

Arqit Limited
Filleted Unaudited Financial Statements
30 September 2019

AMENDED



Arqit Limited

Financial Statements

Period from 1 January 2019 to 30 September 2019

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Arqit Limited

Officers and Professional Advisers

The board of directors

D J Bestwick
D J Williams
S C Chandler
A Hall

Registered office

1st Floor
3 More London Riverside
More London Place
London
SE1 2RE

Arqit Limited

Statement of Financial Position

30 September 2019

		30 Sep 19	31 Dec 18
	Note	£	(restated) £
Fixed assets			
Tangible assets	5	4,115	–
Current assets			
Debtors	6	81,378	36,973
Cash at bank and in hand		3,420,736	251,286
		<u>3,502,114</u>	<u>288,259</u>
Creditors: amounts falling due within one year	7	<u>4,866,670</u>	<u>210,308</u>
Net current (liabilities)/assets		<u>(1,364,556)</u>	<u>77,951</u>
Total assets less current liabilities		<u>(1,360,441)</u>	<u>77,951</u>
Net (liabilities)/assets		<u>(1,360,441)</u>	<u>77,951</u>
Capital and reserves			
Called up share capital		163	163
Share premium account		999,966	999,966
Share-based payments reserve		6	–
Profit and loss account		<u>(2,360,576)</u>	<u>(922,178)</u>
Shareholders funds		<u>(1,360,441)</u>	<u>77,951</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the period ending 30 September 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

The notes on pages 4 to 7 form part of these financial statements.

Arqit Limited

Statement of Financial Position *(continued)*

30 September 2019

These financial statements were approved by the board of directors and authorised for issue on ~~21 September 2020~~, and are signed on behalf of the board by:



D.J. Williams
Director

Company registration number: 10544841

The notes on pages 4 to 7 form part of these financial statements.

Arqit Limited

Notes to the Financial Statements

Period from 1 January 2019 to 30 September 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 1st Floor, 3 More London Riverside, More London Place, London, SE1 2RE.

These amended accounts replace the original accounts and are now the statutory accounts. They are also prepared at the date of the original accounts.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

In our opinion, on the basis of information and enquiries that are pertinent to the company's circumstances and which we believe to be adequate, it is appropriate to continue to treat the company as a going concern. In particular we believe that adequate cash resources will be available to cover the company's requirements for working capital for at least twelve months from the date of signing the financial statements.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, stated net of discounts and of Value Added Tax.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Arqit Limited

Notes to the Financial Statements *(continued)*

Period from 1 January 2019 to 30 September 2019

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Equipment - 33% straight line

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

Share-based payments

Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. This is based upon the company's estimate of the shares or share options that will eventually vest which takes into account all vesting conditions and non-market performance conditions, with adjustments being made where new information indicates the number of shares or share options expected to vest differs from previous estimates.

Fair value is determined using an appropriate pricing model. All market conditions and non-vesting conditions are taken into account when estimating the fair value of the shares or share options. As long as all other vesting conditions are satisfied, no adjustment is made irrespective of whether market or non-vesting conditions are met.

4. Employee numbers

The average number of persons employed by the company during the period amounted to 5 (2018: 2).

Arqit Limited

Notes to the Financial Statements *(continued)*

Period from 1 January 2019 to 30 September 2019

5. Tangible assets

	Equipment £
Cost	
At 1 January 2019 (as restated)	–
Additions	4,357
At 30 September 2019	<u>4,357</u>
Depreciation	
At 1 January 2019	–
Charge for the period	242
At 30 September 2019	<u>242</u>
Carrying amount	
At 30 September 2019	<u>4,115</u>
At 31 December 2018	<u>–</u>

6. Debtors

	30 Sep 19	31 Dec 18 <i>(restated)</i>
	£	£
Other debtors	<u>81,378</u>	<u>36,973</u>

7. Creditors: amounts falling due within one year

	30 Sep 19	31 Dec 18 <i>(restated)</i>
	£	£
Trade creditors	204,578	43,213
Accruals and deferred income	1,604,013	152,874
Social security and other taxes	56,313	11,819
Convertible loans	3,000,000	–
Other creditors	1,766	2,402
	<u>4,866,670</u>	<u>210,308</u>

8. Share-based payments

640 options were granted during September 2019 to 7 employees, one of whom is a director.

Details of the number and weighted average exercise prices (WAEP) of share options during the period are as follows:

	30 Sep 19		31 Dec 18	
	No.	WAEP	No.	WAEP
Granted during the period	<u>640</u>	<u>0.01</u>	–	–
Outstanding at 30 September 2019	<u>640</u>	<u>0.01</u>	–	–

Arqit Limited

Notes to the Financial Statements *(continued)*

Period from 1 January 2019 to 30 September 2019

8. Share-based payments *(continued)*

The total expense recognised in profit or loss for the period is as follows:

	30 Sep 19	31 Dec 18 <i>(restated)</i>
	£	£
Equity-settled share-based payments	6	—

9. Prior period errors

In the period to 31 December 2018, an investment of £1,000,000 was carried forward as a creditor but it should have been classified as equity which has now been corrected with adjustments to the share capital and share premium reserve. There is no effect on the profit and loss reserve.

10. Comparatives

£247,809 of income in the period to 31 December 2018 has been reclassified as turnover out of other operating income in the comparative figures. There is no impact on the loss made or balance sheet as at 31 December 2018 as the adjustment was to correctly categorise income.