

Registration number: 11335936

Porro Technologies Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 30 April 2022

Max Accountants Ltd
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The King Centre
Barleythorpe
Rutland
LE15 7WD

Poro Technologies Ltd

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Poro Technologies Ltd

Company Information

Directors Dr Tongtong Zhu
Dr Yingjun Liu
IQ Capital Directors Nominees Ltd
Christopher Wayne Gibbs
Jingchun Hao
Zhuo Chen

Registered office Unit 2
South Cambridge Business Park
Babraham Road
Sawston
Cambridge
CB22 3JH

Accountants Max Accountants Ltd
Ketton Suite
The King Centre
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Poro Technologies Ltd

(Registration number: 11335936)

Balance Sheet as at 30 April 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	<u>5</u>	46,435	-
Tangible assets	<u>6</u>	359,186	147,191
		<u>405,621</u>	<u>147,191</u>
Current assets			
Debtors	<u>7</u>	1,022,588	278,188
Cash at bank and in hand		13,268,787	218,452
		<u>14,291,375</u>	<u>496,640</u>
Creditors: Amounts falling due within one year	<u>8</u>	<u>(437,492)</u>	<u>(155,511)</u>
Net current assets		<u>13,853,883</u>	<u>341,129</u>
Net assets		<u>14,259,504</u>	<u>488,320</u>
Capital and reserves			
Called up share capital	<u>9</u>	4	2
Share premium reserve		19,033,632	1,518,542
Other reserves		50,618	-
Retained earnings		<u>(4,824,750)</u>	<u>(1,030,224)</u>
Shareholders' funds		<u>14,259,504</u>	<u>488,320</u>

For the financial year ending 30 April 2022 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 accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 26 September 2022 and signed on its behalf by:

.....
Dr Tongtong Zhu
Director

The notes on pages 3 to 9 form an integral part of these financial statements.

Poro Technologies Ltd

Notes to the Unaudited Financial Statements for the Year Ended 30 April 2022

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Unit 2
South Cambridge Business Park
Babraham Road
Sawston
Cambridge
CB22 3JH

These financial statements were authorised for issue by the Board on 26 September 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

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Notes to the Unaudited Financial Statements for the Year Ended 30 April 2022

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Office equipment	Straight line over 3 years
Fixtures and fittings	Straight line over 5 years
Plant and machinery	Straight line over 4 years
Leasehold improvements	Straight line over the remaining lease term

Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Trademarks and patents	Straight line over 7 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Poro Technologies Ltd

Notes to the Unaudited Financial Statements for the Year Ended 30 April 2022

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Share based payments

The company operates an equity-settled, share-based compensation plan, under which the entity receives services from employees as consideration for equity instruments (options) of the entity. The fair value of the employee services received is measured by reference to the estimated fair value at the grant date of equity instruments granted and is recognised as an expense over the vesting period. The estimated fair value of the option granted is calculated using the Black Scholes option pricing model. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied.

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Research and development

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Notes to the Unaudited Financial Statements for the Year Ended 30 April 2022

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.

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.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 17 (2021 - 8).

4 Taxation

Tax charged/(credited) in the income statement

	2022 £	2021 £
Current taxation		
UK corporation tax	<u>(980,609)</u>	<u>(220,345)</u>

Taxation for the year includes a repayable R&D tax credit of £982,406 (2021 £220,465). As at 30 April 2022, the Company had losses of £2,617,770 (2021 £642,381) available to carry forward against future trading profits for corporation tax purposes.

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Notes to the Unaudited Financial Statements for the Year Ended 30 April 2022

5 Intangible assets

	Trademarks, patents and licenses	Total
	£	£
Cost or valuation		
Additions acquired separately	47,279	47,279
At 30 April 2022	47,279	47,279
Amortisation		
Amortisation charge	844	844
At 30 April 2022	844	844
Carrying amount		
At 30 April 2022	46,435	46,435

6 Tangible assets

	Land and buildings	Furniture, fittings and equipment	Other tangible assets	Total
	£	£	£	£
Cost or valuation				
At 1 May 2021	4,397	38,390	150,410	193,197
Additions	17,740	38,375	245,672	301,787
At 30 April 2022	22,137	76,765	396,082	494,984
Depreciation				
At 1 May 2021	931	10,255	34,820	46,006
Charge for the year	2,519	15,536	71,737	89,792
At 30 April 2022	3,450	25,791	106,557	135,798
Carrying amount				
At 30 April 2022	18,687	50,974	289,525	359,186
At 30 April 2021	3,466	28,135	115,590	147,191

Included within the net book value of land and buildings above is £18,687 (2021 - £3,466) in respect of short leasehold land and buildings.

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Notes to the Unaudited Financial Statements for the Year Ended 30 April 2022

7 Debtors

	2022	2021
Current	£	£
Trade debtors	8,101	24,759
Prepayments	19,001	5,628
Other debtors	995,486	247,801
	1,022,588	278,188
	1,022,588	278,188

8 Creditors

Creditors: amounts falling due within one year

	2022	2021
	£	£
Due within one year		
Trade creditors	332,142	126,689
Taxation and social security	33,071	9,839
Accruals and deferred income	39,450	15,117
Other creditors	32,829	3,866
	437,492	155,511
	437,492	155,511

9 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary shares of £0.00 each	187,291	1.87	186,773	1.87
Seed preferred shares of £0.00 each	94,494	0.94	-	-
Series A-1 shares of £0.00 each	129,832	1.30	-	-
Series A-2 shares of £0.00 each	269	-	-	-
	411,886	4.12	186,773	1.87
	411,886	4.12	186,773	1.87

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Notes to the Unaudited Financial Statements for the Year Ended 30 April 2022

On 1st June 2021, 81,265 Seed Preferred shares were allotted and fully paid at a price of £31.88 each.

On 7th June 2021, 13,229 Seed Preferred shares were allotted and fully paid at a price of £31.88 each.

On 28th January 2022, 518 Ordinary shares were allotted and fully paid at a price of £5.50 each. On the same date 107,401 Series A-1 shares and 269 Series A-2 shares were allotted and fully paid at a price of £111.45 each.

On 26th April 2022, 22,431 Series A- 1 shares were allotted and fully paid at a price of £111.45 each.

After the year end, on 1st June 2022 a further 1,642 Ordinary shares were allotted and fully paid at a price of £5.50 each.

10 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2022	2021
	£	£
Not later than one year	12,667	19,000
Later than one year and not later than five years	-	12,667
	<u>12,667</u>	<u>31,667</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.