Company registration number 09393538 (England and Wales)

SAGETECH MEDICAL EQUIPMENT LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 DECEMBER 2024

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SAGETECH MEDICAL EQUIPMENT LIMITED

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SAGETECH MEDICAL EQUIPMENT LIMITED

BALANCE SHEET

AS AT 30 DECEMBER 2024

		2024		2023	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Intangible assets	**4**		1,892,431		1,763,352
Tangible assets	**5**		197,919		198,248
			2,090,350		1,961,600
Current assets					
Stocks		95,795		54,246	
Debtors	**6**	235,261		150,018	
Cash at bank and in hand		209,929		260,905	
		540,985		465,169	
Creditors: amounts falling due within one year	**7**	(318,579)		(410,707)	
Net current assets			222,406		54,462
Total assets less current liabilities			2,312,756		2,016,062
Creditors: amounts falling due after more than one year	**8**		(315,736)		(492,648)
Net assets			1,997,020		1,523,414
Capital and reserves					
Called up share capital			2,677		2,642
Share premium account			7,304,839		7,079,271
Other reserves			1,206,921		187,900
Profit and loss reserves			(6,517,417)		(5,746,399)
Total equity			1,997,020		1,523,414

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 December 2024 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

BALANCE SHEET (CONTINUED)

AS AT 30 DECEMBER 2024

The financial statements were approved by the board of directors and authorised for issue on 30 September 2025 and are signed on its behalf by:

Dr I Menneer
Director

Company Registration No. 09393538

1 Accounting policies

Company information

SageTech Medical Equipment Limited is a private company limited by shares incorporated in England and Wales. The registered office is Suite F4, Westfield Business Park, Long Road, Paignton, Devon, TQ4 7AU.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. 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.

1.2 Going concern

The company is still in a period of product development, but has started to generate sales and has a strong balance sheet. It relies on grant income and the support of its shareholders and is currently able to meet its liabilities as they fall due. The shareholders have no intention of withdrawing their support for the foreseeable future. For this reason, the directors consider it appropriate to prepare the financial statements on a going concern basis.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Grant income relating to intangible fixed assets is included within creditors as deferred income. The deferred income will be released over the useful economic lives of the assets when the development of the prototype is complete and the patents have been granted.

Grant income relating to research costs expensed in the profit or loss account is recognised in turnover in the period in which the related expenses are recognised. Turnover is only recognised to the extent of of recoverable expenses when the outcome of a contract cannot not be estimated reliably.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Development costs are amortised on a straight line basis over their useful life of 5 years when the related project is complete and available for use.

1.5 Intangible fixed assets other than goodwill

Patents & licences

Patent application costs have been capitalised. The costs are amortised when the patent is granted, over their useful economic life, which is considered to be the patent expiry date of 20 years.

The amortisation expense for technology patents directly relating to the prototype development is capitalised as part of the development costs intangible asset. The amortisation expense for other patents is recognised as an administrative expense in the profit or loss account.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

1 Accounting policies **(Continued)**

Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Land & Property Leasehold	over 5 years
Plant & Machinery	20% on cost
Computer Equipment	33% on cost
Office & Demonstration Equipment	20% on cost

1.7 Stocks and working progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Work in progress is reflected in the accounts on a contract by contract basis by recording turnover and related costs as contract activity progresses.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Share-based payments

The fair value of employee share options is calculated when they are granted using an option pricing model. If material, the resulting cost is charged in the profit and loss as an employee benefit expenses over the vesting period of the option together with a corresponding increase in equity.

1 Accounting policies **(Continued)**

1.10 Leases

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired under hire purchase contracts are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of the ownership are assumed by the company. Obligations under such agreements are included in the creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

1.11 Government grants

Government grants are recognised in the profit or loss account in an appropriate manner that matches them with the expenditure towards which they are intended to contribute.

Grants for immediate financial support or to cover costs already incurred are recognised immediately in the profit or loss account. Grants towards general activities of the entity over a specific period are recognised in the profit and loss account over that period.

Grants towards fixed assets are recognised over the expected useful lives of the related assets and are treated as deferred income and released to the profit and loss account over the useful life of the asset concerned.

All grants in the profit and loss account are recognised when all conditions for receipt have been complied with.

1.12 Foreign exchange

Monetary 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 ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2024 Number	2023 Number
Total	14	18

3 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2024 £	2023 £
In respect of:			
Intangible assets	4	29,150	316,980
Stocks		6,303	-
Recognised in:			
Cost of sales		6,303	18,184
Administrative expenses		29,150	-
Exceptional Items		-	298,796

4 Intangible fixed assets

	Patents & licences £	Development costs £	Total £
Cost			
At 31 December 2023	492,134	3,012,093	3,504,227
Additions	9,224	158,741	167,965
At 30 December 2024	501,358	3,170,834	3,672,192
Amortisation and impairment			
At 31 December 2023	372,633	1,368,242	1,740,875
Amortisation charged for the year	9,736	-	9,736
Impairment losses	29,150	-	29,150
At 30 December 2024	411,519	1,368,242	1,779,761
Carrying amount			
At 30 December 2024	89,839	1,802,592	1,892,431
At 30 December 2023	119,501	1,643,851	1,763,352

5 Tangible fixed assets

	Land & Property Leasehold	Plant & Machinery	Computer Equipment	Office & Demonstration Equipment	Total
	£	£	£	£	£
Cost					
At 31 December 2023	171,718	301,256	23,822	26,650	523,446
Additions	-	69,803	550	6,751	77,104
Disposals	-	(425)	(228)	-	(653)
At 30 December 2024	171,718	370,634	24,144	33,401	599,897
Depreciation and impairment					
At 31 December 2023	110,814	180,140	19,890	14,354	325,198
Depreciation charged in the year	19,313	43,478	3,137	5,826	71,754
Eliminated in respect of disposals	-	-	(120)	5,146	5,026
At 30 December 2024	130,127	223,618	22,907	25,326	401,978
Carrying amount					
At 30 December 2024	41,591	147,016	1,237	8,075	197,919
At 30 December 2023	60,904	121,116	3,932	12,296	198,248

6 Debtors

	2024	2023
Amounts falling due within one year:	£	£
Trade debtors	34,863	6,876
Other debtors	200,398	143,142
	235,261	150,018

7 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	78,968	202,102
Taxation and social security	168,831	135,347
Other creditors	70,780	73,258
	318,579	410,707

8 Creditors: amounts falling due after more than one year

	2024	2023
	£	£
Other creditors	315,736	492,648

9 Share-based payment transactions

The company operates an Enterprise Managment Incentive Scheme. During the 2023 financial year the shares were subdivided into share options with an exercise price of £0.001 per share. The remaining terms on the options vary between 3 to 6 years.

During the preparation of the 2024 financial statements it was noted that the share options were undervalued by £23,800. The total fair value of the share options has been estimated at £211,700 using the Black-Scholes option pricing model.

As a result during the year, the company recognised total share-based payment expenses of £23,800 (2023 - £nil) which related to equity settled share based payment transactions. In the comparative period a prior year adjustment of £187,900 was recognised. Further details can be found under note 3.

	Number of share options		Weighted average exercise price	
	2024	2023	2024	2023
	Number	Number	£	£
Outstanding at 31 December 2023	565,400	5,654	0.36	36.29
Granted	-	559,746	-	-
Outstanding at 30 December 2024	565,400	565,400	0.37	0.36
Exercisable at 30 December 2024	565,400	565,400	0.37	0.36

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2024	2023
	£	£
	162,406	188,631

11 Exceptional Items

During the year ended 30 December 2023, the company incurred development costs, which were capitalised as intangible fixed assets, totalling £1,290,716 and built prototype machines and equipment, included in plant & machinery at a cost of £123,903, for anaesthetic extraction and processing.

£252,930 of extraction costs were covered by deferred grant income, which was released into other operating income in the comparative year, reducing the net impact to the profit and loss account.

In the course of normal research and process development during the comparative year certain technologies had been superseded with more efficient and effective technology, accordingly, these assets were impaired in full.

As is good practice, during the comparative year the company reviewed its patent strategy to align its intellectual property better with current technology developments and focus on patent protection on key target markets. This led to a write off of patent intangibles totalling £316,980.

The total impairment losses included as exceptional items in the year ended 30 December 2023 totals £1,731,599.

12 Events after the reporting date

After the year end the advanced subscription agreement funds of £995,187 were crystallised into shares as follows:
- 25 January 2025: 25,897 shares at £4.875 per share
- 6 February 2025: 63,588 shares at £4.875 per share
- 14 March 2025: 9,229 shares at £4.875 per share
- 31 March 2025: 41,839 shares at £4.875 per share
- 18 April 2025: 61,263 shares at £5.06 per share

Additionally 50,371 shares on 28 February 2025, 74,075 shares on 18 April 2025 and 25,554 shares on 25 August 2025 were issued at £6.75 per share.