

Flux Systems Limited

Unaudited Financial Statements

Year Ended

30 November 2019

Company Number 09882195



Flux Systems Limited
Registered number:09882195

Statement of Financial Position
As at 30 November 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	4	71,988	19,523
		<u>71,988</u>	<u>19,523</u>
Current assets			
Debtors	5	509,541	222,997
Cash and cash equivalents		3,830,724	213,052
		<u>4,340,265</u>	<u>436,049</u>
Creditors: amounts falling due within one year	6	(258,825)	(57,546)
Net current assets		<u>4,081,440</u>	<u>378,503</u>
Net assets		<u><u>4,153,428</u></u>	<u><u>398,026</u></u>
Capital and reserves			
Called up share capital		194	140
Share premium account		7,155,395	1,179,096
Profit and loss account		(3,002,161)	(781,210)
		<u><u>4,153,428</u></u>	<u><u>398,026</u></u>

Flux Systems Limited
Registered number:09882195

Statement of Financial Position (continued)
As at 30 November 2019

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 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 statement of comprehensive income 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:



.....
V Barbosa
Director

Date: 5 June 2020

The notes on pages 3 to 10 form part of these financial statements.

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2019

1. General information

Flux Systems Limited is a private company, limited by shares and 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

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 Going concern

The Company's financial statements have been prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Company's needs. In assessing going concern, the directors have a reasonable expectation that the Company will continue as a going concern and is able to meet all of its obligations as they fall due for a minimum of 12 months from the date of approval of these financial statements.

However, the directors of the Company are also currently assessing the impact of COVID-19, which is considered to be a non-adjusting post balance sheet event (see note 11). The situation is evolving rapidly and it is not possible at this stage to determine with any certainty the impact on the Company, its customers, employees and suppliers. The directors are continually reviewing their plans and forecasts and believe that the going concern basis is appropriate in the short term, however depending on the severity and length of the crisis there is a risk that the Company could require further funding or support.

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2019

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.4 Turnover

Turnover is recognised to the extent that it is probable 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.

Turnover from a contract to provide services is recognised in the period in which the services are provided.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Research and development

Expenditure on research and development is written off as incurred.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2019

2. Accounting policies (continued)

2.8 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 Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Comprehensive Income over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of Comprehensive Income over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Comprehensive Income is charged with fair value of goods and services received.

2.10 Taxation

Tax is recognised in the Statement of Comprehensive Income, 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 reporting date in the countries where the Company operates and generates income.

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2019

2. Accounting policies (continued)

2.11 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	- Over the life of the lease
Fixtures and fittings	- Over 5 years on a straight line basis
Computer equipment	- Over 3 years on a straight line basis

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 Statement of Comprehensive Income.

Repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.14 Creditors

Short term creditors are measured at the transaction price.

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2019

2. Accounting policies (continued)

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and accrued expenses.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Employees

The average monthly number of employees, including directors, during the year was 20 (2018 - 14).

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Notes to the Financial Statements For the Year Ended 30 November 2019

4. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation:				
At 1 December 2018	-	1,126	25,509	26,635
Additions	21,548	14,276	37,186	73,010
At 30 November 2019	21,548	15,402	62,695	99,645
Depreciation				
At 1 December 2018	-	133	6,979	7,112
Charge for the year	6,087	1,167	13,291	20,545
At 30 November 2019	6,087	1,300	20,270	27,657
Net book value				
At 30 November 2019	15,461	14,102	42,425	71,988
At 30 November 2018	-	993	18,530	19,523

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2019

5. Debtors

	2019 £	2018 £
Trade debtors	2,194	120,940
Other debtors	447,631	101,462
Prepayments and accrued income	59,716	595
	<u>509,541</u>	<u>222,997</u>

6. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	105,491	24,317
Other taxation and social security	63,457	30,987
Other creditors	6,038	2,242
Accruals and deferred income	83,839	-
	<u>258,825</u>	<u>57,546</u>

7. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1,027,451 (2018 - 1,020,750) Ordinary shares of £0.0001 each	103	102
380,147 (2018 - 380,147) Seed Preference shares of £0.0001 each	38	38
531,967 (2018 - nil) Series A Preference shares of £0.0001 each	53	-
	<u>194</u>	<u>140</u>

On 20 December 2018 the company issued 6,701 Ordinary shares at a premium of £11.14 per share and 531,967 Series A Preference shares at a premium of £11.14 per share.

8. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £16,876 (2018 - £5,257). Contributions totalling £5,739 (2018 - £1,946) were payable to the fund at the reporting date and are included in creditors.

Flux Systems Limited

Notes to the Financial Statements For the Year Ended 30 November 2019

9. Commitments under operating leases

At 30 November 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	222,833	-
Later than 1 year and not later than 5 years	55,708	-
	<u>278,541</u>	<u>-</u>

10. Related party transactions

During the year the Company received loans from a director of £nil (2018 - £298) and made repayments of £nil (2018 - £nil). As at 30 November 2019 Flux Systems Limited owed £298 (2018 - £298) to the director. All balances attract a nil rate of interest and are repayable on demand.

11. Post balance sheet events

In early 2020, the existence of a new coronavirus, now known as COVID-19, was confirmed and since this time COVID-19 has spread across a significant number of countries and has been classified as a pandemic by the World Health Organisation. The outbreak of COVID-19 has resulted in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of COVID-19 have and may continue to adversely affect the global economy and the economies of certain nations.

Although COVID-19 was initially discovered in late 2019, the changes to market conditions caused as a consequence of the outbreak did not exist prior to 30 November 2019 and therefore these conditions are considered non-adjusting post balance sheet events.

Given the inherent uncertainties, it is not practicable at this time to determine the impact of COVID-19 on the Company or to provide a quantitative estimate of this impact.