

Company registration number 10816609 (England and Wales)

THE ULTIMATE BATTERY COMPANY LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023
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THE ULTIMATE BATTERY COMPANY LTD

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THE ULTIMATE BATTERY COMPANY LTD

BALANCE SHEET

AS AT 31 DECEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Intangible assets	5		44,017		51,806
Tangible assets	6		1,528,828		411,559
Investments	7		572		572
			<u>1,573,417</u>		<u>463,937</u>
Current assets					
Debtors	8	529,829		732,271	
Cash at bank and in hand		9,069		1,457,317	
		<u>538,898</u>		<u>2,189,588</u>	
Creditors: amounts falling due within one year	9	<u>(1,887,661)</u>		<u>(1,111,596)</u>	
Net current (liabilities)/assets			<u>(1,348,763)</u>		<u>1,077,992</u>
Total assets less current liabilities			224,654		1,541,929
Creditors: amounts falling due after more than one year	10		<u>(4,563,604)</u>		<u>(3,209,000)</u>
Net liabilities			<u>(4,338,950)</u>		<u>(1,667,071)</u>
Capital and reserves					
Called up share capital			644		643
Share premium account			99,999		-
Profit and loss reserves			<u>(4,439,593)</u>		<u>(1,667,714)</u>
Total equity			<u>(4,338,950)</u>		<u>(1,667,071)</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

THE ULTIMATE BATTERY COMPANY LTD

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2023

The financial statements were approved by the board of directors and authorised for issue on 29 April 2024 and are signed on its behalf by:



Mr M G G Cunningham Brown
Director

Company registration number 10816609 (England and Wales)

THE ULTIMATE BATTERY COMPANY LTD

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

1 Accounting policies

Company information

The Ultimate Battery Company Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Thurcroft Industrial Estate, New Orchard Lane, Rotherham, South Yorkshire, S66 9ER.

1.1 Reporting period

[FRS 102 3.10 An entity shall present a complete set of financial statements (including comparative information as set out in paragraph 3.14) at least annually. When the end of an entity's reporting period changes and the annual financial statements are presented for a period longer or shorter than one year, the entity shall disclose the following: (a) that fact; (b) the reason for using a longer or shorter period; and (c) the fact that comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.]

1.2 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 as applicable to companies subject to the small companies regime. 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 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, [modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value]. The principal accounting policies adopted are set out below.

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.

THE ULTIMATE BATTERY COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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

Patents & licences	20% straight line
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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 land and buildings	Over the life of the lease
Plant and equipment	20% straight line
Fixtures and fittings	20% straight line
Computers	33.33% straight line

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 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.8 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.

THE ULTIMATE BATTERY COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

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.

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.

1.9 Cash and cash equivalents

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.

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.

THE ULTIMATE BATTERY COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

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.

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.

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.

1.13 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.

1.14 Retirement benefits

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

1.15 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.

1.16 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.

THE ULTIMATE BATTERY COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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.

3 Going Concern Basis

The Financial Statements have been prepared on a going concern basis which assumes the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business. The Ultimate Battery Company is still in development stages as it transitions to early-stage manufacturing capabilities and is reliant on equity funding to finance this transition. At the date of signing this report it has taken longer than expected due to the investment market downturn and the delay in receipt of its patents and Trademarks, but the company has now received multiple Term Sheets and an LOI for additional funding in excess of £20m from a number of investors, which are expected to complete by October 2024. In addition letters of commitment have been received from multiple customers. The company's suppliers and customers have all expressed their strong support and the anticipated funds and commitments will allow the company to execute its business plan over the short and long term. The company is working with the military, aviation, automotive and microgrid storage sectors and in December 23 won the coveted Manufacturing Technology Award.

In addition, management has been working tirelessly without drawing any funds from the company and has updated its modelling scenarios to reflect receipt of its Patents and Trademarks and the possible timings and outcomes of its current financing process. All scenarios included the receipt, by the end of October 2024, of the £20+m funding which is currently being finalised. This is because management have sufficient confidence that there will be a positive outcome to these negotiations in the timeframe required given the support from both suppliers and customers, Trademarks and Patents now received. It is the director's strong view that The Ultimate Battery Company is an attractive proposition for investors, particularly with the implementation of its patented technology, with more patents now received and in progress. The Ultimate Battery Company's modernisation of traditional battery technology, the support from customers and adaptation to the modern world de-risk the development nature of the business. Given the progress made to date, the directors are confident of the business' ability to raise sufficient funds which will allow it to execute its business plan over the short and medium term. Based on the above, the directors, at the time of signing these Financial Statements, have a reasonable expectation that the company will continue in operational existence for the foreseeable future and has adopted the going concern basis of accounting in preparing these Financial Statements.

4 Employees

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

	2023 Number	2022 Number
Total	19	5

THE ULTIMATE BATTERY COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Intangible fixed assets

	Other £
Cost	
At 1 January 2023	78,392
Additions	9,859
	<hr/>
At 31 December 2023	88,251
	<hr/>
Amortisation and impairment	
At 1 January 2023	26,586
Impairment losses	17,648
	<hr/>
At 31 December 2023	44,234
	<hr/>
Carrying amount	
At 31 December 2023	44,017
	<hr/> <hr/>
At 31 December 2022	51,806
	<hr/> <hr/>

6 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 January 2023	51,309	423,671	474,980
Additions	493,115	943,020	1,436,135
	<hr/>	<hr/>	<hr/>
At 31 December 2023	544,424	1,366,691	1,911,115
	<hr/>	<hr/>	<hr/>
Depreciation and impairment			
At 1 January 2023	-	63,421	63,421
Depreciation charged in the year	49,906	268,960	318,866
	<hr/>	<hr/>	<hr/>
At 31 December 2023	49,906	332,381	382,287
	<hr/>	<hr/>	<hr/>
Carrying amount			
At 31 December 2023	494,518	1,034,310	1,528,828
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2022	51,309	360,250	411,559
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

7 Fixed asset investments

	2023 £	2022 £
Shares in group undertakings and participating interests	572	572
	<hr/> <hr/>	<hr/> <hr/>

THE ULTIMATE BATTERY COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Debtors	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	283,201	261,400
Other debtors	246,628	470,871
	<u>529,829</u>	<u>732,271</u>
	<u><u>529,829</u></u>	<u><u>732,271</u></u>
9 Creditors: amounts falling due within one year	2023	2022
	£	£
Trade creditors	777,632	192,202
Accruals	677,204	461,274
Asset finance	42,500	-
Taxation and social security	72,704	29,438
SYMCA deferred grants	300,863	402,612
Other creditors	16,758	26,070
	<u>1,887,661</u>	<u>1,111,596</u>
	<u><u>1,887,661</u></u>	<u><u>1,111,596</u></u>
10 Creditors: amounts falling due after more than one year	2023	2022
	£	£
Asset finance	148,750	-
SYMCA deferred grants	1,169,854	-
SYMCA loan	3,245,000	3,209,000
	<u>4,563,604</u>	<u>3,209,000</u>
	<u><u>4,563,604</u></u>	<u><u>3,209,000</u></u>

THE ULTIMATE BATTERY COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Subsidiaries

The company also has significant holdings in undertakings which are not consolidated:

Details of the company's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
The Ultimate Battery Company LLC	7910 Woodmont Ave STE 1020, Bethesda, MD 20814, United States of America	Shares	100.00
UBC Core Ltd	Central Buildings 5 - 7 Corporation Street Hyde Cheshire SK14 1AG	Shares	100.00
UBC Store Ltd	Central Buildings 5 - 7 Corporation Street Hyde Cheshire SK14 1AG	Shares	100.00
UBC Duophasic Ltd	Central Buildings 5 - 7 Corporation Street Hyde Cheshire SK14 1AG	Shares	100.00
UBC Motoflo Ltd	Central Buildings 5 - 7 Corporation Street Hyde Cheshire SK14 1AG	Shares	100.00
UBC Dev Ltd	Central Buildings 5 - 7 Corporation Street Hyde Cheshire SK14 1AG	Shares	100.00

12 Operating lease commitments

Lessee

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

	2023	2022
	£	£
	3,897,837	-