

HECTARE AGRITECH LIMITED
Unaudited Financial Statements
For the financial year ended 31 December 2023
Pages for filing with the registrar

HECTARE AGRITECH LIMITED
UNAUDITED FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

Contents

Balance Sheet 3
Notes to the Financial Statements 4

HECTARE AGRITECH LIMITED
BALANCE SHEET
As at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	3	6,173	2,967
		6,173	2,967
Current assets			
Debtors	4	176,370	107,334
Cash at bank and in hand		8,878,315	12,165,442
		9,054,685	12,272,776
Creditors: amounts falling due within one year	5	(236,491)	(252,577)
Net current assets		8,818,194	12,020,199
Total assets less current liabilities		8,824,367	12,023,166
Net assets		8,824,367	12,023,166
Capital and reserves			
Called-up share capital	6, 8	593	592
Share premium account		22,379,446	22,360,698
Other reserves		117,272	226,743
Profit and loss account		(13,672,944)	(10,564,867)
Total shareholders' funds		8,824,367	12,023,166

For the financial year ending 31 December 2023 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 financial year in accordance with section 476;
- 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; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Profit and Loss Account has not been delivered.

The financial statements of Hectare Agritech Limited (registered number: 08285271) were approved and authorised for issue by the Board of Directors. They were signed on its behalf by:

M G Hall
Director

17 September 2024

HECTARE AGRITECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

Hectare Agritech Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is Sustainable Workspaces, County Hall 5th Floor, Belvedere Road, London, SE1 7PB, England, United Kingdom.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the Company and rounded to the nearest £.

Going concern

The directors have assessed the Balance Sheet and likely future cash flows at the date of approving these financial statements. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and to meet its financial obligations as they fall due for at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in the Profit and Loss Account in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in the Statement of Comprehensive Income.

Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the Balance Sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the Balance Sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

Subscriptions are sold for periods of a month or for longer periods (mainly annual subscriptions). Revenue from monthly subscriptions is recognised in the month the subscription is provided. For annual subscriptions the revenue is spread over the period of the subscription.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

HECTARE AGRITECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

Employee benefits

Short term benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Defined contribution schemes

The Company operates a defined contribution scheme. The amount charged to the Profit and Loss Account in respect of pension costs and other post-retirement benefits is the contributions payable in the financial year. Differences between contributions payable in the financial year and contributions actually paid are included as either accruals or prepayments in the Balance Sheet.

Share-based payment

The company has granted share options to certain employees under an Enterprise Management Incentive (EMI) scheme and to certain non-employees under a separate scheme, which allows those persons to acquire shares in the company at an agreed exercise price.

The EMI share options can be exercised upon a change of control, the sale or takeover of the company or flotation, the period to which is the vesting period. The non-employee options are deemed to vest immediately on the date of grant. The share options lapse after 10 years from the date of grant. When a member of staff ceases to be employed by the company it is up to the discretion of the directors as to whether that employee's share options lapse.

The share options are measured at fair value and expensed as equity-settled share-based payments over the vesting period in profit or loss, with a corresponding increase in equity. The fair value of equity-settled share-based payments are measured at the grant date using the black-scholes option pricing model, taking into account the terms and conditions upon which the awards are granted.

In the event of a cancellation, whether by the company or by a participating employee, the compensation expense that would have been recognised over the remainder of the vesting period is recognised immediately in profit or loss.

Taxation

Current tax

Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Intangible assets

Intangible assets are stated at cost or valuation, net of amortisation and any provision for impairment. Amortisation is provided on all intangible assets at rates to write off the cost or valuation of each asset over its expected useful life as follows:

HECTARE AGRITECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

Trade and other debtors

Trade and other debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method less impairment losses for bad and doubtful debts, except where the effect of discounting would be immaterial. In such cases the receivables are stated at cost less impairment losses for bad and doubtful debts.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

Trade and other creditors

Trade and other creditors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest rate method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Financial assets are derecognised when and only when the contractual rights to the cash flows from the financial asset expire or are settled, or the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Government grants

HECTARE AGRITECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

Government grants are recognised based on the performance model and are measured at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received.

A grant that specifies performance conditions is recognised in income only when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the grant proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

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. Employees

	2023	2022
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	40	40

3. Tangible assets

	Land and buildings	Office equipment	Computer equipment	Total
	£	£	£	£
Cost				
At 01 January 2023	2,174	7,689	15,600	25,463
Additions	0	3,770	4,135	7,905
At 31 December 2023	2,174	11,459	19,735	33,368
Accumulated depreciation				
At 01 January 2023	2,174	6,415	13,907	22,496
Charge for the financial year	0	2,237	2,462	4,699
At 31 December 2023	2,174	8,652	16,369	27,195
Net book value				
At 31 December 2023	0	2,807	3,366	6,173
At 31 December 2022	0	1,274	1,693	2,967

HECTARE AGRITECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

4. Debtors

	2023	2022
	£	£
Trade debtors	18,673	42,329
Other debtors	157,697	65,005
	176,370	107,334

5. Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	38,668	48,281
Other taxation and social security	92,862	97,844
Other creditors	104,961	106,452
	236,491	252,577

6. Called-up share capital

	2023	2022
	£	£
Allotted, called-up and fully-paid		
4,050,567 Ordinary shares of £ 0.0001 each (2022: 4,035,567 shares of £ 0.0001 each)	405.06	403.56
1,875,000 Preferred preference shares of £ 0.0001 each	187.50	187.50
	592.56	591.06

In the financial year 2023 class Ordinary shares were allotted with an aggregate nominal value of £1.50 and consideration of £18,748 was received.

HECTARE AGRITECH LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2023

7. Financial commitments

Commitments

	2023	2022
	£	£
Total future minimum lease payments under non-cancellable operating lease	204,050	0

Pensions

The Company operates a defined contribution pension scheme for the directors and employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

	2023	2022
	£	£
Unpaid contributions due to the fund (inc. in other creditors)	14,111	1,756

8. Capital and reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of shares issued.

Share premium account

Share premium account represents the premium on issue of equity shares, net of any transaction costs.

Other reserves

The other reserves account represents cumulative share-based payment expenses, less those which are transferred to the profit and loss account on exercise.

Profit and loss account

The profit and loss amount represents cumulative profits, losses and total other comprehensive income made by the company, including distributions to, and contributions from, the owners.

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.