

COUNTERCRAFT LTD

Registered Number
10506369
(England and Wales)

Unaudited Financial Statements for the Year Ended
31 December 2021

COUNTERCRAFT LTD

Company Information for the year from 1 January 2021 to 31 December 2021

Directors

D B Berrueta

D G Brett

Registered Address

2 Underwood Row

London

N1 7LQ

Registered Number

10506369 (England and Wales)

COUNTERCRAFT LTD

Statement of Financial Position 31 December 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	9		-		365
			-		365
Current assets					
Debtors	12	10,998		39,408	
Cash at bank and on hand		53,261		25,227	
		64,259		64,635	
Creditors amounts falling due within one year	13	(117,717)		(88,405)	
Net current assets (liabilities)			(53,458)		(23,770)
Total assets less current liabilities			(53,458)		(23,405)
Creditors amounts falling due after one year	14		(423,249)		(418,855)
Net assets			(476,707)		(442,260)
Capital and reserves					
Called up share capital			100		100
Other reserves			9,833		9,715
Profit and loss account			(486,640)		(452,075)
Shareholders' funds			(476,707)		(442,260)

The company was entitled to exemption from audit for this reporting period under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The directors have chosen to not file a copy of the company's profit and loss account.

The financial statements were approved and authorised for issue by the Board of Directors on 10 June 2022, and are signed on its behalf by:

D G Brett

Director

Registered Company No. 10506369

COUNTERCRAFT LTD

Notes to the Financial Statements for the year ended 31 December 2021

1. STATUTORY INFORMATION

Countercraft Ltd is a private company, limited by shares and registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. COMPLIANCE WITH APPLICABLE REPORTING FRAMEWORK

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006.

3. PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was that of deception platform with real-time active response that automates counterintelligence campaigns.

4. SMALLEST GROUP IN WHICH RESULTS ARE CONSOLIDATED

The immediate and ultimate parent is Countercraft, S.L, a company incorporated in Spain with its registered offices situated at 71 Mikeletegi, Donostia, Spain, 20009.

5. BASIS OF MEASUREMENT USED IN FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention.

6. ACCOUNTING POLICIES

Functional and presentation currency policy

The presentation currency of the financial statements is the Pound Sterling (£).

Property, plant and equipment policy

Tangible assets are stated at cost (or deemed cost), less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and Fittings	- 3 years on the straight line basis
Computer equipment	- 3 years on the straight line basis

Revenue recognition policy

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Taxation policy

Taxation for the year comprises current tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Foreign currency translation and operations policy

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each reporting 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 the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Employee benefits policy

Share Based Payments

The parent company operates an equity-settled compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each statement of financial position date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement. The credit entry is taken to equity to recognise the capital contributed from the parent company in respect of the share options being equity-settled in the parent company.

Valuation of financial instruments policy

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

The Company only enters into basic financial instruments 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 non puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans 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 financed at a rate of interest that is not a market rate or in case of an out right short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

Cash and Cash Equivalents :

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

Going concern

The financial statements have been prepared on the going concern basis. The company has incurred losses during the year but Countercraft S.L. which is the parent company has agreed to provide ongoing support to Countercraft Ltd to meet its obligations, if and when they become due. It is on this basis that the directors are therefore of the opinion that they should continue to adopt the going concern basis in preparing the annual financial statements.

7. CRITICAL ESTIMATES AND JUDGEMENTS

Share based payments, as set out in note 8 of the accounts, have been made to employees of the company. As disclosed in the Share Based Payments accounting policy note above, the fair value of any vested share options is recognised in the income statement and for the accounting period ending 31 December 2021 the fair value has been estimated as €621.89 per share. This is based on the value of Ordinary shares issued.

There are no other significant judgements or estimates applied to the numbers contained within these financial statements.

8. EMPLOYEE INFORMATION

SHARE-BASED PAYMENT TRANSACTIONS

The parent company operates a share option scheme for the employees of the company. As at the date of the Statement of Financial Position, the company had granted 52 share options to 2 employees with a weighted average exercise price of €392.68 per share. During the year, 8 share options had vested and 2 shares had lapsed with no shares being exercised. Share options vest over 4 years from the date of grant with a 1 year cliff.

The share options are exercisable on the share capital of the parent company and the settlement of the share options will only take place upon occurrence of one of the liquidity events defined in the share option scheme. If a liquidity event occurs, employees may exercise the rights they have accrued up to that time, with the parent company being able to choose between, (i) paying the corresponding cash amount as established in the scheme, (ii) allowing employees to acquire the shares accrued, or a combination of both.

	2021	2020
Average number of employees during the year	1	2

9. PROPERTY, PLANT AND EQUIPMENT

	Fixtures & fittings	Office Equipment	Total
	£	£	£
Cost or valuation			
At 01 January 21	1,975	3,609	5,584
Disposals	-	(947)	(947)
At 31 December 21	1,975	2,662	4,637
Depreciation and impairment			
At 01 January 21	1,897	3,322	5,219
Charge for year	78	240	318
On disposals	-	(900)	(900)
At 31 December 21	1,975	2,662	4,637
Net book value			
At 31 December 20	78	287	365

10. OFF BALANCE SHEET 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 £1,329 (2020: £1,194). Contributions totaling £517 (2020 :£417) were payable to the fund at the Statement of Financial Position date and are included in creditors.

11. DESCRIPTION OF NATURE OF TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The company has taken advantage of the exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with group companies.

12. DEBTORS

	2021	2020
	£	£
Trade debtors / trade receivables	6,116	30,000
Other debtors	3,971	484
Prepayments and accrued income	911	8,924
Total	<u>10,998</u>	<u>39,408</u>

13. CREDITORS WITHIN ONE YEAR

	2021	2020
	£	£
Amounts owed to related parties	116,642	74,661
Taxation and social security	-	2,097
Other creditors	1,075	417
Accrued liabilities and deferred income	-	11,230
Total	<u>117,717</u>	<u>88,405</u>

14. CREDITORS AFTER ONE YEAR

	2021	2020
	£	£
Amounts owed to related parties	423,249	418,855
Total	423,249	418,855

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