
EXHALATION TECHNOLOGY LTD

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2024

EXHALATION TECHNOLOGY LTD
REGISTERED NUMBER: 04720331

BALANCE SHEET
AS AT 31 JULY 2024

| | Note | 2024 £ | 2023 £ |
|--|------|----------------|----------------|
| FIXED ASSETS | | | |
| Intangible assets | 4 | 188,815 | - |
| Tangible assets | 5 | 4,759 | 5,591 |
| Investments | 6 | 77 | 77 |
| | | <u>193,651</u> | <u>5,668</u> |
| CURRENT ASSETS | | | |
| Stocks | | 45,993 | 27,622 |
| Debtors: amounts falling due within one year | 7 | 44,589 | 69,262 |
| Cash at bank and in hand | | 73,606 | 156,304 |
| | | <u>164,188</u> | <u>253,188</u> |
| Creditors: amounts falling due within one year | 8 | (92,215) | (123,266) |
| | | <u>71,973</u> | <u>129,922</u> |
| NET CURRENT ASSETS | | <u>71,973</u> | <u>129,922</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | <u>265,624</u> | <u>135,590</u> |
| NET ASSETS | | <u>265,624</u> | <u>135,590</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 9 | 305,910 | 270,197 |
| Share premium account | | 13,994,755 | 13,503,689 |
| Profit and loss account | | (14,035,041) | (13,638,296) |
| | | <u>265,624</u> | <u>135,590</u> |

EXHALATION TECHNOLOGY LTD
REGISTERED NUMBER: 04720331

BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2024

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 the 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 profit and loss account 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:

Helle Funch Nielsen

Helle Funch Nielsen
Director

Date: 29/10/2024

The notes on pages 4 to 9 form part of these financial statements.

EXHALATION TECHNOLOGY LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2024**

| | Called up share capital £ | Share premium account £ | Profit and loss account £ | Total equity £ |
|-------------------------------|---------------------------------|----------------------------------|---------------------------------|-------------------|
| AT 1 AUGUST 2021 | 221,454 | 13,065,001 | (12,854,326) | 432,129 |
| Loss for the year | - | - | (783,970) | (783,970) |
| Shares issued during the year | 48,743 | 438,688 | - | 487,431 |
| AT 1 AUGUST 2022 | 270,197 | 13,503,689 | (13,638,296) | 135,590 |
| Loss for the year | - | - | (396,745) | (396,745) |
| Shares issued during the year | 35,713 | 491,066 | - | 526,779 |
| AT 31 JULY 2024 | 305,910 | 13,994,755 | (14,035,041) | 265,624 |

The notes on pages 4 to 9 form part of these financial statements.

EXHALATION TECHNOLOGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024**

1. GENERAL INFORMATION

The company is a private company limited by shares and incorporated in England & Wales. Its registered office is 50/60 Station Road, Cambridge, CB1 2JH.

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 FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the requirements of the Companies Act 2006. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The following principal accounting policies have been applied:

2.2 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 profit or loss 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 Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.3 TURNOVER

Turnover comprises revenue recognised by the Company in respect of medical testing kits during the year, exclusive of Value Added Tax and trade discounts. Revenue is recognised as the fair value of the consideration received or receivable and is recognised on the date of invoice.

EXHALATION TECHNOLOGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024**

2. ACCOUNTING POLICIES (CONTINUED)**2.4 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 3 to 6 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.

2.5 INTEREST INCOME

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

2.6 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 operates and generates income.

2.7 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 ten years.

2.8 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.

EXHALATION TECHNOLOGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024**

2. ACCOUNTING POLICIES (CONTINUED)**2.8 TANGIBLE FIXED ASSETS (CONTINUED)**

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:

| | | |
|---------------------|---|-------------------|
| Plant and machinery | - | 10% straight line |
| Office equipment | - | 50% straight line |

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.

2.9 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.10 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. Work in progress and finished goods include labour and attributable overheads.

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.

2.11 DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

EXHALATION TECHNOLOGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024**

2. ACCOUNTING POLICIES (CONTINUED)

2.13 CREDITORS

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 5 (2023 - 5).

4. INTANGIBLE ASSETS

| | Licence £ |
|-------------------------------------|----------------------|
| COST | |
| Additions | 198,753 |
| At 31 July 2024 | 198,753 |
| | |
| AMORTISATION | |
| Charge for the year on owned assets | 9,938 |
| At 31 July 2024 | 9,938 |
| | |
| NET BOOK VALUE | |
| At 31 July 2024 | 188,815 |
| At 31 July 2023 | - |

EXHALATION TECHNOLOGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024**

5. TANGIBLE FIXED ASSETS

| | Plant and machinery £ | Office equipment £ | Total £ |
|-------------------------------------|-----------------------------|--------------------------|---------------------|
| COST OR VALUATION | | | |
| At 1 August 2023 | 9,349 | 9,154 | 18,503 |
| Additions | 151 | - | 151 |
| At 31 July 2024 | <u>9,500</u> | <u>9,154</u> | <u>18,654</u> |
| DEPRECIATION | | | |
| At 1 August 2023 | 3,758 | 9,154 | 12,912 |
| Charge for the year on owned assets | 983 | - | 983 |
| At 31 July 2024 | <u>4,741</u> | <u>9,154</u> | <u>13,895</u> |
| NET BOOK VALUE | | | |
| At 31 July 2024 | <u><u>4,759</u></u> | <u><u>-</u></u> | <u><u>4,759</u></u> |

6. FIXED ASSET INVESTMENTS

| | Unlisted investments £ |
|--------------------------|------------------------------|
| COST OR VALUATION | |
| At 1 August 2023 | 77 |
| At 31 July 2024 | <u>77</u> |
| NET BOOK VALUE | |
| At 31 July 2024 | <u><u>77</u></u> |

EXHALATION TECHNOLOGY LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2024**

7. DEBTORS

| | 2024 £ | 2023 £ |
|--------------------------------|---------------|---------------|
| Trade debtors | 21,833 | 36,088 |
| Other debtors | 18,972 | 26,912 |
| Prepayments and accrued income | 3,784 | 6,262 |
| | 44,589 | 69,262 |
| | 44,589 | 69,262 |

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2024 £ | 2023 £ |
|------------------------------|---------------|----------------|
| Trade creditors | 73,693 | 103,260 |
| Other creditors | 12,187 | 52 |
| Accruals and deferred income | 6,335 | 19,954 |
| | 92,215 | 123,266 |
| | 92,215 | 123,266 |

9. SHARE CAPITAL

| | 2024 £ | 2023 £ |
|--|----------------|----------------|
| ALLOTTED, CALLED UP AND FULLY PAID | | |
| 2,754,767 (2023 - 2,397,642) Ordinary shares of £0.10 each | 275,477 | 239,764 |
| 58,300 (2023 - 58,300) Ordinary B shares of £0.10 each | 5,830 | 5,830 |
| 246,029 (2023 - 246,029) Preference shares of £0.10 each | 24,603 | 24,603 |
| | 305,910 | 270,197 |
| | 305,910 | 270,197 |

During the year 357,125 Ordinary shares of £0.10 were issued. 328,025 share were issued with a premium of £0.90 each and the remaining 29,100 were issued with a premium of £6.73.

10. OTHER FINANCIAL COMMITMENTS

Total financial commitments, guarantees and contingencies that are not included in the balance sheet amount to £Nil (2023 - £16,611).