

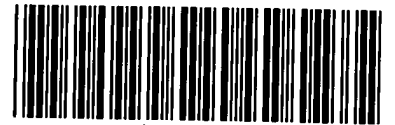
**REGISTERED NUMBER: 10867089 (England and Wales)**

**Financial Statements for the Period 1 August 2022 to 31 December 2023**

**for**

**Quantum Motion Technologies Limited**

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**Quantum Motion Technologies Limited (Registered number: 10867089)**

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*for the period 1 August 2022 to 31 December 2023*

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# **Quantum Motion Technologies Limited**

## **Company Information**

*for the period 1 August 2022 to 31 December 2023*

**DIRECTORS:**

Professor J J L Morton  
A L Sangiovanni Vincentelli  
J A R Palles-Dimmock  
S A Harman  
J O Westerhues  
F J M Lansink

**REGISTERED OFFICE:**

9 Sterling Way  
London  
N7 9HJ

**REGISTERED NUMBER:**

10867089 (England and Wales)

**ACCOUNTANTS:**

Atraxa Consulting Limited  
Brooke's Mill  
Armitage Bridge  
Huddersfield  
West Yorkshire  
HD4 7NR

**Quantum Motion Technologies Limited (Registered number: 10867089)**

**Statement of Financial Position**

**31 December 2023**

	Notes	2023		2022	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	5		4,402,620		2,819,287
Investments	6		<u>54</u>		<u>-</u>
			4,402,674		2,819,287
<b>CURRENT ASSETS</b>					
Debtors	7	3,019,008		1,145,956	
Cash and cash equivalents		<u>31,751,243</u>		<u>1,600,588</u>	
		34,770,251		2,746,544	
<b>CREDITORS</b>					
Amounts falling due within one year	8	<u>1,588,454</u>		<u>1,686,872</u>	
<b>NET CURRENT ASSETS</b>			<u>33,181,797</u>		<u>1,059,672</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>37,584,471</u>		<u>3,878,959</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	10		11,016		5,143
Share premium			52,011,222		9,672,348
Capital contribution			-		220,795
Retained earnings			<u>(14,437,767)</u>		<u>(6,019,327)</u>
			<u>37,584,471</u>		<u>3,878,959</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 31 December 2023.

The members have not required the company to obtain an audit of its financial statements for the period ended 31 December 2023 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

**Quantum Motion Technologies Limited (Registered number: 10867089)**

**Statement of Financial Position - continued**

*31 December 2023*

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on .....26th August 2024..... and were signed on its behalf by:



.....  
J A R Palles-Dimmock - Director

## Quantum Motion Technologies Limited (Registered number: 10867089)

### Notes to the Financial Statements

for the period 1 August 2022 to 31 December 2023

#### 1. STATUTORY INFORMATION

Quantum Motion Technologies Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

#### 2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

#### 3. ACCOUNTING POLICIES

##### **Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

The financial statements have been prepared on a going concern basis which assumes that the company will have sufficient funding available to enable it to continue to operate for the foreseeable future. During 2023 the company raised approximately £40 million following a funding round. At 31 December 2023, the company had a cash balance of £31,751,243 remaining. The directors are confident that the company will have sufficient funds therefore for a period of at least 12 months following the date of approval of the financial statements.

The directors therefore believe that it is appropriate for the financial statements to be prepared on a going concern basis.

##### **Preparation of consolidated financial statements**

The financial statements contain information about Quantum Motion Technologies Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

##### **Related party exemption**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

##### **Significant judgements and estimates**

There are no material judgements made by the directors in the application of these accounting policies that are expected to have a significant effect on the financial statements or any estimates with a significant risk of material adjustment in the next year.

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

## Quantum Motion Technologies Limited (Registered number: 10867089)

### Notes to the Financial Statements - continued for the period 1 August 2022 to 31 December 2023

#### 3. ACCOUNTING POLICIES - continued

##### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

- Plant and machinery - over 5 years
- Computer equipment - over 3 years
- Fixtures & fittings - over 5 years
- Short leasehold improvement to property costs - over the life of the lease

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

##### **Investments in subsidiaries**

Investments in subsidiaries are recorded at cost less provision for impairment.

##### **Financial instruments**

###### **Cash and cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

###### **Short-term debtors and creditors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

###### **Convertible loan notes**

Convertible loan notes are initially measured at the present value of the future payments discounted at a market rate of interest and are subsequently measured at their amortised cost using the effective interest rate method; this method allocates interest expense over the relevant period by applying the effective interest rate to the carrying amount of the liability.

##### **Taxation**

Taxation for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Notes to the Financial Statements - continued**  
*for the period 1 August 2022 to 31 December 2023*

**3. ACCOUNTING POLICIES - continued**

**Research and development**

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Development costs are only capitalised when the related products meet the recognition criteria of an internally generated intangible asset, the key criteria being as follows:

- it is probable that the future economic benefits that are attributable to the asset will flow to the company;
- the project is technically and commercially feasible;
- the company intends to and has sufficient resources to complete the project;
- the company has the ability to use or sell the asset; and
- the cost of the asset can be measured reliably.

Such intangible assets are amortised on a straight-line basis from the point at which the assets are ready for use over the period of the expected benefit and are reviewed for an indication of impairment at each reporting date. Other development costs are charged against profit or loss as incurred since the criteria for their recognition as an asset are not met.

The costs of an internally generated intangible asset comprise all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Directly attributable costs include employee costs incurred on technical development, testing and certification, materials consumed and any relevant third-party cost. The costs of internally generated developments are recognised as intangible assets and are subsequently measured in the same way as externally acquired intangible assets. However, until completion of the development project, the assets are subject to impairment testing only.

No development costs to date have been capitalised as intangible assets as it is deemed that the probability of future economic benefit is currently uncertain.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Grants**

Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment.

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

## **Quantum Motion Technologies Limited (Registered number: 10867089)**

### **Notes to the Financial Statements - continued** *for the period 1 August 2022 to 31 December 2023*

#### **3. ACCOUNTING POLICIES - continued**

##### **Share-based payment transactions**

##### **Equity-settled transactions**

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments granted at the date at which they are granted and is recognised as an expense over the vesting period, which ends on the date on which the relevant employees become fully entitled to the award. Fair value is determined by using an appropriate pricing model. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the company (market conditions) and non-vesting conditions. No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance conditions are satisfied.

At each balance sheet date before vesting, the cumulative expense is calculated, representing the extent to which the vesting period has expired and management's best estimate of the achievement or otherwise of non-market conditions and of the number of equity instruments that will ultimately vest or in the case of an instrument subject to a market condition, be treated as vesting as described above. The movement in cumulative expense since the previous balance sheet date is recognised in the income statement, with a corresponding entry in equity.

Where the terms of an equity-settled award are modified or a new award is designated as replacing a cancelled or settled award, the cost based on the original award terms continues to be recognised over the original vesting period. In addition, an expense is recognised over the remainder of the new vesting period for the incremental fair value of any modification, based on the difference between the fair value of the original award and the fair value of the modified award, both as measured on the date of the modification. No reduction is recognised if this difference is negative.

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any cost not yet recognised in the income statement for the award is expensed immediately. Any compensation paid up to the fair value of the award at the cancellation or settlement date is deducted from equity, with any excess over fair value expensed in the income statement.

#### **4. EMPLOYEES AND DIRECTORS**

The average number of employees during the period was 35 (2022 - 16).

**Quantum Motion Technologies Limited (Registered number: 10867089)**

**Notes to the Financial Statements - continued**  
*for the period 1 August 2022 to 31 December 2023*

**5. TANGIBLE FIXED ASSETS**

	Land and buildings £	Plant and machinery etc £	Totals £
<b>COST</b>			
At 1 August 2022	952,841	2,335,043	3,287,884
Additions	2,321,158	440,638	2,761,796
Disposals	-	(232)	(232)
	<u>3,273,999</u>	<u>2,775,449</u>	<u>6,049,448</u>
At 31 December 2023			
<b>DEPRECIATION</b>			
At 1 August 2022	128,241	340,356	468,597
Charge for period	430,285	747,952	1,178,237
Eliminated on disposal	-	(6)	(6)
	<u>558,526</u>	<u>1,088,302</u>	<u>1,646,828</u>
At 31 December 2023			
<b>NET BOOK VALUE</b>			
At 31 December 2023	<u>2,715,473</u>	<u>1,687,147</u>	<u>4,402,620</u>
At 31 July 2022	<u>824,600</u>	<u>1,994,687</u>	<u>2,819,287</u>

**6. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>COST</b>	
Additions	<u>54</u>
At 31 December 2023	<u>54</u>
<b>NET BOOK VALUE</b>	
At 31 December 2023	<u>54</u>

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 £
Trade debtors	144,522	-
Amounts owed by group undertakings	152,340	-
Other debtors	<u>2,722,146</u>	<u>1,145,956</u>
	<u>3,019,008</u>	<u>1,145,956</u>

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2023 £	2022 £
Trade creditors	1,038,102	590,067
Taxation and social security	94,426	40,805
Other creditors	<u>455,926</u>	<u>1,056,000</u>
	<u>1,588,454</u>	<u>1,686,872</u>

## Quantum Motion Technologies Limited (Registered number: 10867089)

### Notes to the Financial Statements - continued for the period 1 August 2022 to 31 December 2023

#### 9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2023	2022
	£	£
Within one year	566,874	309,908
Between one and five years	<u>1,106,796</u>	<u>964,676</u>
	<u>1,673,670</u>	<u>1,274,584</u>

#### 10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value	2023 £	2022 £
2,283,334 (2022: 2,358,334)	Ordinary	0.1p	2,283	2,358
100,000 (2022: 100,000)	Non-voting B	0.1p	100	100
2,560,332 (2022: 2,560,332)	Series A	0.1p	2,560	2,560
125,000 (2022: 125,000)	Series C	0.1p	125	125
5,419,550 (2022: none)	Series B1	0.1p	5,420	-
528,120 (2022: none)	Series B2	0.1p	528	-
			<u>11,016</u>	<u>5,143</u>

On 26 April 2023, 75,000 Ordinary Shares of £0.001 each were redesignated as 75,000 Series B1 shares.

During the period, the company issued 5,003,251 Series B1 shares of £0.001 each at a price of £7.32 per share for cash consideration of £36,648,313. A further 341,299 Series B1 shares were issued on the conversion of shareholder loans.

In addition, the company issued 528,120 Series B2 shares of £0.001 each at a price of £7.32 per share for cash consideration of £3,868,426.

The above share issues were all connected with an equity funding round to raise new working capital for the company.

#### 11. RELATED PARTY DISCLOSURES

During the period, the company incurred consultancy costs of £11,548 (2022: £24,966) for the services of one of the directors, during the period of his directorship of the company..

#### 12. ULTIMATE CONTROLLING PARTY

The company has no overall controlling party.

## Quantum Motion Technologies Limited (Registered number: 10867089)

### Notes to the Financial Statements - continued for the period 1 August 2022 to 31 December 2023

#### 13. SHARE-BASED PAYMENT TRANSACTIONS

##### Share options

The company has share option plans under which it grants options over ordinary shares to certain directors and employees of the company. Options under these plans are exercisable at a range of exercise prices based on the market price of the company's shares on the date of the grant. The options are settled in equity once exercised. If the options remain unexercised for a period after 10 years from the date of grant, the options expire. Options are forfeited if the employee leaves the company before the options vest.

The number and weighted average exercise prices of share options are as follows:

	EMI options	Unapproved options	Total	Weighted average exercise price per share (£)
At 1 August 2022	341,875	750,764	1,092,639	0.36
Granted during the period	72,000	936,400	1,008,400	0.36
Forfeited during the period	(28,000)	-	(28,000)	0.36
At 31 December 2023	<u>385,875</u>	<u>1,687,164</u>	<u>2,073,039</u>	<u>0.36</u>

Options vest over a 3 to 4 year period from the vesting commencement date. Options not yet exercised have an exercise price of £0.36 per share.

Any share options which are not exercised within 10 years from the date of grant will expire. A share-based payment charge of £8,629 has been recognised in these financial statements for the period ended 31 December 2023 (2022: £nil).

Option values were calculated using a Black-Scholes pricing model with the following assumptions:

	Options granted in the year
Dividend yield	0%
Expected volatility	40%
Option maturity period	10 years
Risk free interest rate	3.70%
Weighted average exercise price of a share	£0.36