

Company Registration No. 09921792 (England and Wales)

**THAROS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**  
**PAGES FOR FILING WITH REGISTRAR**

# THAROS LIMITED

## CONTENTS

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	Page
Balance sheet	1
Notes to the financial statements	2 - 10

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# THAROS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Intangible assets	5		251,849		248,707
Investments	6		1		-
			<u>251,850</u>		<u>248,707</u>
<b>Current assets</b>					
Stocks	8	1,817		7,340	
Debtors	9	151,194		102,761	
Cash at bank and in hand		14,662		25,739	
		<u>167,673</u>		<u>135,840</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(645,425)</u>		<u>(639,595)</u>	
<b>Net current liabilities</b>			<u>(477,752)</u>		<u>(503,755)</u>
<b>Total assets less current liabilities</b>			<u>(225,902)</u>		<u>(255,048)</u>
<b>Creditors: amounts falling due after more than one year</b>	11		<u>(17,896)</u>		<u>(23,647)</u>
<b>Net liabilities</b>			<u>(243,798)</u>		<u>(278,695)</u>
<b>Capital and reserves</b>					
Called up share capital	13		3,693		2,984
Share premium account			1,733,009		1,266,594
Other reserves			370,076		179,700
Profit and loss reserves			<u>(2,350,576)</u>		<u>(1,727,973)</u>
<b>Total equity</b>			<u>(243,798)</u>		<u>(278,695)</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 15 July 2022 and are signed on its behalf by:

Lord D Dundonald  
Director

Company Registration No. 09921792

# THAROS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **1 Accounting policies**

#### **Company information**

Tharos Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Royal Institution of Great Britain, 21 Albemarle Street, London, W1S 4BS.

#### **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 Going concern**

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

In assessing the going concern basis, the directors have considered the company's business activities and the financial position of the company. As at 31 December 2021 the company had cash reserves of £14,662, had a net current liabilities position of £477,752 and net liabilities position of £243,798. During the year to 31 December 2021 the company incurred a loss after taxation of £622,603.

The directors are actively pursuing, and are progressed in obtaining, substantial additional equity funding that will see the entity secure sufficient resources to continue to operate and meet its obligations for the foreseeable future. In addition, at the date the financial statements are approved, the directors remain in dialogue with loan note holders and trade creditors with regards repayment terms and remain confident that they retain the ongoing support of the company's key creditors. As such the directors have adopted the going concern basis in the preparation of the financial statements.

There is a risk that equity funding may not be secured within the expected timeframes, in which case the directors would look to procure sufficient alternative funding to bridge the gap. Until this 'bridge' funding is obtained, the directors acknowledge that a material uncertainty exists, which may cast significant doubt on the company's ability to continue as a going concern, and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

#### **1.3 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.

#### **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. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

# THAROS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 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.

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:

Development costs	20% straight line
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#### 1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 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 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.9 Cash at bank and in hand

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.

# THAROS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### 1.10 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**

Short term trade debtors are measured at transaction price, less any impairment. Other debtors are measured initially at fair value, net of transaction costs, and are measured subsequently at cost, less any impairment.

##### **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**

Short term trade creditors are measured at transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost.

#### 1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received.

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.

#### 1.12 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.

# THAROS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 1 Accounting policies

(Continued)

#### **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.

#### **1.13 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.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

#### **1.15 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.

# THAROS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 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.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Research and development

The directors consider certain types of expenditure to be relevant to future revenues in respect of the company product base and as such have chosen to capitalise this expenditure. This expenditure is then amortised over a period of 5 years, this being the period over which the directors anticipate the company to benefit from revenue streams as a result of this expenditure.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Share options

The company has granted share options. The options have been calculated using the Black-Scholes model which requires judgement in determining and assessing key assumptions and therefore results in some estimation uncertainty.

### 3 Employees

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

	2021 Number	2020 Number
Total	5	4

### 4 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	(35,507)	(11,277)



# THAROS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

### 5 Intangible fixed assets

	Other £
<b>Cost</b>	
At 1 January 2021	757,282
Additions	159,627
	<hr/>
At 31 December 2021	916,909
	<hr/>
<b>Amortisation and impairment</b>	
At 1 January 2021	508,575
Amortisation charged for the year	156,485
	<hr/>
At 31 December 2021	665,060
	<hr/>
<b>Carrying amount</b>	
At 31 December 2021	251,849
	<hr/> <hr/>
At 31 December 2020	248,707
	<hr/> <hr/>

### 6 Fixed asset investments

	2021 £	2020 £
Shares in group undertakings and participating interests	1	-
	<hr/> <hr/>	<hr/> <hr/>

#### Movements in fixed asset investments

	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 January 2021	-
Additions	1
	<hr/>
At 31 December 2021	1
	<hr/>
<b>Carrying amount</b>	
At 31 December 2021	1
	<hr/> <hr/>
At 31 December 2020	-
	<hr/> <hr/>

During the year the company subscribed to 100% of the share capital of Tharos (Scotland) Limited.

# THAROS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 7 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Tharos (Scotland) Limited	Scotland	Ordinary	100.00

### 8 Stocks

	2021 £	2020 £
Stocks	1,817	7,340

### 9 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	27,414	12,114
Corporation tax recoverable	35,507	11,277
Other debtors	88,273	79,370
	<u>151,194</u>	<u>102,761</u>

### 10 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	329,586	212,593
Taxation and social security	109	-
Other creditors	315,730	427,002
	<u>645,425</u>	<u>639,595</u>

Included within other creditors as at 31 December 2021 is a loan of £87,548 (2020 - £79,298) secured by fixed and floating charges over the company's assets. The loan carries interest at 15% and was initially repayable on or before January 2019, after which the maturity date was extended to July 2019, then to 31 December 2021 and then further to 31 December 2022.

### 11 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other creditors	17,896	23,647

During the year ended 31 December 2020, a bounce back loan of £27,000 was received by the company which has been aged in line with the proposed repayment schedule.

# THAROS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

### 11 Creditors: amounts falling due after more than one year (Continued)

Creditors which fall due after five years are as follows:	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Payable by instalments	-	2,395
	<u>          </u>	<u>          </u>

### 12 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	31 Dec 2021 Number	31 Dec 2020 Number	31 Dec 2021 £	31 Dec 2020 £
Outstanding at 1 January 2021	213,896	213,896	0.04	0.04
Granted	232,057	-	0.01	-
Exercised	7,000	-	0.75	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Outstanding at 31 December 2021	452,953	213,896	0.01	0.04
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Exercisable at 31 December 2021	285,953	53,896	0.01	0.04
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

The options outstanding at 31 December 2021 had an exercise price of between £0.001 and £1.25, and a remaining contractual life of between 5 and 10 years.

Inputs were as follows:	<b>31 Dec 2021</b>	<b>31 Dec 2020</b>
Weighted average share price	0.85	0.86
Weighted average exercise price	0.01	0.04
Expected volatility	50.00	50.00
Expected life	7.64	5.16
Risk free rate	0.54	0.80
	<u>          </u>	<u>          </u>

During the year, the company recognised expenses of £190,376 (31 December 2020 - £652), which related to equity share based payment transactions.

<b>13 Called up share capital</b>	<b>31 Dec 2021 £</b>	<b>31 Dec 2020 £</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
3,692,872 (2020 - 2,983,631) Ordinary shares of 0.1p each	3,693	2,984
	<u>          </u>	<u>          </u>

During the year, 709,241 ordinary shares of 0.1p each were issued for a total consideration of £467,124.

# THAROS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **14 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.

#### **Material uncertainty related to going concern**

We draw attention to note 1 in the financial statements, which indicates that additional equity funding is being sought by the company, and there is a risk that such funding may not be secured within expected timeframes. As stated in note 1, these events or conditions, along with the other matters as set forth in note 1 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The senior statutory auditor was Neil Taylor BA FCA and the auditor was Edwards.

### **15 Financial commitments, guarantees and contingent liabilities**

At 31 December 2021 the company had commitments, guarantees and contingencies totalling £65,000 (2020 - £Nil).

### **16 Events after the reporting date**

Subsequent to the year end, 119,757 ordinary shares of 0.1p each were issued for a total consideration of £73,858.

### **17 Related party transactions**

Any directors or senior employees who have authority and responsibility for controlling the activities of the company are considered to be key management personnel. Total remuneration in respect of these individuals is £86,473 (2020 - £184,366).

At 31 December 2021 included within debtors is an amount of £36,389 (2020 - £18,816) due from related parties and within creditors is an amount of £222,024 (2020 - £296,321) due to related parties.

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.