
Revenue	£7,006k	£6,659k
Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA)	(£4,011k)	(£2,722k)
Headcount - Average FTE in the year	91	69

In 2024 OSS made and shipped 21 units of flight hardware, more units than in the previous 5 years combined. This included delivering a new, large helical antenna all the way from initial concept through to shipped hardware within a 12-month period.

We also encountered a further 4 successful deployments of our smaller helical antennas. These 4 antennas were sold, shipped and flown in space within the same year. Often our customers will have a delay between when OSS delivers flight hardware and the time it is deployed such that at the date of this report there are 19 OSS antennas that have been sold and are not yet launched in space.

Growth in our space flight heritage is enhancing OSS's credibility with current and potential customers. At 31st December 2024 we had a small number of significant contracts that were in the late stages of bidding but not yet in the Order Book. At the date of this report our Order Book amounts to £11.5m, which includes the recently-announced contract for 'Oberon', where OSS is initially supplying 2 wrapped rib antennas to Airbus for this UK government satellite constellation. At the date of this report we have a further £10m of bids in the later stages of evaluation or confirmed as won, pending contract.

Later-stage antenna development is typically co-funded by OSS customers. In 2024, 87% of our Revenue fell into this category. Much of this work has been on the later stages of testing the performance of our 2 larger antenna designs - the Offset and the Wrapped Rib. In both cases, we have needed to invest additional time and resources to resolve the technical challenges inherent in such designs. Whilst our Revenue grew by 5.0% to £7.0m, this growth was held back in 2024 due to delays in customers placing orders and the additional time we have taken to develop our products. The shortfall in revenue remains in our Order Book for realisation in 2025, and at the date of this report we have made significant progress towards delivering the maiden flight units for each of these products.

We have further increased our headcount in 2024. We have also grown the number of key customers in 2024. We needed to grow our team to be a credible bidder for the next generation of customer contracts. These are opportunities to start delivering high value flight hardware (the larger OSS antennas). We have made significant investments in to enhancing our business operational capability and resilience – particularly in enhancing our IT systems. We incurred a 21% increase in our premises costs, due to RPI-linked rent and increases in business rates and maintenance expenses. These are the key factors causing our EBITDA loss of £4.0m.

The Board recognises that following our strategy we have invested significantly in product development and in business maturity, with the EBITDA loss in 2024 reflecting this investment. In line with our goal to achieve profitability in 2026, it is not a level of loss we would wish to repeat in coming years. It is therefore encouraging that at the date of this report we have growing visibility of our next generation of contracts that will generate significant growth in revenues and a move towards annual profits. In the last 2 years we have proven how we can sell repeat builds of our smaller antennas at strong net profit margins. Over the coming 2 years we expect to do the same with our larger antennas.

OXFORD SPACE SYSTEMS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

Principal risks and uncertainties

The company has identified the following principal risks and uncertainties, which we report along with mitigating actions:

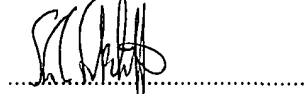
Risk	Mitigating Actions
<p>PRODUCT DELIVERY:</p> <p>The company is developing a range of deployable antennas using novel designs to create competitive advantage.</p>	<p>The company continues to mature each of its products and now has standard antenna products that have been proven to operate in space.</p> <p>The company has a system for collating lessons learned on each project to assure knowledge is built in to future projects.</p>
<p>PROJECT DELIVERY:</p> <p>The company generates revenue by delivering a series of projects for customers. Delays or failures to meet delivery milestones cause delays to cash generation, reduce recognised revenues and impair credibility with customers</p>	<p>The company has an established system for capturing defined customer requirements for each project.</p> <p>The company employs experienced project managers and uses a system of project management and reporting to intercept and mitigate risks to delivery.</p>
<p>PEOPLE:</p> <p>The company relies on retaining current employees and being able to recruit more high-quality employees in the future. There is strong competition in the local jobs market.</p>	<p>We seek to make OSS a very attractive place to work. This is done via creating a culture where employees feel their contribution is recognised and valued. We invest in learning and development and identify pathways for employees to grow their roles in the company. We seek to provide an attractive benefits package to all employees.</p>
<p>ORDER BOOK AND SALES PIPELINE:</p> <p>The company needs to win new contracts and sales orders each year in order to be viable.</p>	<p>The company is starting to prove its capability to generate profitable sales from standard antenna products that have proven flight heritage.</p> <p>The company invests significant time in working with a group of core customers. Our current and future products are designed in collaboration with these customers who typically plan to build constellations of satellites that will create multi-year demand for OSS antennas.</p>

OXFORD SPACE SYSTEMS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

On behalf of the board



S G C Sutcliffe
Director

Date: 19 March 2025

OXFORD SPACE SYSTEMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their annual report and financial statements for the year ended 31 December 2024.

Principal activity

The principal activity of the company continues to be the development and sale of innovative deployable antennas and other deployable hardware solutions for the global satellite industry.

Branches

The Company does not have any overseas branches.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D J E Denny	
M J Dreaper	(Appointed 29 January 2024)
A Gillespie	(Resigned 24 August 2024)
T House	(Appointed 20 August 2024)
M Lawrence	(Appointed 1 March 2024)
N J Mettyear	(Resigned 20 August 2024)
R P Spurrett	
S G C Sutcliffe	
J F Yates	
IQ Capital Directors Nominees Limited	

Review of Business

The results for the year are set out on page 9.

The Company has never paid a dividend and the Directors do not recommend payment of any dividends.

Auditor

Richardsons were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006.

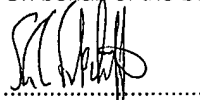
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going Concern

The Directors regularly review the company's current and projected financial position, as well as interest from potential investors, and are satisfied that the Company has adequate financial resources to meet all obligations as they fall due.

On behalf of the board



S G C Sutcliffe

Director

19 March 2025

OXFORD SPACE SYSTEMS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

The directors are responsible for preparing the annual 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 and then apply them consistently;
- make judgements 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 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.

OXFORD SPACE SYSTEMS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OXFORD SPACE SYSTEMS LIMITED

Opinion

We have audited the financial statements of Oxford Space Systems Limited (the 'company') for the year ended 31 December 2024 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 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.

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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

OXFORD SPACE SYSTEMS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OXFORD SPACE SYSTEMS LIMITED (CONTINUED)

Matters on which we are required to report by exception

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 strategic report or 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.

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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

There were no significant fraud risk factors identified in relation to Related Party Transactions due to the nature of Related Parties.

Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above. To gain an understanding of the entity's policies and procedures for compliance with those laws and regulations we made enquires of management and those charged with governance. We reviewed the financial statement disclosures and tested to supporting documentation to assess compliance with applicable laws and regulations.

Through discussions with management, we gained an understanding of how instances of non-compliance with laws and regulations or knowledge of actual, suspected, or alleged fraud is documented. We corroborated our enquiries through review of board minutes. We did not find any instances of contradictory evidence.

We considered the risk of fraud through management override, and, in response, we incorporated testing of manual journal entries and other adjustments for appropriateness into our audit approach.

Based on the results of our risk assessment we designed our audit procedures to identify and to address material misstatements in relation to fraud. We applied an element of unpredictability in the selection of the nature, timing and extent of audit procedures.

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.

Other matters which we are required to address

Comparative information in the financial statements is derived from the company's prior period financial statements which were not audited.

OXFORD SPACE SYSTEMS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF OXFORD SPACE SYSTEMS LIMITED (CONTINUED)

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.

J W Holland

John Holland (Senior Statutory Auditor)

For and on behalf of Richardsons, Statutory Auditor

Chartered Accountants

30 Upper High Street

Thame

Oxfordshire

OX9 3EZ

Date: 19/03/2025

OXFORD SPACE SYSTEMS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 £
Turnover	3	7,006,636	6,657,859
Cost of sales		(1,801,101)	(1,348,827)
Gross profit		5,205,535	5,309,032
Administrative expenses		(9,707,515)	(8,485,831)
Other operating income		940,637	760,086
Operating loss	4	(3,561,343)	(2,416,713)
Interest receivable and similar income	7	37,388	17,293
Interest payable and similar expenses	8	(224,424)	(155,580)
Loss before taxation		(3,748,379)	(2,555,000)
Tax on loss	9	293,473	72,445
Loss for the financial year		(3,454,906)	(2,482,555)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

OXFORD SPACE SYSTEMS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

	2024 £	2023 £
Loss for the year	(3,454,906)	(2,482,555)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(3,454,906)</u>	<u>(2,482,555)</u>

OXFORD SPACE SYSTEMS LIMITED

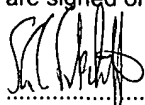
BALANCE SHEET

AS AT 31 DECEMBER 2024

		2024		2023	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	10		271,085		293,639
Tangible assets	11		1,422,493		1,438,386
			<u>1,693,578</u>		<u>1,732,025</u>
Current assets					
Stocks	12	265,327		38,891	
Debtors falling due after more than one year	13	591,439		356,279	
Debtors falling due within one year	13	3,258,587		3,110,343	
Cash at bank and in hand		1,640,610		3,986,371	
		<u>5,755,963</u>		<u>7,491,884</u>	
Creditors: amounts falling due within one year	14	<u>(3,433,376)</u>		<u>(2,484,062)</u>	
Net current assets			<u>2,322,587</u>		<u>5,007,822</u>
Total assets less current liabilities			<u>4,016,165</u>		<u>6,739,847</u>
Creditors: amounts falling due after more than one year	15		<u>(2,512,554)</u>		<u>(2,897,131)</u>
Provisions for liabilities					
Provisions	17	189,000		161,000	
		<u>(189,000)</u>		<u>(161,000)</u>	
Net assets			<u>1,314,611</u>		<u>3,681,716</u>
Capital and reserves					
Called up share capital	20		5,317		5,207
Share premium account			18,370,999		17,388,140
Profit and loss reserves			(17,061,705)		(13,711,631)
Total equity			<u>1,314,611</u>		<u>3,681,716</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 19 March 2025 and are signed on its behalf by:



S G C Sutcliffe
Director

Company registration number 08683577 (England and Wales)

OXFORD SPACE SYSTEMS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2023		4,866	14,347,959	(11,374,312)	2,978,513
Year ended 31 December 2023:					
Loss and total comprehensive income		-	-	(2,482,555)	(2,482,555)
Issue of share capital	20	341	3,040,181	-	3,040,522
Credit to equity for equity settled share-based payments	19	-	-	145,236	145,236
Balance at 31 December 2023		5,207	17,388,140	(13,711,631)	3,681,716
Year ended 31 December 2024:					
Loss and total comprehensive income		-	-	(3,454,906)	(3,454,906)
Issue of share capital	20	110	982,859	-	982,969
Credit to equity for equity settled share-based payments	19	-	-	104,832	104,832
Balance at 31 December 2024		5,317	18,370,999	(17,061,705)	1,314,611

OXFORD SPACE SYSTEMS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

		2024		2023	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	25	(3,911,632)		(4,296,098)	
Interest paid		(224,424)		(155,580)	
Income taxes refunded		653,758		411,673	
Net cash outflow from operating activities		(3,482,298)		(4,040,005)	
Investing activities					
Purchase of intangible assets		(38,917)		(22,583)	
Purchase of tangible fixed assets		(293,633)		(371,835)	
Interest received		37,388		17,293	
Net cash used in investing activities		(295,162)		(377,125)	
Financing activities					
Proceeds from issue of shares		982,969		3,040,522	
Bank loans recieved		833,306		1,691,005	
Repayment of bank loans		(384,576)		-	
Net cash generated from financing activities		1,431,699		4,731,527	
Net (decrease)/increase in cash and cash equivalents		(2,345,761)		314,397	
Cash and cash equivalents at beginning of year		3,986,371		3,671,974	
Cash and cash equivalents at end of year		1,640,610		3,986,371	

OXFORD SPACE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

Company information

Oxford Space Systems Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Zephyr Building, Eighth Street, Harwell Space Cluster, Harwell, OX11 0RL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The Directors regularly review the company's current and projected financial position, as well as interest from potential investors, and are satisfied that the Company has adequate financial resources to meet all obligations as they fall due.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

OXFORD SPACE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised based on the useful economic life of the assets.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	Straight line over 5 to 10 years
Plant and equipment	Straight line over 5 years or 10 years
Fixtures and fittings	Straight line over 10 years
Computers	Straight line over 3 or 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

OXFORD SPACE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

OXFORD SPACE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

OXFORD SPACE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. *Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.* Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

OXFORD SPACE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

1 Accounting policies

(Continued)

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

OXFORD SPACE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Capitalisation of Development Costs

The business incurs a significant amount of research and development cost. The point in time at which the business begins capitalisation of any project is a critical accounting judgement. Development costs are only capitalised where an intellectual property meets each of the capitalisation criteria listed in FRS102. Management has reviewed the facts and circumstances of each project in relation to the criteria for capitalisation and have determined that none of the projects met the requirements for capitalisation. Accordingly, no development costs have been capitalised for the year ended 31 December 2023 (2022: nil) and have instead been expensed as incurred.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Share Based Payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which management has deemed to be Black Scholes. This estimate also requires determining the most appropriate inputs to the valuation model including the fair value of the underlying share, expected life of the share option, volatility and dividend yield, and making assumptions about them.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2024	2023
	£	£
Turnover analysed by class of business		
Sale of goods	1,650,134	3,875,709
Consultancy income	179,453	65,098
Development contract income	5,056,046	2,680,332
Grant income	121,003	36,720
	<u>7,006,636</u>	<u>6,657,859</u>

OXFORD SPACE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

3 Turnover and other revenue (Continued)

	2024	2023
	£	£
Turnover analysed by geographical market		
UK	2,075,879	1,327,686
EU	1,862,887	712,618
USA	123,672	502,203
ROW	2,944,198	4,115,352
	<u>7,006,636</u>	<u>6,657,859</u>
	2024	2023
	£	£
Other revenue		
Interest income	37,388	17,293
Grants received	940,637	759,739
	<u>978,025</u>	<u>777,032</u>

4 Operating loss

	2024	2023
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	8,591	23,859
Research and development costs	460,978	1,384,431
Government grants	(940,637)	(759,739)
Fees payable to the company's auditor for the audit of the company's financial statements	14,050	17,500
Depreciation of owned tangible fixed assets	309,526	263,951
Amortisation of intangible assets	25,274	21,723
Loss on disposal of intangible assets	36,197	-
Share-based payments	104,832	145,236
Operating lease charges	576,741	467,759
	<u>1,453,512</u>	<u>1,587,859</u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2024	2023
	Number	Number
Directors	2	1
Employees	89	68
	<u>91</u>	<u>69</u>

OXFORD SPACE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

5 Employees	(Continued)	
Their aggregate remuneration comprised:		
	2024	2023
	£	£
Wages and salaries	5,671,468	4,200,668
Social security costs	593,644	432,570
Pension costs	179,952	156,512
	<u>6,445,064</u>	<u>4,789,750</u>
6 Directors' remuneration	2024	2023
	£	£
Remuneration for qualifying services	173,192	137,981
Company pension contributions to defined contribution schemes	6,576	5,460
	<u>179,768</u>	<u>143,441</u>
7 Interest receivable and similar income	2024	2023
	£	£
Interest income		
Interest on bank deposits	37,388	17,293
	<u>37,388</u>	<u>17,293</u>
Investment income includes the following:	2024	2023
	£	£
Interest on financial assets not measured at fair value through profit or loss	37,388	17,293
	<u>37,388</u>	<u>17,293</u>
8 Interest payable and similar expenses	2024	2023
	£	£
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	224,424	155,580
	<u>224,424</u>	<u>155,580</u>
9 Taxation	2024	2023
	£	£
Current tax		
UK corporation tax on profits for the current period	(293,473)	(72,445)
	<u>(293,473)</u>	<u>(72,445)</u>

OXFORD SPACE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

9 Taxation

(Continued)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2024 £	2023 £
Loss before taxation	(3,748,379)	(2,555,000)
Expected tax credit based on the standard rate of corporation tax in the UK of 25.00% (2023: 25.00%)	(937,095)	(638,750)
Tax effect of expenses that are not deductible in determining taxable profit	9,790	1,688
Unutilised tax losses carried forward	624,583	566,685
Permanent capital allowances in excess of depreciation	4,478	(27,854)
Research and development tax credit	(21,437)	(10,523)
Share based payment charge	26,208	36,309
Taxation credit for the year	(293,473)	(72,445)

10 Intangible fixed assets

	Software £	Patents & licences £	Total £
Cost			
At 1 January 2024	23,216	341,371	364,587
Additions - internally developed	14,208	24,709	38,917
Disposals	-	(57,319)	(57,319)
At 31 December 2024	37,424	308,761	346,185
Amortisation and impairment			
At 1 January 2024	23,216	47,732	70,948
Amortisation charged for the year	3,104	22,170	25,274
Disposals	-	(21,122)	(21,122)
At 31 December 2024	26,320	48,780	75,100
Carrying amount			
At 31 December 2024	11,104	259,981	271,085
At 31 December 2023	-	293,639	293,639

OXFORD SPACE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

11 Tangible fixed assets

	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 January 2024	915,584	1,192,379	49,148	323,438	2,480,549
Additions	4,931	91,868	9,828	187,006	293,633
At 31 December 2024	920,515	1,284,247	58,976	510,444	2,774,182
Depreciation and impairment					
At 1 January 2024	473,835	314,946	16,287	237,095	1,042,163
Depreciation charged in the year	98,799	138,214	5,390	67,123	309,526
At 31 December 2024	572,634	453,160	21,677	304,218	1,351,689
Carrying amount					
At 31 December 2024	347,881	831,087	37,299	206,226	1,422,493
At 31 December 2023	441,749	877,433	32,861	86,343	1,438,386

12 Stocks

	2024	2023
	£	£
Raw materials and consumables	242,791	-
Finished goods and goods for resale	22,536	38,891
	265,327	38,891

13 Debtors

	2024	2023
	£	£
Amounts falling due within one year:		
Trade debtors	216,947	1,482,157
Corporation tax recoverable	998,951	653,489
Other debtors	119,515	160,185
Prepayments and accrued income	1,923,174	814,512
	3,258,587	3,110,343
Amounts falling due after more than one year:		
Corporation tax recoverable	591,439	356,279
Total debtors	3,850,026	3,466,622

OXFORD SPACE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

14 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Loans	16	833,307	-
Trade creditors		434,608	336,311
Taxation and social security		171,437	161,673
Other creditors		57,608	117,128
Accruals and deferred income		1,936,416	1,868,950
		<u>3,433,376</u>	<u>2,484,062</u>

15 Creditors: amounts falling due after more than one year

	Notes	2024 £	2023 £
Loans	16	<u>2,512,554</u>	<u>2,897,131</u>

16 Loans and overdrafts

	2024 £	2023 £
Loans	<u>3,345,861</u>	<u>2,897,131</u>
Payable within one year	833,307	-
Payable after one year	<u>2,512,554</u>	<u>2,897,131</u>

17 Provisions for liabilities

	2024 £	2023 £
	<u>189,000</u>	<u>161,000</u>

Movements on provisions:

	£
At 1 January 2024	161,000
Additional provisions in the year	28,000
At 31 December 2024	<u>189,000</u>

OXFORD SPACE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

18 Retirement benefit schemes

	2024	2023
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	179,952	156,512

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

19 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2024 Number	2023 Number	2024 £	2023 £
Outstanding at 1 January 2024	4,867,050	4,741,050	0.57	0.56
Granted	1,509,850	272,500	0.36	0.77
Exercised	-	(2,400)	-	0.64
Expired	(1,004,150)	(144,100)	0.38	0.24
Outstanding at 31 December 2024	<u>5,372,750</u>	<u>4,867,050</u>	<u>0.53</u>	<u>0.57</u>
Exercisable at 31 December 2024	<u>1,753,034</u>	<u>1,637,963</u>	<u>0.55</u>	<u>0.41</u>

At 31 December 2024, the company has outstanding issued options over 5,372,750 shares. These options vest between September 2016 and December 2034 and have no performance conditions attached to them.

Liabilities and expenses

During the year, the company recognised total share-based payment expenses of £104,832 (2023 - £145,236) which related to equity settled share based payment transactions.

20 Share capital

	2024 Number	2023 Number	2024 £	2023 £
Ordinary share capital issued and fully paid				
Ordinary of 0.01p each	<u>53,164,809</u>	<u>52,066,529</u>	<u>5,317</u>	<u>5,207</u>

Between 14 March 2024 and 6 April 2024, the Company raised gross proceeds of £991,624 via the issue of 1,098,280 £0.0001 ordinary shares.

OXFORD SPACE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2024

21 Deferred taxation

As at 31 December 2024 there existed a potential net deferred tax asset of £3,192,128 (2023: £2,563,123), comprising an asset of £3,547,751 (2023: £2,922,719) in respect of unrelieved trading losses and a liability of £355,623 (2023: £359,596) in respect of accelerated capital allowances. This has not been reflected as an asset given the uncertainty of future revenue streams and as the company is committed to significant continued investment in research and development.

22 Financial commitments, guarantees and contingent liabilities

SPRK Capital Limited, Innovateuk Loans Limited and Innovate UK Loans Limited currently hold fixed and floating charges that are secured over the company. The fixed charge and floating charge covers all the property or undertakings of the company.

23 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£	£
Within one year	435,678	435,678
Between two and five years	1,049,340	1,485,018
In over five years	368,344	368,344
	<u>1,853,362</u>	<u>2,289,040</u>

24 Analysis of changes in net funds/(debt)

	1 January 2024	Cash flows	31 December 2024
	£	£	£
Cash at bank and in hand	3,986,371	(2,345,761)	1,640,610
Borrowings excluding overdrafts	(2,897,131)	(448,730)	(3,345,861)
	<u>1,089,240</u>	<u>(2,794,491)</u>	<u>(1,705,251)</u>

OXFORD SPACE SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

25 Cash absorbed by operations

	2024	2023
	£	£
Loss for the year after tax	(3,454,906)	(2,482,555)
Adjustments for:		
Taxation credited	(1,234,380)	(801,770)
Finance costs	224,424	155,580
Investment income	(37,388)	(17,293)
Loss on disposal of intangible assets	36,197	-
Amortisation and impairment of intangible assets	25,274	21,723
Depreciation and impairment of tangible fixed assets	309,526	263,951
Equity settled share based payment expense	104,832	145,236
Increase in provisions	28,000	28,000
Movements in working capital:		
Increase in stocks	(226,436)	(38,891)
Decrease/(increase) in debtors	197,218	(1,654,419)
Increase in creditors	116,007	84,340
Cash absorbed by operations	<u>(3,911,632)</u>	<u>(4,296,098)</u>