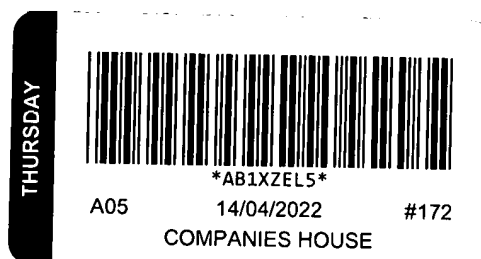


TRIBOSONICS LTD

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021



TRIBOSONICS LTD

COMPANY INFORMATION

Directors

Dr P B Harper
D M Wallace
G A Burton-Fletcher
C E King (appointed 1 September 2020)
J Pryke (appointed 1 September 2020)
S L Sandle (appointed 1 September 2020)

Registered number

05743780

Registered office

Units 2 & 3 Edmund Road Business Centre
135 Edmund Road
Sheffield
South Yorkshire
England
S2 4ED

Accountants

Cooper Parry Group Limited
Chartered Accountants
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

TRIBOSONICS LTD

CONTENTS

	Page
Balance sheet	1 - 2
Statement of changes in equity	3
Notes to the financial statements	4 - 10

TRIBOSONICS LTD
REGISTERED NUMBER: 05743780

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	6,472	11,886
Tangible assets	5	69,008	51,939
		<u>75,480</u>	<u>63,825</u>
Current assets			
Stocks	6	32,448	44,603
Debtors	7	609,620	375,033
Cash at bank and in hand		418,958	5,074
		<u>1,061,026</u>	<u>424,710</u>
Creditors: amounts falling due within one year	8	(347,504)	(275,141)
Net current assets		<u>713,522</u>	<u>149,569</u>
Total assets less current liabilities		<u>789,002</u>	<u>213,394</u>
Creditors: amounts falling due after more than one year	9	(189,395)	-
Net assets		<u><u>599,607</u></u>	<u><u>213,394</u></u>
Capital and reserves			
Called up share capital	10	155	101
Share premium account		1,124,916	-
Profit and loss account		(525,464)	213,293
		<u>599,607</u>	<u>213,394</u>

TRIBOSONICS LTD
REGISTERED NUMBER: 05743780

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

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.

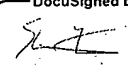
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 profit and loss account 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:

323E0DB74B0D416...
G A Burton-Fletcher
Director

Date: 11 June 2021

The notes on pages 4 to 10 form part of these financial statements.

TRIBOSONICS LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2019	101	-	381,343	381,444
Loss for the year	-	-	(168,050)	(168,050)
At 1 April 2020	101	-	213,293	213,394
Loss for the year	-	-	(738,757)	(738,757)
Shares issued during the year	54	1,124,916	-	1,124,970
At 31 March 2021	155	1,124,916	(525,464)	599,607

The notes on pages 4 to 10 form part of these financial statements.

TRIBOSONICS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. General information

Tribosonics Ltd ("the company") is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

The financial statements are prepared in Sterling (£), which is the functional currency of the company. The financial statements are for the year ended 31 March 2021 (2020: year ended 31 March 2020).

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Coronavirus and going concern

At the time of signing these financial statements, the directors have considered the effect of Coronavirus on the going concern position and have taken appropriate action to support the company through this uncertain period. The directors have prepared detailed forecasts and consider that this does indicate that the company will continue to trade for a period of at least 12 months from the date of signing these financial statements due to the facilities available to it and the UK government support available to business during this difficult time.

On that basis, the directors have prepared these financial statements on a going concern basis.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods

Turnover 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 turnover 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.

TRIBOSONICS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Turnover (continued)

Rendering of services

Turnover 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 turnover 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.

2.4 Operating leases

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

2.5 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.

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.

Amortisation is provided on the following basis:

Website development	-	straight line over 3 years
---------------------	---	----------------------------

2.6 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.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the profit and loss account during the period in which they are incurred.

TRIBOSONICS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.6 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Plant and machinery	- 20 - 25% straight line method
Office equipment	- 20 - 25% straight line method

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 the profit and loss account.

2.7 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 average weighted 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 the profit and loss account.

Work in progress is stated at direct cost plus attributable overheads, reduced where necessary to net realisable value, net of payments received on account. Profit is recognised when a contract is at a reasonable level of completion and the anticipated profit can be seen with reasonable certainty. Provision is made for future losses on a contract as soon as these can be foreseen.

2.8 Provisions for liability

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the profit and loss account in the year that the company becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

TRIBOSONICS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.9 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors, loans from banks and other third parties and loans with related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

2.10 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 the profit and loss account 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 profit and loss account in the same period as the related expenditure. Government grants in respect of the Coronavirus are recognised in the period to which they relate.

2.11 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account 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.

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, 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 deferred tax assets are only 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.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

TRIBOSONICS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

3. Average number of employees

The average monthly number of employees, including directors, during the year was 25 (2020: 18).

4. Intangible assets

	Website development £
Cost	
At 1 April 2020	16,243
At 31 March 2021	<u>16,243</u>
Amortisation	
At 1 April 2020	4,357
Charge for the year	5,414
At 31 March 2021	<u>9,771</u>
Net book value	
At 31 March 2021	<u>6,472</u>
At 31 March 2020	<u>11,886</u>

TRIBOSONICS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

5. Tangible fixed assets

	Plant and machinery £	Office equipment £	Total £
Cost			
At 1 April 2020	161,013	92,037	253,050
Additions	6,488	28,378	34,866
At 31 March 2021	<u>167,501</u>	<u>120,415</u>	<u>287,916</u>
Depreciation			
At 1 April 2020	122,755	78,356	201,111
Charge for the year	11,188	6,609	17,797
At 31 March 2021	<u>133,943</u>	<u>84,965</u>	<u>218,908</u>
Net book value			
At 31 March 2021	<u>33,558</u>	<u>35,450</u>	<u>69,008</u>
At 31 March 2020	<u>38,258</u>	<u>13,681</u>	<u>51,939</u>

6. Stocks

	2021 £	2020 £
Raw materials and consumables	32,448	43,790
Long term contract balances	-	813
	<u>32,448</u>	<u>44,603</u>

7. Debtors

	2021 £	2020 £
Trade debtors	213,196	118,186
Other debtors	354,631	233,495
Prepayments and accrued income	41,793	23,352
	<u>609,620</u>	<u>375,033</u>

TRIBOSONICS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

8. Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loans	45,454	2,759
Trade creditors	90,092	108,338
Other taxation and social security	64,858	59,277
Net obligations under hire purchase contracts	-	1,168
Other creditors	103,948	78,006
Accruals and deferred income	43,152	25,593
	<u>347,504</u>	<u>275,141</u>

The bank loan is secured by way of a CBIL Scheme guarantee and a debenture from the company over all assets.

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

	2021 £	2020 £
Bank loans	<u>189,395</u>	<u>-</u>

10. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
5,357 A Ordinary shares of £0.01 each	54	-
10,100 Ordinary shares of £0.01 each	101	101
	<u>155</u>	<u>101</u>

On 1 September 2020, 5,357 A Ordinary shares with nominal value £0.01 were issued for a consideration of £1,124,970.

All shares rank pari passu.

11. Transactions with directors

During the year, the directors loaned the company an amounts of £345 and at the balance sheet date, this is included in other creditors (2020: £51,883).

The amounts are interest free and repayable on demand.