

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2020

KARAKURI LIMITED

MENZIES

KARAKURI LIMITED

COMPANY INFORMATION

Directors

B Wragg
B Hoberman
D Tatton-Brown (appointed 18 April 2019)
M Bornhacssor (appointed 1 June 2019)
M Muller (appointed 19 March 2020)

Registered number 11228129

Registered office

14 Amherst Avenue
London
W13 8NQ

Accountants

Menzies LLP
Chartered Accountants
Ashcombe House
5 The Crescent
Leatherhead
Surrey
KT22 8DY

KARAKURI LIMITED

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KARAKURI LIMITED
REGISTERED NUMBER:11228129

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	4	1,041,245	5,444
Tangible assets	5	131,958	4,460
		<u>1,173,203</u>	<u>9,904</u>
Current assets			
Debtors: amounts falling due after more than one year	6	142,500	-
Debtors: amounts falling due within one year	6	63,334	650
Cash at bank and in hand		5,131,643	99,740
		<u>5,337,477</u>	<u>100,390</u>
Creditors: amounts falling due within one year	7	(139,820)	(122,510)
Net current assets/(liabilities)		<u>5,197,657</u>	<u>(22,120)</u>
Total assets less current liabilities		<u>6,370,860</u>	<u>(12,216)</u>
Net assets/(liabilities)		<u><u>6,370,860</u></u>	<u><u>(12,216)</u></u>
Capital and reserves			
Called up share capital	8	1,225	850
Share premium account	8	7,149,766	149,800
Other reserves		53,325	-
Profit and loss account		(833,456)	(162,866)
		<u><u>6,370,860</u></u>	<u><u>(12,216)</u></u>

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2020

The directors consider 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 directors acknowledge their 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 income and retained earnings 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 on 24 November 2020.

B Wragg
Director

The notes on pages 4 to 10 form part of these financial statements.

KARAKURI LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
Comprehensive income for the year					
Loss for the year	-	-	-	(162,866)	(162,866)
Total comprehensive income for the year	-	-	-	(162,866)	(162,866)
Shares issued during the year	850	149,800	-	-	150,650
Total transactions with owners	850	149,800	-	-	150,650
At 1 April 2019	850	149,800	-	(162,866)	(12,216)
Comprehensive income for the year					
Loss for the year	-	-	-	(670,590)	(670,590)
Total comprehensive income for the year	-	-	-	(670,590)	(670,590)
Shares issued during the year	375	6,999,966	-	-	7,000,341
Share based payment expense	-	-	53,325	-	53,325
Total transactions with owners	375	6,999,966	53,325	-	7,053,666
At 31 March 2020	1,225	7,149,766	53,325	(833,456)	6,370,860

The notes on pages 4 to 10 form part of these financial statements.

KARAKURI LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

Karakuri Limited is a private company limited by shares incorporated in England and Wales. The address of the registered office is disclosed on the company information page.

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 following principal accounting policies have been applied:

2.2 Going concern

The Coronavirus pandemic is creating significant uncertainty globally and the company is not immune to this. The directors are working to ensure the safety of their employees and maintaining the continuity of their operations as far as they are able, whilst adhering to Government advice. Whilst the pandemic will have a financial impact on the company, at this stage it is not possible to reliably forecast what this may be. However, the directors have taken all relevant measures to ensure they are able to safeguard cash flow, jobs, customers and supplies to put them in the best possible position to be able to pick up on opportunities as they arise once business starts to return to normal.

Given the uncertainties that exist, they believe these actions should enable them to continue in operational existence. Therefore, it is the directors' opinion that the going concern basis of preparation continues to be appropriate.

2.3 Revenue

Revenue 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. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

2.4 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. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.5 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 income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.6 Share based payments

Where share options are awarded to employees, the fair value of the options 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 Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options 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 options are modified before they vest, the increase in the fair value of the options, 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.

2.7 Taxation

Tax is recognised in the Statement of income and retained earnings, 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.

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years. Intangible assets are not amortised in the period of acquisition.

2.9 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.

KARAKURI LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

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:

Long-term leasehold property	-	25%
Plant and machinery	-	10-33.3%
Fixtures and fittings	-	20%
Office equipment	-	20-33.3%

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 income and retained earnings.

2.10 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.

3. Employees

The average monthly number of employees, including directors, during the year was 12 (2019 - 0).

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

4. Intangible assets

	Website £	Development expenditure £	Computer software £	Total £
Cost				
At 1 April 2019	5,444	-	-	5,444
Additions	-	997,120	47,950	1,045,070
At 31 March 2020	5,444	997,120	47,950	1,050,514
Amortisation				
Charge for the year	1,089	-	8,180	9,269
At 31 March 2020	1,089	-	8,180	9,269
Net book value				
At 31 March 2020	4,355	997,120	39,770	1,041,245
<i>At 31 March 2019</i>	5,444	-	-	5,444

KARAKURI LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

5. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 April 2019	-	2,795	-	1,723	4,518
Additions	64,515	28,117	25,459	31,499	149,590
At 31 March 2020	64,515	30,912	25,459	33,222	154,108
Depreciation					
At 1 April 2019	-	-	-	58	58
Charge for the year on owned assets	8,343	7,807	1,389	4,553	22,092
At 31 March 2020	8,343	7,807	1,389	4,611	22,150
Net book value					
At 31 March 2020	56,172	23,105	24,070	28,611	131,958
At 31 March 2019	-	2,795	-	1,665	4,460

6. Debtors

	2020 £	2019 £
Due after more than one year		
Other debtors	142,500	-
	142,500	-
Due within one year		
Called up share capital not paid	650	650
Prepayments and accrued income	62,684	-
	63,334	650

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

7. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	15,495	113,027
Other taxation and social security	27,852	-
Other creditors	6,624	-
Accruals and deferred income	89,849	9,483
	<u>139,820</u>	<u>122,510</u>

8. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
59,000 (2019 - 85,000) Ordinary shares of £0.01 each	590	850
26,000 (2019 - 0) Deferred shares of £0.01 each	260	-
37,451 (2019 - 0) Preference shares of £0.01 each	375	-
	<u>1,225</u>	<u>850</u>

On 19 March 2020, 26,000 ordinary shares were redesignated as deferred shares.

9. Share based payments

The company has an EMI share option scheme in place for all employees.

The following options have been granted:-

Options over 2,564 Ordinary shares with an exercisable price of £44.86

Options over 984 Ordinary shares with an exercisable price of £23.82

At 31 March 2020 there were share options in issue over 3,548 Ordinary shares (2019: Nil). No options were exercised or lapsed during the year. (2019: no options were exercised or lapsed during the year)

Options are only exercisable upon exit events and there are three possible exit events:

Share sale of the controlling interest to a third party, asset sale of all or a substantial part of the business and assets, or listing.

If the options remain unexercised on the tenth anniversary of the date of grant then the related options expire.

Options are also forfeited if the employee terminates employment before the options vest, unless authorised by the board.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

10. Commitments under operating leases

At 31 March 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	190,000	-
Later than 1 year and not later than 5 years	432,250	-
	<u>622,250</u>	<u>-</u>

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