GELION UK LIMITED

BALANCE SHEET

AS AT 4 SEPTEMBER 2021

LUBBOCK FINE LLP
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB

GELION UK LIMITED

REPORT OF THE INDEPENDENT AUDITOR TO GELION UK LTD FOR THE PURPOSE OF SECTIONS 92(1)(b) AND (c) OF THE COMPANIES ACT 2006

Opinion concerning proper preparation of balance sheet

We have examined the balance sheet and related notes of Gelion UK Ltd as at 4 September 2021 which formed part of the specially prepared financial statements for the period then ended which were audited by us.

In our opinion the audited balance sheet at 4 September 2021 has been properly prepared in accordance with the requirements of the Companies Act 2006 which would have applied had the balance sheet been prepared for a financial year of the company.

Statement on net assets

In our opinion, as at 4 September 2021 the amount of the company's net assets (within the meaning given to that expression by section 831(2) of the Companies Act 2006) was not less than the aggregate of its called-up share capital and undistributable reserves.

Respective responsibilities of directors and auditors

The company's directors are responsible for the preparation of the balance sheet and related notes.

It is our responsibility to:

a) Report on whether the balance sheet has been properly prepared in accordance with the requirements of the Companies Act 2006; and
b) Form an independent opinion, based on our examination, concerning the relationship between the company's net assets and its called-up share capital and undistributable reserves at the balance sheet date.

Use of our report

This report is made solely to the company in accordance with Section 92(1)(b) and (c) of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our audit work, for this report, or for the opinions we have formed.

Sam Snelson

Sam Snelson (Senior Statutory Auditor)
For and on behalf of
Lubbock Fine LLP
Chartered Accountants
& Statutory Auditor
29 October 2021
Date: ....

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BALANCE SHEET

AS AT 4 SEPTEMBER 2021

	Note		4 September 2021 £
Fixed assets			
Investments	4		11,442,178
			11,442,178
Current assets			
Debtors: amounts falling due within one year	5	109,756	
Cash at bank and in hand	6	117,580	
		227,336	
Creditors: amounts falling due within one year	7	(33,831)	
Net current assets			193,505
Total assets less current liabilities			11,635,683
Net assets			11,635,683
Capital and reserves			
Called up share capital	8		89,884
Share premium account			-
Other distributable reserve			11,194,795
Other reserves			909,322
Profit and loss account			(558,318)
			11,635,683

The balance sheet was approved and authorised for issue by the Directors and were signed on their behalf by:

S. Mahon

S Mahon
Director
Date: 28 October 2021

1. General information

Gelion UK Limited is a private company limited by shares and incorporated in England and Wales, registered number is 09796512. Its registered office and principal place of business is 3rd floor, 141-145 Curtain Road, London, EC2A 3BX.

Gelion UK Limited holds an Australian subsidiary that conducts research and development in respect of an innovative battery system and associated industrial design and manufacturing.

2. Accounting policies

2.1 Basis of preparation of balance sheet

The balance sheet and related notes have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the applicable law.

The following principal accounting policies have been applied:

2.2 Going concern

The Directors believe it is appropriate to prepare the balance sheet on a going concern basis which assumes that the Company will continue in operational existence.

If the Company is unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce further liabilities that may arise and reclassify fixed assets as current assets.

2. Accounting policies (continued)

2.3 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 Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.5 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.

2.6 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.

2.7 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.

2.8 Financial Instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans

2. Accounting policies (continued)

2.8 Financial instruments (continued)

and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

3. Employees

The average monthly number of employees, including directors, during the period was 0 (2021 - 0).

4. Fixed asset investments

	Investments in subsidiary companies £	Total £
Cost or valuation		
At 1 July 2021	11,424,725	11,424,725
Additions	17,453	17,453
At 4 September 2021	11,442,178	11,442,178

This balance comprises of equity shares in Gelion Technologies Pty Limited which is an Australian company. Shares in the Company are not publicly traded.

The Company owns 100% of the equity share capital of Gelion Technologies Pty Limited (2021: 100%). During the period the Company received no dividends from Gelion Technologies Pty Limited (2021: £nil). The address of the registered office is Level 16/101 Miller St, North Sydney NSW 2060, Australia.

5. Debtors

	4 September 2021 £
Amounts owed by group undertakings	109,560
Prepayments and accrued income	196
	109,756

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

6. Cash and cash equivalents

	4 September 2021 £
Cash at bank and in hand	117,580

7. Creditors: Amounts falling due within one year

	4 September 2021 £
Trade creditors	-
Other creditors	377
Accruals and deferred income	33,454
	33,831

8. Share capital

	4 September 2021 £
Allotted, called up and fully paid	
6,670,392 (2021 - 3,335,196) A Ordinary shares of £0.010000 each	66,704
Nil (2021 - 1,159,000) B Ordinary shares of £0.000009 each	-
2,318,000 (2021 - -) B Ordinary shares of £0.010000 each	23,180
	89,884

During the period, the Company consolidated its existing B Ordinary shares of £0.000009 into 1,000 B shares of £0.01. During the period the Company issued, by way of a bonus issue, 3,335,196 A Ordinary shares of £0.01 and 2,317,000 B Ordinary shares of £0.01.

9. Post balance sheet events

On 15 September 2021, the Company issued £6 million of convertible loan notes accruing interest at 10%. These loan notes are redeemable or convertible three years from the date of issue. However, all outstanding notes shall automatically convert into shares upon listing at the conversion price of 75% of the price at which shares are issued by the issuer with a listing or qualifying fundraising.

In September 2021, the Company made a further investment of £3,200,000 into its subsidiary.