REGISTERED NUMBER: 11710367 (England and Wales)

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

FOR

UNIVERSAL QUANTUM LTD

CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2023

COMPANY INFORMATION
for the Year Ended 31 December 2023

DIRECTORS:	Dr S Weidt Prof Dr W K Hensinger
REGISTERED OFFICE:	2nd Floor, Stanford Gate South Road Brighton BN1 6SB
REGISTERED NUMBER:	11710367 (England and Wales)
ACCOUNTANTS:	Oury Clark Chartered Accountants Herschel House 58 Herschel Street Slough Berkshire SL1 1PG

BALANCE SHEET
31 December 2023

	Notes	31.12.23 £	31.12.23 £	31.12.22 £	31.12.22 £
FIXED ASSETS					
Intangible assets	4		1,495,171		822,109
Tangible assets	5		2,208,076		237,313
Investments	6		22,932		22,932
			3,726,179		1,082,354
CURRENT ASSETS					
Debtors	7	13,355,334		1,043,549	
Cash at bank		510,152		942,324	
		13,865,486		1,985,873	
CREDITORS					
Amounts falling due within one year	8	2,412,485		717,430	
NET CURRENT ASSETS			11,453,001		1,268,443
TOTAL ASSETS LESS CURRENT LIABILITIES			15,179,180		2,350,797
PROVISIONS FOR LIABILITIES			495,000		-
NET ASSETS			14,684,180		2,350,797
CAPITAL AND RESERVES					
Called up share capital	10		155		106
Share premium	11		7,039,359		-
Other reserves	11		3,277,909		8,014,407
Retained earnings	11		4,366,757		(5,663,716)
SHAREHOLDERS' FUNDS			14,684,180		2,350,797

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

The members have not required the company to obtain an audit of its financial statements for the year 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

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BALANCE SHEET - 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 31 January 2025 and were signed on its behalf by:

Prof Dr W K Hensinger - Director

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2023

1. STATUTORY INFORMATION

Universal Quantum Ltd 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.

2. ACCOUNTING POLICIES

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

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months and one day from the date these financial statements were approved. Accordingly they continue to adopt the going concern basis in preparing the 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.

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

Intangible assets
Intangible assets are initially measured at cost and subsequently measured at cost, net of amortisation and any impairment losses. Intangible assets are amortised over their useful economic lives using a straight-line method as follows:

Computer software	Straight line over 10 years
Patents & licences	Not yet brought into use therefore no amortisation charged
Development costs	Amortisation will begin when the development costs capitalised are in the condition necessary for it to be usable in the manner intended by management and able to generate economic benefits. This has not yet occurred.

Tangible fixed assets
Tangible assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment	Straight line over 3 years
Fixtures & fittings	Reducing balance 25%
Plant & machinery	Not depreciated until brought into use
Leasehold improvements	Not depreciated until completion of the improvements

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost less impairments.

Financial instruments
Basic Financial Instruments as covered by Section 11 of FRS102 are measured at amortised cost. The company does not have any Other Financial Instruments as covered by Section 12 of FRS102.

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2. **ACCOUNTING POLICIES - continued**

Taxation

Taxation for the year 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 or deferred taxation assets and liabilities are not discounted.

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

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Research and development

Grant income in relation to research and development in recognised in the year for which the expenditure is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet 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.

Intercompany interest

The intercompany loan balance is subject to interest at a rate of 7% per annum.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 29 (2022 - 23) .

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NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

4. INTANGIBLE FIXED ASSETS

	Other intangible assets £
COST	
At 1 January 2023	825,024
Additions	680,340
At 31 December 2023	1,505,364
AMORTISATION	
At 1 January 2023	2,915
Charge for year	7,278
At 31 December 2023	10,193
NET BOOK VALUE	
At 31 December 2023	1,495,171
At 31 December 2022	822,109

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 January 2023	283,512
Additions	2,003,836
At 31 December 2023	2,287,348
DEPRECIATION	
At 1 January 2023	46,199
Charge for year	33,073
At 31 December 2023	79,272
NET BOOK VALUE	
At 31 December 2023	2,208,076
At 31 December 2022	237,313

continued...

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2023	
and 31 December 2023	22,932
NET BOOK VALUE	
At 31 December 2023	22,932
At 31 December 2022	22,932

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Universal Quantum Deutschland Gmbh
Registered office: The registered office is located in Germany.
Nature of business: Computing Research and Development

Class of shares:	% holding
Ordinary	100.00

Universal Quantum Inc
Registered office: The registered office is located in the USA.
Nature of business: Computing Research and Development

Class of shares:	% holding
Ordinary	100.00

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.23 £	31.12.22 £
Amounts owed by group undertakings	11,927,176	40,000
Other debtors	1,428,158	1,003,549
	13,355,334	1,043,549

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.23 £	31.12.22 £
Bank loans and overdrafts	-	236,801
Trade creditors	2,078,739	388,156
Taxation and social security	115,458	61,439
Other creditors & accruals	218,288	31,034
	2,412,485	717,430

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NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

9. LEASING AGREEMENTS

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

	31.12.23	31.12.22
	£	£
Within one year	285,626	285,626
Between one and five years	1,142,504	1,142,504
In more than five years	690,262	975,889
	2,118,392	2,404,019

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.23 £	31.12.22 £
15,467,000	Ordinary	£0.00001	155	106

4,829,000 Ordinary shares of £0.00001 each were allotted as fully paid at a premium of 146p per share during the year.

During the year, some of the company's Advanced Subscription Agreements reached maturity, and were converted into share capital.

11. RESERVES

	Retained earnings £	Share premium £	Other reserves £	Totals £
At 1 January 2023	(5,663,716)	-	8,014,407	2,350,691
Profit for the year	10,030,473			10,030,473
ASAs redeemed	-	7,039,359	-	7,039,359
ASAs redeemed	-	-	(7,039,407)	(7,039,407)
ASAs issued	-	-	2,302,909	2,302,909
At 31 December 2023	4,366,757	7,039,359	3,277,909	14,684,025

Other reserves related to advance subscription agreements. These are subsequently converted into ordinary share capital at the longstop date.

12. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party

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NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2023

13. SHARE-BASED PAYMENT TRANSACTIONS

The Company has issued equity settled share options to its employees in request of equity in the Company. These options all vest over a period of 4 years, and expire after 10 years from the vesting commencement date.

The following table summarises the equity settled share options with employees in the period:

Item	Number
Outstanding at the beginning of the period	813,000
Granted during the year	-
Forfeited/cancelled during the period	(10,000)
Exercised during the period	(33,000)
Expired during the period	-
Outstanding at the end of the period	770,000
Exercisable at the end of the period	474,583

No share based payment expense was recognised during the period (2022: nil).

14. SECURED LIABILITIES

The company is subject to a fixed charge over the assets of the business, with the charge held by the company's banking provider, HSBC Innovation Banking.