

Company registration number 04518753 (England and Wales)

CYCLOPS UK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2023
PAGES FOR FILING WITH REGISTRAR

CYCLOPS UK LIMITED

BALANCE SHEET

AS AT 30 APRIL 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Intangible assets	5		609,694		550,951
Tangible assets	6		13,191		2,921
			<u>622,885</u>		<u>553,872</u>
Current assets					
Debtors	7	366,087		413,840	
Cash at bank and in hand		2,267,629		1,934,181	
		<u>2,633,716</u>		<u>2,348,021</u>	
Creditors: amounts falling due within one year	8	<u>(321,827)</u>		<u>(383,087)</u>	
Net current assets			<u>2,311,889</u>		<u>1,964,934</u>
Total assets less current liabilities			<u>2,934,774</u>		<u>2,518,806</u>
Provisions for liabilities			<u>(97,407)</u>		<u>(77,114)</u>
Net assets			<u><u>2,837,367</u></u>		<u><u>2,441,692</u></u>
Capital and reserves					
Called up share capital	12		1,119		1,119
Share premium account	13		435,080		435,080
Share based payment reserve	14		5,437		3,107
Profit and loss reserves			<u>2,395,731</u>		<u>2,002,386</u>
Total equity			<u><u>2,837,367</u></u>		<u><u>2,441,692</u></u>

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

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

The financial statements were approved by the board of directors and authorised for issue on 13 November 2023 and are signed on its behalf by:

Mr S A Morris
Director

Company Registration No. 04518753

CYCLOPS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

Company information

Cyclops UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 2 Minton Place, Victoria Road, Bicester, Oxfordshire, OX26 6QB. The trading address is The Stables, Manor Farm Business Park, Appletree Road, Chipping Warden, Northamptonshire, OX17 1LH.

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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Turnover generated from the sale of software licences is deferred over the licence term.

1.3 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.

1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual installments over its estimated useful economic life of 5 years.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Other intangible assets	10 years straight line
Development costs	10 years straight line

CYCLOPS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies (Continued)

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.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant, machinery and other office equipment 33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 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 current liabilities.

1.9 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 balance sheet 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 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.

CYCLOPS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

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.

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.

Derecognition of financial liabilities

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

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

CYCLOPS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

(Continued)

1.11 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.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

On transitioning to new UK GAAP the company elected to take a transition exemption whereby share based payment expenses are not recognised for share options granted prior to the 30th April 2016, the last year reported under old UK GAAP.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

CYCLOPS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies **(Continued)**

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

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

	2023	2022
	Number	Number
Total	6	8
	<u> </u>	<u> </u>

4 Directors' remuneration

	2023	2022
	£	£
Remuneration paid to directors	182,451	140,234
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 1).

CYCLOPS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

5	Intangible fixed assets	Goodwill £	Other £	Total £
	Cost			
	At 1 May 2022	430,000	1,335,133	1,765,133
	Additions	-	156,271	156,271
	At 30 April 2023	430,000	1,491,404	1,921,404
	Amortisation and impairment			
	At 1 May 2022	430,000	784,182	1,214,182
	Amortisation charged for the year	-	97,528	97,528
	At 30 April 2023	430,000	881,710	1,311,710
	Carrying amount			
	At 30 April 2023	-	609,694	609,694
	At 30 April 2022	-	550,951	550,951
	6			
	Tangible fixed assets			Plant and machinery etc £
	Cost			
	At 1 May 2022			10,445
	Additions			14,861
	At 30 April 2023			25,306
	Depreciation and impairment			
	At 1 May 2022			7,524
	Depreciation charged in the year			4,591
	At 30 April 2023			12,115
	Carrying amount			
	At 30 April 2023			13,191
	At 30 April 2022			2,921

CYCLOPS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

7 Debtors	2023	2022
Amounts falling due within one year:	£	£
Trade debtors	47,046	367,048
Other debtors	305,696	33,105
Prepayments	13,345	13,687
	<u>366,087</u>	<u>413,840</u>

9 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2023	Liabilities 2022
Balances:	£	£
Accelerated capital allowances	949	695
Retirement benefit obligations	(31)	(200)
Intangible assets	96,489	76,619
	<u>97,407</u>	<u>77,114</u>
		2023
Movements in the year:		£
Liability at 1 May 2022		77,114
Charge to profit or loss		20,293
		<u>97,407</u>

Of the deferred tax liability set out above, £12,681 is set to reverse within 12 months and relates to accelerated relief on intangible assets, capital allowances and retirement benefit obligations.

10 Retirement benefit schemes	2023	2022
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	9,086	7,633

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension liability included in creditors at the balance sheet date was £125 (2022: £1,699).

11 Share-based payment transactions

The company operates an Enterprise Management Incentive (EMI) share option scheme and an unapproved share option scheme for selected employees, directors and ex-employees. The EMI and unapproved share option schemes are equity settled plans.

EMI options may only be exercised if the employees remain employed by Cyclops UK Limited, unless the Board decides otherwise as per the option agreement. In each case, the options will lapse on the tenth anniversary of the grant, commencement of any liquidation or winding up of the company, takeover or adjudication of bankruptcy.

Options can only be exercised in the event of a company share sale, public offering or at the discretion of the Board. The options lapse if not exercised on the 10th anniversary of the grant.

No options were exercised in the current or prior year.

The share based payment expense recognised for the year was £2,330 (2022: £2,330).

	Number of share options		Weighted average exercise price	
	2023 Number	2022 Number	2023 £	2022 £
Outstanding at 1 May 2022	22,349	20,599	4.05	4.05
Granted	-	1,750	-	4.05
Expired	(250)	-	4.05	-
	<u>22,099</u>	<u>22,349</u>	<u>-</u>	<u>4.05</u>
Outstanding at 30 April 2023	<u>22,099</u>	<u>22,349</u>	<u>-</u>	<u>4.05</u>
Exercisable at 30 April 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The options outstanding at 30 April 2023 had an exercise price of £4.05, and a remaining contractual life ranging between 6 and 8 years.

The weighted average fair value of options granted in the prior year were determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

The expected life used in the model was adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

Non-vesting conditions and market conditions were taken into account when estimating the fair value of the option at grant date. Service conditions and non-market performance conditions were taken into account by adjusting the number of options expected to vest at each reporting date.

Inputs were as follows:

	2023	2022
Weighted average share price	4.05	4.05
Weighted average exercise price	4.05	4.05
Expected volatility	10.00	10.00
Expected life	3.00	3.00
Risk free rate	1.00	1.00
	<u>1.00</u>	<u>1.00</u>

12 Called up share capital	2023	2022	2023	2022
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
A Ordinary Shares of 1p each	14,800	14,800	148	148
Ordinary Shares of 1p each	97,100	97,100	971	971
	<u>111,900</u>	<u>111,900</u>	<u>1,119</u>	<u>1,119</u>

Both share classes rank equally in all respects.

13 Share premium account	2023	2022
	£	£
At the beginning and end of the year	435,080	435,080
	<u>435,080</u>	<u>435,080</u>

14 Share based payment reserve	£
At the beginning of the prior year	777
Additions	2,330
	<u>3,107</u>
At the end of the prior year	3,107
Additions	2,330
	<u>5,437</u>
At the end of the current year	<u>5,437</u>

15 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Sarah Flint BSc FCA and the auditor was Benec Consulting Limited.

16 Events after the reporting date

On the 24th August 2023, a date after the reporting period but before the date of approving these accounts, the company entered into a lease agreement for land and buildings. The lease has a 3 year term with a total commitment of £45,972.

17 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

17 Related party transactions**(Continued)**

	Purchases 2023 £	Purchases 2022 £
Key management personnel	18,808	18,434

The following amounts were outstanding at the reporting end date:

	2023 £	2022 £
Amounts due to related parties		
Key management personnel	-	1,588

18 Ultimate controlling party

During the year the company was controlled by its 'A' shareholders.

There is no ultimate controlling party.

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.