

Studio Graphene Limited

Unaudited Financial Statements

Year Ended

31 December 2023

Company Number 09104776



Studio Graphene Limited

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Studio Graphene Limited

Registered number: 09104776

Statement of Financial Position

As at 31 December 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	5	12,592	21,845
Investments	6	77,385	70,458
		<u>89,977</u>	<u>92,303</u>
Current assets			
Debtors	7	611,550	724,723
Bank and cash balances		826,205	1,001,521
		<u>1,437,755</u>	<u>1,726,244</u>
Current liabilities			
Creditors: amounts falling due within one year	8	(957,350)	(901,649)
Net current assets		<u>480,405</u>	<u>824,595</u>
Creditors: amounts falling due after more than one year	9	(53,257)	(86,893)
Net assets		<u><u>517,125</u></u>	<u><u>830,005</u></u>
Capital and reserves			
Share capital	11	115	115
Profit and loss account	12	517,010	829,890
Total equity		<u><u>517,125</u></u>	<u><u>830,005</u></u>

Studio Graphene Limited

Registered number: 09104776

Statement of Financial Position (continued) As at 31 December 2023

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

Ritam Gandhi

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R Gandhi

Director

Date: 27-Mar-2024 | 17:26 GMT

The notes on pages 4 to 16 form part of these financial statements.

Studio Graphene Limited
Registered number: 09104776

Statement of Changes in Equity
For the Year Ended 31 December 2023

	Share capital £	Profit and loss account £	Total equity £
At 1 January 2022	115	323,828	323,943
Comprehensive income for the year			
Profit for the year	-	618,187	618,187
Total comprehensive income for the year	-	618,187	618,187
Dividends	-	(120,000)	(120,000)
Capital contribution	-	7,875	7,875
At 1 January 2023	115	829,890	830,005
Comprehensive loss for the year			
Loss for the year	-	(341,942)	(341,942)
Total comprehensive loss for the year	-	(341,942)	(341,942)
Capital contribution	-	29,062	29,062
At 31 December 2023	115	517,010	517,125

The notes on pages 4 to 16 form part of these financial statements.

Studio Graphene Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

1. General information

Studio Graphene Limited is a private Company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is Aviation House, 125 Kingsway, London, England, WC2B 6NH.

The Company's principal activity is that of Digital product design, application development and IoT solutions.

These financial statements have been prepared in Pounds Sterling as this is the currency of the primary economic environment in which the Company operates and is rounded to the nearest pound.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements 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 Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The financial statements contain information about Studio Graphene Limited as an individual company as the Company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

2.3 Going concern

The director continues to regularly review the Company plans and forecasts, including the identification, control and monitoring of relevant risks and introducing cash and cost control policies where appropriate.

Based on the stress testing and forward-looking forecasts, Management has reasonable expectation that the Company has adequate resources to continue operating in the foreseeable future. In coming to this conclusion, Management have taken into account contracted revenue in the context of fixed overheads and inflationary pressure, and are confident that the Company will have the necessary resources to meet its obligations for 12 months from the date of approval of these financial statements. Management have considered the fact that certain business development and growth expenditure can be delayed if necessary in order to preserve liquidity. Taking all of these factors into account, Management do not consider that there is a material uncertainty with regard to going concern at the date of approval.



Studio Graphene Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 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.

In the development phase of an internal project, the Company has also chosen to expense the entire expenditure within the Statement of Comprehensive Income as incurred.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the statement of comprehensive income in the same period as the related expenditure.

2.8 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Studio Graphene Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.9 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in other creditors as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.11 Share-based payments

Where equity instruments are awarded to employees, the fair value of the instruments at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of instruments that eventually vest. Market vesting conditions are factored into the fair value of the instruments granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of instruments are modified before they vest, the increase in the fair value of the instruments, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received, where this can be reliably estimated.

Studio Graphene Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

The Company is subject to UK Corporation Tax at a rate of 19%.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 33.3%
Computer equipment	- 33.3%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Studio Graphene Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.14 Valuation of investments

Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

Other fixed asset investments

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

2.15 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.

2.16 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.17 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.

2.18 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 the Statement of Comprehensive Income.

Studio Graphene Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

2. Accounting policies (continued)

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the Company's accounting policies, the director is required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The director's judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

Critical judgements in applying the Company's accounting policies

The critical judgements that the director has made in the process of applying the Company's accounting policies and that have significant effect on the amounts recognised in the statutory financial statements are discussed below.

Determining useful economic lives of tangible fixed assets

The Company depreciates tangible fixed assets over their estimated useful lives. The estimation of the useful lives of the assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Valuation of unlisted investments

In determining how to measure investments in non-derivative instruments that are equity to the issuer, the director must first make a judgement as to whether or not the fair value of the investment can be reliably measured.

Where they consider that fair value can be reliably measured, the directors must make an estimate of that fair value, applying the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. Valuation methodologies for these investments will inherently involve a significant degree of management judgement and therefore the valuation of investments may differ materially from the value that would have been used had a ready market existed for the investment and may differ materially from the proceeds receivable upon realisation.

Where they consider that fair value cannot be reliably measured, judgements are required in assessing the recoverable value of the investments for the purpose of impairment assessment. Where indications of impairment exist the Company reviews the carrying value of its investments for impairment based on their recoverable value, being the higher of the investments value in use and fair value less costs to sell.

Factors taken into consideration in reaching a conclusion on the recoverable amount of investments include the economic viability and expected future financial performance of the asset.

Studio Graphene Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

3. Judgements in applying accounting policies (continued)

Assessing indicators of impairment of financial assets

In assessing whether there have been any indicators of impairment of assets, the director has considered both external and internal sources of information such as the age of the debt, market conditions, counterparty credit ratings and experience of recoverability. Provisions are raised where assets, such as trade debtors, are not considered recoverable, in full or in part. Provisions are reassessed as part of the above review and are released where subsequent information supports the recovery of the assets. The Company has estimated a bad debt provision on its trade debtors at 31 December 2023 amounting to £Nil (2022 - £13,683). A bad debt credit of £2,281 (2022 - charge of £157,222) was recognised in the statement of comprehensive income during the year. There have been no indicators of impairments to any of the Company's assets other than this.

Fair value of equity instruments

The Company calculates the cost of certain share-based payments by reference to the fair value of the equity instruments granted. The fair value of the instruments granted is subject to management estimate and any changes to these estimates may have a significant effect on the share-based payment charge to the income statement.

4. Employees

The average monthly number of employees, including directors, during the year was 19 (2022 - 19).

Studio Graphene Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

5. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 January 2023	16,914	109,704	126,618
Additions	-	5,540	5,540
Disposals	-	(7,118)	(7,118)
At 31 December 2023	16,914	108,126	125,040
Depreciation			
At 1 January 2023	14,085	90,688	104,773
Charge for the year	1,563	12,425	13,988
Disposals	-	(6,313)	(6,313)
At 31 December 2023	15,648	96,800	112,448
Net book value			
At 31 December 2023	1,266	11,326	12,592
At 31 December 2022	2,829	19,016	21,845

Studio Graphene Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

6. Fixed asset investments

	Subsidiary investments £	Other unlisted investments £	Total £
Cost			
At 1 January 2023	5,451	162,473	167,924
Revaluations	-	6,927	6,927
At 31 December 2023	5,451	169,400	174,851
Impairment			
At 1 January 2023	-	97,466	97,466
At 31 December 2023	-	97,466	97,466
Net book value			
At 31 December 2023	5,451	71,934	77,385
At 31 December 2022	5,451	65,007	70,458

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Studio Graphene Private Limited (India)	8599, East park road, Karol Bagh, New Delhi, 110005	Digital product design, application development and IoT solutions	Ordinary	99%
Studio of Better Things Lisbon, Unipessoal Lda. (Portugal)	Avenida Infante D. Henrique, no 26, Lisbon, 1149 096	Digital product design, application development and IoT solutions	Ordinary	100%

Studio Graphene Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

7. Debtors

	2023 £	2022 £
Trade debtors	490,025	513,091
Amounts due from group undertakings	35,299	10,583
Other debtors	33,248	15,724
Accrued income and prepayments	50,674	184,427
Deferred taxation (see note 11)	2,304	898
	<u>611,550</u>	<u>724,723</u>

The amounts due from group undertakings are unsecured, interest free and repayable on demand.

8. Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans	33,636	33,636
Trade creditors	19,172	21,317
Amounts owed to related parties (see note 17)	826,866	530,232
Corporation tax	-	107,624
Other taxation and social security	33,199	160,619
Other creditors	10,554	8,018
Accruals and deferred income	33,923	40,203
	<u>957,350</u>	<u>901,649</u>

Bank loans refers to a £185,000 Coronavirus Business Interruption Loan (CBILS) that the Company received during 2020. This loan bears interest at a rate of LIBOR + 2.99% and is secured by way of a fixed and floating charge on the assets of the Company. In line with the terms of the CBILS scheme of the UK government, the UK government covered the interest arising on this loan for the first 12 months from drawdown, which was reflected as other operating income in the statement of comprehensive income for the year 31 December 2021. There were no capital repayments on the loan for the first 6 months from drawdown, after which the loan is repayable in equal instalments over 66 months starting in February 2021, with the final payment being due in July 2026.

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

Studio Graphene Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

9. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Bank loans	<u>53,257</u>	<u>86,893</u>

See note 8 for details regarding bank loans.

10. Deferred taxation

	2023 £	2022 £
At beginning of year	898	(344)
Credited in the statement of comprehensive income	1,406	1,242
At end of year	<u>2,304</u>	<u>898</u>

The deferred tax asset is made up as follows:

	2023 £	2022 £
Fixed asset timing differences	1,085	75
Short term timing differences	1,219	823
	<u>2,304</u>	<u>898</u>

The Company has an unrecognised deferred tax asset of £167,224 (2022 - £1,113) in respect of tax losses carried forward. This asset has not been recognised as there is insufficient certainty as to its recoverability against future trading profits

Studio Graphene Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

11. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
1,076,633 Ordinary shares of £0.00010 each	108	108
67,880 VV shares of £0.00010 each	7	7
	<u>115</u>	<u>115</u>

Both classes of share rank pari passu in all respects.

12. Reserves

Share capital

Share capital represents the nominal value of the Company's shares.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

13. Share-based payments

The parent company Studio Graphene Holdings Limited, operates a Share Incentive Plan under which the director and certain employees of the Company are granted equity instruments. In the absence of observable market prices and market data, equity instruments granted were valued at fair value on the grant date.

During the year, the total share based payment expense recognised in the Statement of Comprehensive Income was £29,062 (2022 - £7,875).

14. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £54,799 (2022 - £33,806). Contributions totalling £4,876 (2022 - £3,290) were payable to the fund at the reporting date.

15. Commitments under operating leases

At 31 December 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	<u>37,224</u>	<u>39,204</u>

Studio Graphene Limited

Notes to the Financial Statements For the Year Ended 31 December 2023

16. Related party transactions

The Company has taken exemption under FRS 102 section 1AC.35 from disclosing transactions with group companies, on the grounds that each company party to the transactions is wholly owned within the group.

During the year the company was recharged a total of £1,548,648 (2022 - £1,512,712) from its subsidiary Studio Graphene Private Limited, incorporated in India. At the year end a balance of £743,875 (2022 - £460,706) was owed by the company to Studio Graphene Private Limited.

Key management personnel comprises the director who has authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided to the company was £60,000 (2022 - £60,000).

17. Controlling party

The immediate parent company is Studio Graphene Holdings Limited which is registered in the United Kingdom at Aviation House, 125 Kingsway, London, United Kingdom, WC2B 6NH. Ritam Gandhi is the ultimate controlling party in his role as majority shareholder and sole director of Studio Graphene Holdings Limited.