
RESPIRED LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2022

RESPIRED LIMITED
REGISTERED NUMBER: 12586496

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	Unaudited 2021 £
Fixed assets			
Intangible assets	4	4,228,520	50,603
Tangible assets	5	170,424	-
		<u>4,398,944</u>	<u>50,603</u>
Current assets			
Stocks	7	5,297,158	1,984,604
Debtors: amounts falling due within one year	8	597,549	809,689
Cash at bank and in hand		878,594	889,082
		<u>6,773,301</u>	<u>3,683,375</u>
Creditors: amounts falling due within one year	9	(1,260,445)	(1,387,415)
Net current assets		<u>5,512,856</u>	<u>2,295,960</u>
Total assets less current liabilities		<u>9,911,800</u>	<u>2,346,563</u>
Net assets		<u><u>9,911,800</u></u>	<u><u>2,346,563</u></u>
Capital and reserves			
Called up share capital	10	15	11
Share premium account	11	9,638,022	286,821
Foreign exchange reserve	11	(13,536)	(20,374)
Share based payment reserve	11	297,194	254,734
Profit and loss account	11	(9,895)	1,825,371
		<u>9,911,800</u>	<u>2,346,563</u>

RESPIRED LIMITED
REGISTERED NUMBER: 12586496

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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 consolidated 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 on 3 May 2023.

DocuSigned by:

Christian Hendriksen

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Christian Hendriksen
Director

The notes on pages 9 to 20 form part of these financial statements.

RESPIRED LIMITED
REGISTERED NUMBER: 12586496

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	Restated and Unaudited 2021 £
Fixed assets			
Intangible assets	4	4,141,020	50,603
Investments	6	341,067	298,606
		4,482,087	349,209
Current assets			
Debtors: amounts falling due within one year	8	5,331,886	932,663
Cash at bank and in hand		647,911	11,208
		5,979,797	943,871
Creditors: amounts falling due within one year	9	(128,196)	(217,649)
Net current assets		5,851,601	726,222
Total assets less current liabilities		10,333,688	1,075,431
Net assets excluding pension asset		10,333,688	1,075,431
Net assets		10,333,688	1,075,431
Capital and reserves			
Called up share capital	10	15	11
Share premium account	11	9,638,022	286,821
Other reserves	11	297,194	254,734
Profit and loss account brought forward		533,865	272,069
Profit and loss account carried forward	11	398,457	533,865
		10,333,688	1,075,431

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

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The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 May 2023.

Christian Hendriksen

RESPIRED LIMITED
REGISTERED NUMBER: 12586496

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

Director  F8CE2D4EF380407...

The notes on pages 9 to 20 form part of these financial statements.

RESPIRED LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital	Share premium account	Foreign exchange reserve	Share based payment reserve	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2022	11	286,821	(20,374)	254,734	1,825,371	2,346,563
Comprehensive income for the year						
Loss for the year	-	-	-	-	(1,835,266)	(1,835,266)
Foreign exchange reserve movement	-	-	6,838	-	-	6,838
Other comprehensive income for the year	-	-	6,838	-	-	6,838
Total comprehensive income for the year	-	-	6,838	-	(1,835,266)	(1,828,428)
Shares issued during the year	4	9,351,201	-	-	-	9,351,205
Share based payment charge	-	-	-	42,460	-	42,460
At 31 December 2022	15	9,638,022	(13,536)	297,194	(9,895)	9,911,800

The notes on pages 9 to 20 form part of these financial statements.

RESPIRED LIMITED

**RESTATED AND UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Foreign exchange reserve	Share based payment reserves	Profit and loss account	Total equity
	£	£	£	£	£	£
At 1 January 2021	11	286,821	-	-	1,258,859	1,545,691
Comprehensive income for the year						
Profit for the year	-	-	-	-	566,512	566,512
Foreign exchange reserve movement	-	-	(20,374)	-	-	(20,374)
Other comprehensive income for the year	-	-	(20,374)	-	-	(20,374)
Total comprehensive income for the year	-	-	(20,374)	-	566,512	546,138
Share based payment charge	-	-	-	254,734	-	254,734
At 31 December 2021	11	286,821	(20,374)	254,734	1,825,371	2,346,563

The notes on pages 9 to 20 form part of these financial statements.

RESPIRED LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Share premium account	Share based payment reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2022	11	286,821	254,734	533,865	1,075,431
Comprehensive income for the year					
Loss for the year	-	-	-	(135,408)	(135,408)
Total comprehensive income for the year	-	-	-	(135,408)	(135,408)
Shares issued during the year	4	9,351,201	-	-	9,351,205
Share based payment charge	-	-	42,460	-	42,460
At 31 December 2022	15	9,638,022	297,194	398,457	10,333,688

The notes on pages 9 to 20 form part of these financial statements.

RESPIRED LIMITED

**RESTATED AND UNAUDITED COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Share based payment reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2021	21	286,821	-	272,069	558,911
Comprehensive income for the year					
Profit for the year	-	-	-	261,796	261,796
	-	-	-	261,796	261,796
Total comprehensive income for the year					
Shares issued during the year	(10)	-	-	-	(10)
Share based payment charge	-	-	254,734	-	254,734
At 31 December 2021	11	286,821	254,734	533,865	1,075,431

The notes on pages 9 to 20 form part of these financial statements.

RESPIRED LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Respired Limited is a private company, limited by shares, incorporated in England and Wales. The address of the registered office is Lincoln House, 296-302 High Holborn, 6th Floor, London, England, WC1V 7JH.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The level of rounding in the financial statements is to the nearest pound (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The financial statements have been prepared on the going concern basis.

The directors have prepared projected cash flow information in excess of 12 months from the date of their approval of these financial statement. The detailed projections demonstrate the company is forecast to remain cash positive and accordingly the directors believe the company has adequate resources to continue in operational existence for the period of at least 12 months from the date of the approval of these financial statements.

RESPIRED LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2. Accounting policies (continued)****2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Licence fees

Licence fees on group net global sales are charged to Rensair Limited.

Royalty fees

Royalty fees on group net global sales are charged to Rensair Limited.

Sale of goods

Revenue from the sale of portable hospital-grade air prouifiers is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer, which is driven by the delivery of the goods to the customer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 4 to 10 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

RESPIRED LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2. Accounting policies (continued)****2.8 Pensions****Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Group 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 profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet 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 profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

2.10 Taxation

Tax is recognised in profit or loss 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 balance sheet date in the countries where the Company and the Group operate and generate income.

RESPIRED LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2. Accounting policies (continued)****2.11 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed twenty.

The estimated useful lives range as follows

Patents	-	20 years
Research and development	-	4 to 10 years
Trademarks	-	10 years

2.12 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.

The estimated useful lives range as follows:

Plant and Machinery - is based on the units produced on an annual 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 profit or loss.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.14 Financial instruments

The Group 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 investments in ordinary shares.

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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt

RESPIRED LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2. Accounting policies (continued)****2.14 Financial instruments (continued)**

instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 Consolidated 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 Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Employees	21	12	1	2

RESPIRED LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Intangible assets

Group

	Patents £	Intellectual Property £	Trademarks £	Total £
Cost				
At 1 January 2022	15,535	11,808	26,365	53,708
Additions	37,562	618,755	10,403	666,720
Acquired	71,879	3,653,417	-	3,725,296
At 31 December 2022	<u>124,976</u>	<u>4,283,980</u>	<u>36,768</u>	<u>4,445,724</u>
Amortisation				
At 1 January 2022	859	-	2,246	3,105
Charge for the year on owned assets	3,319	207,595	3,185	214,099
At 31 December 2022	<u>4,178</u>	<u>207,595</u>	<u>5,431</u>	<u>217,204</u>
Net book value				
At 31 December 2022	<u><u>120,798</u></u>	<u><u>4,076,385</u></u>	<u><u>31,337</u></u>	<u><u>4,228,520</u></u>
At 31 December 2021	<u><u>14,676</u></u>	<u><u>11,808</u></u>	<u><u>24,119</u></u>	<u><u>50,603</u></u>

RESPIRED LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

4. Intangible assets (continued)

Company

	Patents £	Intellectual Property £	Trademarks £	Total £
Cost				
At 1 January 2022	15,535	11,808	26,365	53,708
Additions	37,562	510,887	10,403	558,852
Acquired	71,879	3,653,417	-	3,725,296
At 31 December 2022	<u>124,976</u>	<u>4,176,112</u>	<u>36,768</u>	<u>4,337,856</u>
Amortisation				
At 1 January 2022	859	-	2,246	3,105
Charge for the year	3,319	187,227	3,185	193,731
At 31 December 2022	<u>4,178</u>	<u>187,227</u>	<u>5,431</u>	<u>196,836</u>
Net book value				
At 31 December 2022	<u>120,798</u>	<u>3,988,885</u>	<u>31,337</u>	<u>4,141,020</u>
At 31 December 2021	<u>14,676</u>	<u>11,808</u>	<u>24,119</u>	<u>50,603</u>

The company acquired intellectual property in an assets purchase from a third party in the year.

RESPIRED LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

5. Tangible fixed assets

Group

	Plant and machinery £
Cost or valuation	
Additions	176,092
At 31 December 2022	<u>176,092</u>
Depreciation	
Charge for the year on owned assets	5,668
At 31 December 2022	<u>5,668</u>
Net book value	
At 31 December 2022	<u><u>170,424</u></u>
At 31 December 2021	<u><u>-</u></u>

6. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	298,606
Additions	42,461
At 31 December 2022	<u><u>341,067</u></u>

RESPIRED LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

6. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Rensair Limited	Lincoln House, 296-302 High Holborn, Floor 6, London, England, WC1V 7JH	Ordinary	100%
Rensair LLC	Rensair LLC c/o Templafy, One World Trade Center, 285 Fulton Street, Suite 48A, Net York NY 10007 USA	Ordinary	100%
Rensair BV	Brusselstraat 51, 2018 Antwerpen, Belgium	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings was as follows:

7. Stocks

	Group 2022 £	Group 2021 £
Finished goods and goods for resale	5,297,158	1,984,604
	<u>5,297,158</u>	<u>1,984,604</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

8. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade debtors	85,127	580,520	1,345	-
Amounts owed by group undertakings	-	-	5,186,950	896,290
Other debtors	46,093	147,533	12,787	9,792
Prepayments and accrued income	92,570	81,636	27,815	26,581
Tax recoverable	373,759	-	102,989	-
	<u>597,549</u>	<u>809,689</u>	<u>5,331,886</u>	<u>932,663</u>

RESPIRED LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

9. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	173,560	135,709	39,346	13,415
Amounts owed to group undertakings	-	-	36,181	107,933
Corporation tax	4,165	409,781	-	68,656
Other taxation and social security	37,152	233,341	7,066	-
Other creditors	934,848	92,975	-	22,010
Accruals and deferred income	110,720	515,609	45,603	5,635
	<u>1,260,445</u>	<u>1,387,415</u>	<u>128,196</u>	<u>217,649</u>

10. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
133,900,215 (2021: 107,956,896) Ordinary shares of £0.0000001 each	13	11
19,133,198 (2021: nil) Seed preferred shares of £0.0000001 each	2	-
	<u>15</u>	<u>11</u>

All classes of shares rank pari passu except for:

On distribution of assets on liquidation or a return of capital the surplus assets of the company remaining after payment of its liabilities shall be applied to the holders of each class of shares in accordance with the Articles of Association, in the following order:

- Seed preferred shares
- Ordinary Shares

Between 3 May 2022 and 13 May 2022 19,133,198 Seed preferred shares were issued at a price of £0.2464 per share with a nominal value of £0.0000001 and 25,943,319 Ordinary shares issued at £0.1787 per share with a nominal value of £0.0000001.

RESPIRED LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****11. Reserves****Share premium account**

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Foreign exchange reserve

The foreign currency translation reserve contains gains and losses arising on translating the net assets of operations with a different functional currency into GBP.

Share based payment reserve

The share based payment reserve represents the charge for the share options issued by the company.

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

12. Restated comparatives

The prior year share based payment charge has been adjusted to £254,734 from the prior filed charge of £64,799. This has resulted in the Company's investments from £108,671 to £298,606, with a corresponding change in the Statement of Changes in Equity.

No consolidation was published in 2021 and therefore this has no impact on the prior year consolidation.

13. Share based payments

The number of equity-settled share based payments has been disclosed. During the year, the charge for the equity-settled share based payments was £42,460 (2021: £254,734). Respired Limited have share options in issue, all options which have been granted have non-market vesting conditions attached and all share options which have been granted are of the same class: Ordinary shares which are exercisable four years following their grant.

These are granted at the discretion of the Directors'. There are no cash settlement alternatives for the employees therefore these are all accounted for under FRS 102. The fair value of share options granted is estimated at the date of grant. The grant date for accounting purposes is at various points as the options were issued, as this is when a shared understanding of the terms and conditions of the arrangements was achieved between the various parties. A non-marketability discount was applied when assessing the fair value at grant date.

The fair value of share options granted is estimated at the date of grant using a Black-Scholes model.

During the year ended 31 December 2022, the company granted share options in its parent undertaking to 2 employees (2021: 6) and 1 third parties (2021: 3), with a total of 6,462,424 shares under option (2021:4,941,135). The options have weighted average exercise price of £0.032 and (2021: £0.0257) per share.

During the year, no share options (2021: nil) were exercised.

RESPIRED LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

14. Related party transactions

Related party transactions in the year amounted to £16,055 (2021: £12,602) for consultancy services provided by Hendriksen Consulting. There is no outstanding balance in trade creditors relating to this at year end (2021: £nil).

15. Post balance sheet events

On 4 January 2023 the business issued 3,567,206 Seed Preferred shares at a subscription price of £0.2561 per share with nominal value of £0.0000001 per share.

16. Controlling party

The directors consider there is no ultimate controlling party.

17. Auditor's information

The auditor's report on the financial statements for the period ended 31 December 2022 was unqualified.

The audit report was signed on _____ by Steven Leith (Senior statutory auditor) on behalf of Cooper Parry Group Limited.