

Registered number

SC224237

Critical Blue Limited

Filleted Accounts

31 December 2021

Critical Blue Limited**Registered number:** SC224237**Balance Sheet****as at 31 December 2021**

	Notes	2021	2020
		£	£
Fixed assets			
Intangible assets	4	17,961	8,293
Tangible assets	5	1,209	682
		<u>19,170</u>	<u>8,975</u>
Current assets			
Debtors	6	71,240	64,771
Cash at bank and in hand		53,324	26,580
		<u>124,564</u>	<u>91,351</u>
Creditors: amounts falling due within one year			
	7	(649,640)	(138,546)
		<u>(525,076)</u>	<u>(47,195)</u>
Net current liabilities			
		<u>(525,076)</u>	<u>(38,220)</u>
Capital and reserves			
Called up share capital		135,008	135,008
Share premium		8,770,781	8,770,781
Other reserve	9	(10)	(10)
Profit and loss account		(9,411,685)	(8,943,999)
		<u>(505,906)</u>	<u>(38,220)</u>
Shareholders' funds			
		<u>(505,906)</u>	<u>(38,220)</u>

The directors are satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

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

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.

D M Stewart

Director

Approved by the board on 17 February 2022

Critical Blue Limited
Notes to the Accounts
for the year ended 31 December 2021

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (as applied to small entities by section 1A of the standard).

The company has incurred losses whilst developing its products. The directors have prepared forecasts which demonstrate that the company can continue to meet its obligations as they fall due and the company is in the process of raising further funding. The directors are of the opinion that the going concern basis is therefore appropriate.

Turnover

Turnover comprises value of goods and services supplied by the company exclusive of value added tax and trade discounts.

Intangible fixed assets

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulative depreciation. Depreciation has been provided on all tangible fixed assets at the following rates in order to write off the assets over their estimated useful lives:

Equipment, fixtures and fittings	25% straight line
Computer equipment	33% straight line

Share-based payments

The fair value of employee share options is calculated at the grant date. The resulting cost of providing share-based payments to employees is charged to the profit and loss account over the vesting period of the related share options.

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Foreign currency translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2 Employees	2021	2020
	Number	Number
Average number of persons employed by the company	<u>7</u>	<u>7</u>

3 Taxation	2021	2020
	£	£
UK corporation tax - R&D Tax Credits	95,202	93,046
	<u>95,202</u>	<u>93,046</u>

4 Intangible fixed assets	£
Patents:	
Cost	
At 1 January 2021	131,539
Additions	<u>14,510</u>
At 31 December 2021	<u>146,049</u>
Amortisation	
At 1 January 2021	123,246
Provided during the year	<u>4,842</u>
At 31 December 2021	<u>128,088</u>
Net book value	
At 31 December 2021	<u>17,961</u>
At 31 December 2020	<u>8,293</u>

5 Tangible fixed assets

**Equipment
fixtures and**

	fittings £	Computer equipment £	Total £
Cost			
At 1 January 2021	13,594	44,895	58,489
Additions	-	1,194	1,194
At 31 December 2021	<u>13,594</u>	<u>46,089</u>	<u>59,683</u>
Depreciation			
At 1 January 2021	13,594	44,213	57,807
Charge for the year	-	667	667
At 31 December 2021	<u>13,594</u>	<u>44,880</u>	<u>58,474</u>
Net book value			
At 31 December 2021	<u>-</u>	<u>1,209</u>	<u>1,209</u>
At 31 December 2020	-	682	682

6 Debtors	2021	2020
	£	£
Trade debtors	30,567	9,912
Other debtors	40,673	54,859
	<u>71,240</u>	<u>64,771</u>

7 Creditors: amounts falling due within one year	2021	2020
	£	£
Trade creditors	46,596	33,313
Convertible loan from shareholders	525,614	52,375
Taxation and social security costs	14,661	15,897
Other creditors	62,769	36,961
	<u>649,640</u>	<u>138,546</u>

8 Share-based payments

Under the terms of the company's Enterprise Management Incentive Scheme, the Board may offer employees options to purchase ordinary shares in the company. Under the terms the options have an exercise price of £1.00 per share for options granted in 2014 and £0.10 per share for options granted in 2021. They become exercisable in equal tranches over the period commencing on the date of grant and ending 2 years after the date of grant for options granted in 2014 and ending 4 years after the date of grant for options granted in 2021, or in the event that the business is being sold or listed. The options lapse 10 years from the date of grant, if the employee leaves the company or if not exercised when the business is sold or listed.

The company also offers options to non-employees under a separate share option scheme. The options have an exercise price of £1.00 per share for options granted in 2014 and £0.10 per share for options granted in 2021. They become exercisable in equal tranches over the period commencing on the date of grant and ending 2 years after the date of grant for options

granted in 2014 and ending 4 years after the date of grant for options granted in 2021, or in the event that the business is being sold or listed. The options lapse 10 years from the date of grant, if the holder ceases to act as a director, consultant, adviser or employee of the company or if not exercised when the business is sold or listed.

	Number of options			
	2021	2021	2020	2020
	EMI Scheme	Other	EMI Scheme	Other
Outstanding at beginning of the year	146,054	19,719	146,054	19,719
Granted	4,920,268	700,000	-	-
Lapsed	-	-	-	-
Exercised	-	-	-	-
Outstanding at end of the year	<u>5,066,322</u>	<u>719,719</u>	<u>146,054</u>	<u>19,719</u>
Outstanding options were granted in the following periods:				
Options granted:				
Period ended December 2014	146,054	19,719	146,054	19,719
Period ended December 2021	4,920,268	700,000	-	-
Total options	<u>5,066,322</u>	<u>719,719</u>	<u>146,054</u>	<u>19,719</u>

9 Other reserve	2021	2020
	£	£
At 1 January 2021	(10)	(10)
At 31 December 2021	<u>(10)</u>	<u>(10)</u>

10 Other information

Critical Blue Limited is a private company limited by shares and incorporated in Scotland. Its registered office is:

Quartermile One
15 Lauriston Place
Edinburgh
EH3 9EP

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