

SPROUT.AI LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2023

Bevan Buckland LLP
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

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FOR THE YEAR ENDED 31 DECEMBER 2023**

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SPROUT.AI LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2023

DIRECTORS:

P R Teather
Ms A S Armour
N J Sando
R Amir
M A Slade

REGISTERED OFFICE:

C/O Bevan Buckland LLP
Ground Floor, Cardigan House
Swansea
SA7 9LA

REGISTERED NUMBER:

11242135 (England and Wales)

ACCOUNTANTS:

Bevan Buckland LLP
Ground Floor Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

BALANCE SHEET
31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
FIXED ASSETS					
Intangible assets	4		11,266		12,133
Tangible assets	5		<u>18,203</u>		<u>47,353</u>
			29,469		59,486
CURRENT ASSETS					
Debtors	6	1,033,933		1,009,482	
Cash at bank		<u>3,533,342</u>		<u>1,798,746</u>	
		4,567,275		2,808,228	
CREDITORS					
Amounts falling due within one year	7	<u>709,690</u>		<u>560,401</u>	
NET CURRENT ASSETS			<u>3,857,585</u>		<u>2,247,827</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,887,054		2,307,313
PROVISIONS FOR LIABILITIES			<u>5,997</u>		<u>9,913</u>
NET ASSETS			<u><u>3,881,057</u></u>		<u><u>2,297,400</u></u>
CAPITAL AND RESERVES					
Called up share capital			288		226
Share premium			15,082,157		10,011,924
Capital redemption reserve			28		8
Share options reserve			36,941		-
Retained earnings			<u>(11,238,357)</u>		<u>(7,714,758)</u>
			<u><u>3,881,057</u></u>		<u><u>2,297,400</u></u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2023.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2023 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 29 May 2024 and were signed on its behalf by:

R Amir - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. **STATUTORY INFORMATION**

Sprout.ai Limited is a private company, limited by shares, 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**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of rendered services.

Revenue is recognised in the period in which the costs are incurred.

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

The company enters contracts that can include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations.

Revenue is recognised net of allowances for returns and any taxes collected from customers, which are subsequently remitted to governmental authorities.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of twenty years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 33% straight line

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

2. **ACCOUNTING POLICIES - continued**

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables 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.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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.

Derecognition of financial liabilities

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

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.

Cash at bank

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

2. **ACCOUNTING POLICIES - continued**

Cash at bank and in hand 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 current liabilities

Creditors

Short term trade 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

Going Concern

The company continues to adopt the going concern basis in preparing its financial statements. The company has made losses however has the continued support of current shareholders.

Basic financial liabilities

Basic financial liabilities, including trade and other payables 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 receipts discounted at a market rate of interest.

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

Trade payables 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 payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 37 (2022 - 28) .

4. **INTANGIBLE FIXED ASSETS**

	Other intangible assets £
COST	
At 1 January 2023 and 31 December 2023	<u>13,000</u>
AMORTISATION	
At 1 January 2023	867
Charge for year	<u>867</u>
At 31 December 2023	<u>1,734</u>
NET BOOK VALUE	
At 31 December 2023	<u>11,266</u>
At 31 December 2022	<u>12,133</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 January 2023	91,749
Additions	1,493
Disposals	<u>(2,630)</u>
At 31 December 2023	<u>90,612</u>
DEPRECIATION	
At 1 January 2023	44,396
Charge for year	<u>28,013</u>
At 31 December 2023	<u>72,409</u>
NET BOOK VALUE	
At 31 December 2023	<u>18,203</u>
At 31 December 2022	<u>47,353</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade debtors	217,522	27,906
Other debtors	45,708	18,233
Tax	634,701	683,332
VAT	56,975	174,758
Prepayments	<u>79,027</u>	<u>105,253</u>
	<u>1,033,933</u>	<u>1,009,482</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Trade creditors	46,206	48,025
Social security and other taxes	296,871	123,014
Other creditors	4,261	1,667
Pension Payable	7,785	10,608
Accruals and deferred income	<u>354,567</u>	<u>377,087</u>
	<u>709,690</u>	<u>560,401</u>

8. SHARE-BASED PAYMENT TRANSACTIONS

Share options

At the year end there are 125,234 share options outstanding granted under the scheme.

**CHARTERED ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS
ON THE UNAUDITED FINANCIAL STATEMENTS OF
SPROUT.AI LIMITED**

The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Sprout.ai Limited for the year ended 31 December 2023 which comprise the Income Statement, Balance Sheet and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed within the ICAEW's regulations and guidance at <http://www.icaew.com/en/membership/regulations-standards-and-guidance>.

This report is made solely to the Board of Directors of Sprout.ai Limited, as a body, in accordance with our terms of engagement. Our work has been undertaken solely to prepare for your approval the financial statements of Sprout.ai Limited and state those matters that we have agreed to state to the Board of Directors of Sprout.ai Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Sprout.ai Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Sprout.ai Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Sprout.ai Limited. You consider that Sprout.ai Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Sprout.ai Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Bevan Buckland LLP
Ground Floor Cardigan House
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SA7 9LA

29 May 2024

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.