SAGETECH MEDICAL EQUIPMENT LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Contents

SageTech Medical Equipment Limited
Balance Sheet
As At 31 December 2023

Registered number: 09393538

	Notes	31 December 2023		31 December 2022 as restated	
		£	£	£	£
FIXED ASSETS					
Intangible Assets	4		1,763,352		3,036,639
Tangible Assets	5		198,248		383,712
			1,961,600		3,420,351
CURRENT ASSETS					
Stocks	6	54,246		42,999	
Debtors	7	150,018		205,864	
Cash at bank and in hand		260,905		457,840	
		465,169		706,703	
Creditors: Amounts Falling Due Within One Year	8	(410,707)		(173,017)	
NET CURRENT ASSETS (LIABILITIES)			54,462		533,686
TOTAL ASSETS LESS CURRENT LIABILITIES			2,016,062		3,954,037
Creditors: Amounts Falling Due After More Than One Year	9		(492,648)		(736,841)
NET ASSETS			1,523,414		3,217,196
CAPITAL AND RESERVES					
Called up share capital	11		2,642		2,488
Share premium account			7,079,271		6,073,304
Share based payment reserve			187,900		187,900
Profit and Loss Account			(5,746,399)		(3,046,496)
SHAREHOLDERS' FUNDS			1,523,414		3,217,196

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

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

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

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

The company has taken advantage of section 444(1) of the Companies Act 2006 and opted not to deliver to the registrar a copy of the company's Profit and Loss Account.

On behalf of the board

I Menneer

Director

26 October 2024

The notes on pages 3 to 7 form part of these financial statements.

1. General Information

SageTech Medical Equipment Limited is a private company, limited by shares, incorporated in England & Wales, registered number 09393538 . The registered office is Suite F4 Westfield Business Park, Long Road, Paignton, TQ4 7AU.

2. Accounting Policies

2.1. Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 section 1A Small Entities "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

The company changed its accounting period end from 31 January 2023 to 31 December 2022. Accordingly, the prior period is an 11 month period from 1 February 2022 to 31 December 2022.

2.2. Going Concern Disclosure

The company is still in a period of product development, but has started to generate sales and has a strong balance sheet. It relies on grant income and the support of its shareholders and is currently able to meet its liabilities as they fall due. The shareholders have no intention of withdrawing their support for the foreseeable future. For this reason, the directors consider it appropriate to prepare the financial statements on a going concern basis.

2.3. Turnover

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

Grant income relating to intangible fixed assets is included within creditors as deferred income. The deferred income will be released over the useful economic lives of the assets when the development of the prototype is complete and the patents have been granted.

Grant income relating to research costs expensed in the profit and loss account is recognised in turnover in the period in which the related expenses are recognised.Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

2.4. Intangible Fixed Assets and Amortisation - Other Intangible

Patents & licences
Patent application costs have been capitalised.The costs are amortised when the patent is granted, over their useful economic life, which is considered to be the patent expiry date of 20 years.

The amortisation expense for technology patents directly relating to the prototype development is capitalised as part of the development costs intangible asset. The amortisation expense for other patents is recognised as an administrative expense in the profit and loss account.

2.5. Research and Development

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 financialfeasibility can be demonstrated.

Development costs are amortised on a straight line basis overtheir useful life of 5 years when the related project is complete and available for use.

2.6. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold	over 5 years
Plant & Machinery	20% on cost
Office & Demonstration Equipment	20% on cost
Computer Equipment	33% on cost

2.7. Leasing and Hire Purchase Contracts

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired under hire purchase contracts are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in the creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

2.8. Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Work in progress is reflected in the accounts on a contract by contract basis by recording turnover and related costs as contract activity progresses.

2.9. Foreign Currencies

Monetary 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 ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2.10. Government Grant

Government grants are recognised in the profit and loss account in an appropriate manner that matches them with the expenditure towards which they are intended to contribute.

Grants for immediate financial support or to cover costs already incurred are recognised immediately in the profit and loss account. Grants towards general activities of the entity over a specific period are recognised in the profit and loss account over that period.

Grants towards fixed assets are recognised over the expected useful lives of the related assets and are treated as deferred income and released to the profit and loss account over the useful life of the asset concerned.

All grants in the profit and loss account are recognised when all conditions for receipt have been complied with.

2.11. Share based payments

The fair value of employee share options is calculated when they are granted using an option pricing model. If material, the resulting cost is charged in the statement of income and retained earnings as an employee benefit expense over the vesting period of the option together with a corresponding increase in equity.

3. Average Number of Employees

Average number of employees during the year was: 18 (2022: 18)

4. Intangible Assets

	Patents	Development Costs	Total
	£	£	£
Cost			
As at 1 January 2023	436,964	2,655,328	3,092,292
Additions	55,170	356,765	411,935
As at 31 December 2023	492,134	3,012,093	3,504,227
Amortisation			
As at 1 January 2023	55,653	-	55,653
Provided during the period	-	77,526	77,526

Impairment losses	316,980	1,290,716	1,607,696
As at 31 December 2023	372,633	1,368,242	1,740,875

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Net Book Value			
As at 31 December 2023	119,501	1,643,851	1,763,352
As at 1 January 2023	381,311	2,655,328	3,036,639

Other intangibles represents patents and licences.

5. **Tangible Assets**

	Land & Property Leasehold	**Plant & Machinery**	**Office & Demonstration Equipment**	**Computer Equipment**	**Total**
	£	**£**	**£**	**£**	**£**
Cost					
As at 1 January 2023	171,718	295,130	18,399	23,902	509,149
Additions	-	6,594	17,087	-	23,681
Disposals	-	(468)	(8,836)	(80)	(9,384)
As at 31 December 2023	171,718	301,256	26,650	23,822	523,446
Depreciation					
As at 1 January 2023	82,343	22,247	7,020	13,827	125,437
Provided during the period	28,471	34,265	8,561	6,139	77,436
Impairment losses	-	123,903	-	-	123,903
Disposals	-	(275)	(1,227)	(76)	(1,578)
As at 31 December 2023	110,814	180,140	14,354	19,890	325,198
Net Book Value					
As at 31 December 2023	60,904	121,116	12,296	3,932	198,248
As at 1 January 2023	89,375	272,883	11,379	10,075	383,712

6. **Stocks**

	31 December 2023	**31 December 2022 as restated**
	£	**£**
Stock	54,246	42,999

7. **Debtors**

	31 December 2023	**31 December**

		2022 as restated
	£	£
Due within one year		
Trade debtors	6,876	-
Other debtors	143,142	205,864
	150,018	205,864

8. Creditors: Amounts Falling Due Within One Year

	31 December 2023	31 December 2022 as restated
	£	£
Net obligations under finance lease and hire purchase contracts	-	6,600
Trade creditors	202,102	69,640
Other creditors	73,258	96,777
Taxation and social security	135,347	-
	410,707	173,017

9. Creditors: Amounts Falling Due After More Than One Year

	31 December 2023	31 December 2022 as restated
	£	£
Other creditors	492,648	736,841

10. Obligations Under Finance Leases and Hire Purchase

	31 December 2023	31 December 2022 as restated
	£	£
The future minimum finance lease payments are as follows:		
Not later than one year	-	6,600

11. Share Capital

	31 December 2023	31 December 2022 as restated
	£	£
Allotted, Called up and fully paid	2,642	2,488

On 5 April 2023 3389 ordinary shares of £0.01 each were issued at £65 per share.

On 23 May 2023 2615 ordinary shares of £0.01 were issued for £65 per shares.

On 18 July 2023 the ordinary share capital of £0.01 shares was subdividided into shares of £0.001 per share.

The following issues of £0.001 ordinary shares took place for a price of £6.50 per share:

- 26 July 2023 31,666 shares
- 5 September 2023 7,692 shares
- 25 October 2023 1,539 shares
- 6 September 2023 38,465 shares
- 22 November 2023 15,386 shares

12. Other Commitments

The total of future minimum lease payments under non-cancellable operating leases are as following:

	31 December 2023	31 December 2022 as restated
	£	£
Not later than one year	26,225	39,008
Later than one year and not later than five years	132,392	148,128
Later than five years	151,056	211,898
	309,673	399,034

13. Exceptional Items

The company incurred development costs, which were capitalised as intangible fixed assets, totalling £1,290,716 and built prototype machines and equipment, included in plant and machinery at a cost of £123,903, for anaesthetic extraction and processing.

£252,930 of extraction costs were covered by deferred grant income, which has been released into other operating income in the current year, reducing the net impact to the profit and loss account.

In the course of normal research and process development in the year certain technologies have been superseded with more efficient and effective technology, accordingly, these assets have been impaired in full during the year.

As is good practice, during the year the company reviewed its patent strategy to align its intellectual property better with current technology developments and focus patent protection on key target markets. This led to a write off of patent intangibles totalling £316,980.

The total impairment losses included as exceptional items totals £1,731,599.

14. Share based payments

In prior years the company granted 5,654 share options to employees with an exercise price of £0.01 per share under an Enterprise Management Incentive Scheme.

Following a subdivision of shares during the year, there are 56,540 share options in issue with an exercise price of £0.001 per share at the balance sheet date.

The total fair value of the share options has been estimated at £187,900 using the Black-Scholes option pricing model. The share based payment expense and corresponding share based payment reserve have been recognised as a prior year adjustment.