

OTO International Limited

Unaudited Financial Statements

For the period ended 30 September 2021

For Filing with Registrar

Company Registration No. 11389551 (England and Wales)

OTO International Limited

Company Information

Directors	J H Bagley G J N Colao A A Jamison S Minitzer
Company number	11389551
Registered office	6th Floor 9 Appold Street London EC2A 2AP
Accountants	Moore Kingston Smith LLP 4 Victoria Square St Albans AL1 3TF
Business address	1 Lyric Square Hammersmith London W6 0NB

OTO International Limited

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OTO International Limited

Balance Sheet

As at 30 September 2021

	Notes	2021 £	2020 £
Fixed assets			
Intangible assets	4	251,466	-
Tangible assets	5	45,962	2,382
Investments	6	34,485	-
		<u>331,913</u>	<u>2,382</u>
Current assets			
Stock		568,104	64,522
Debtors	7	705,196	449,027
Cash at bank and in hand		577,536	266,306
		<u>1,850,836</u>	<u>779,855</u>
Creditors: amounts falling due within one year	8	<u>(650,575)</u>	<u>(482,489)</u>
Net current assets		<u>1,200,261</u>	<u>297,366</u>
Total assets less current liabilities		<u>1,532,174</u>	<u>299,748</u>
Creditors: amounts falling due after more than one year	9	<u>(19,800)</u>	<u>-</u>
Net assets		<u><u>1,512,374</u></u>	<u><u>299,748</u></u>
Capital and reserves			
Called up share capital	11	25,774	23,906
Share premium account		3,522,323	1,556,213
Other reserves	12	1,766,558	-
Profit and loss reserves	13	(3,802,281)	(1,280,371)
Total equity		<u><u>1,512,374</u></u>	<u><u>299,748</u></u>

OTO International Limited

Balance Sheet (Continued)

As at 30 September 2021

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

For the financial period ended 30 September 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

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 7 November 2022 and are signed on its behalf by:

J H Bagley
Director

Company Registration No. 11389551

OTO International Limited

Notes to the Financial Statements

For the period ended 30 September 2021

1 Accounting policies

Company information

OTO International Limited is a private company limited by shares incorporated in England and Wales. The registered office is 6th Floor, 9 Appold Street, London, EC2A 2AP.

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 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

The company continues to meet its liabilities with the support of the shareholders. The Directors have concluded that there is a reasonable expectation that the company has adequate resources to continue to operate for at least 12 months from the date of signing these financial statements. Subsequent to the balance sheet date the company has continued to raise finance via the issuing of shares for a total consideration of £2,854,764. The Directors therefore consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

1.3 Reporting period

The accounting period for the company covers the period from 01 April 2020 to 30 September 2021. The reason for this was for group and commercial reporting requirements. For this reason, the comparative amounts presented in the financial statements are not entirely comparable.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods 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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 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.

OTO International Limited

Notes to the Financial Statements (Continued)

For the period ended 30 September 2021

1 Accounting policies

(Continued)

1.6 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:

Patents & licences	4 years straight-line
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1.7 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:

Fixtures and fittings	4 year straight-line
Computers	3 year straight-line
Motor vehicles	5 year 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.

1.8 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.

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Notes to the Financial Statements (Continued)

For the period ended 30 September 2021

1 Accounting policies

(Continued)

1.9 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Stock

Stock 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 stock to their present location and condition.

Stock 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 stock 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.

1.11 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.

OTO International Limited

Notes to the Financial Statements (Continued)

For the period ended 30 September 2021

1 Accounting policies

(Continued)

1.12 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.

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.

1.13 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.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

OTO International Limited

Notes to the Financial Statements (Continued)

For the period ended 30 September 2021

1 Accounting policies

(Continued)

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.

1.15 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.

1.16 Retirement benefits

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

1.17 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.

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Notes to the Financial Statements (Continued)

For the period ended 30 September 2021

1 Accounting policies

(Continued)

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.

1.18 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.

1.19 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.20 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.

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Notes to the Financial Statements (Continued)

For the period ended 30 September 2021

3 Employees

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

	2021 Number	2020 Number
Total	15	6

4 Intangible fixed assets

	Other £
Cost	
At 1 April 2020	-
Additions	258,249
At 30 September 2021	258,249
Amortisation and impairment	
At 1 April 2020	-
Amortisation charged for the period	6,783
At 30 September 2021	6,783
Carrying amount	
At 30 September 2021	251,466
At 31 March 2020	-

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Notes to the Financial Statements (Continued)

For the period ended 30 September 2021

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2020	2,859
Additions	48,990
	<u>51,849</u>
At 30 September 2021	51,849
Depreciation and impairment	
At 1 April 2020	477
Depreciation charged in the period	5,410
	<u>5,887</u>
At 30 September 2021	5,887
Carrying amount	
At 30 September 2021	45,962
	<u><u>2,382</u></u>
At 31 March 2020	2,382
	<u><u>2,382</u></u>

6 Fixed asset investments

	2021 £	2020 £
Shares in group undertakings	34,485	-
	<u><u>34,485</u></u>	<u><u>-</u></u>

Movements in fixed asset investments

	Shares in subsidiaries £
Cost or valuation	
At 1 April 2020	-
Additions	34,485
	<u>34,485</u>
At 30 September 2021	34,485
Carrying amount	
At 30 September 2021	34,485
	<u><u>-</u></u>
At 31 March 2020	-
	<u><u>-</u></u>

OTO International Limited

Notes to the Financial Statements (Continued)

For the period ended 30 September 2021

7 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	244,864	27,507
Corporation tax recoverable	-	104,315
Amounts owed by group undertakings	217,223	-
Other debtors	243,109	317,205
	<u>705,196</u>	<u>449,027</u>

8 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans	5,400	-
Trade creditors	505,935	96,805
Taxation and social security	40,763	9,068
Other creditors	98,477	376,616
	<u>650,575</u>	<u>482,489</u>

9 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans and overdrafts	19,800	-
	<u>19,800</u>	<u>-</u>

10 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2021	2020	2021	2020
	Number	Number	£	£
Outstanding at 1 April 2020	125,325	-	0.01	-
Granted	127,025	125,325	0.01	0.01
	<u>252,350</u>	<u>125,325</u>	<u>0.01</u>	<u>0.01</u>
Outstanding at 30 September 2021	252,350	125,325	0.01	0.01
	<u>252,350</u>	<u>125,325</u>	<u>0.01</u>	<u>0.01</u>
Exercisable at 30 September 2021	232,352	85,329	0.01	0.01
	<u>232,352</u>	<u>85,329</u>	<u>0.01</u>	<u>0.01</u>

The options outstanding at 30 September 2021 had an exercise price of £0.01, and a remaining contractual life of two years.

For the period ended 30 September 2021

(Continued)

	2021	2020
Weighted average share price	2.98	0.62
Weighted average exercise price	0.01	0.01
Expected volatility	0.25	0.25
Expected life	9.00	3.00
Risk free rate	0.01	0.01

During the period, the company recognised total share-based payment expenses of £152,436 (2020 - £-) which related to equity settled share based payment transactions.

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary of 1p each	1,981,060	1,876,997	19,811	18,770
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Preference share capital	2021	2020	2021	2020
	Number	Number	£	£
Issued and fully paid				
6% Preference of 1p each	596,274	513,606	5,963	5,136
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Preference shares classified as equity			5,963	5,136
			<u> </u>	<u> </u>
Total equity share capital			25,774	23,906
			<u> </u>	<u> </u>

OTO International Limited

Notes to the Financial Statements (Continued)

For the period ended 30 September 2021

12 Other reserves

	Share Capital Receipts £	Share Option Charge £	Total £
At the beginning of the prior period	-	-	-
At the end of the prior period	-	-	-
Other movements	1,614,122	152,436	1,766,558
At the end of the current period	1,614,122	152,436	1,766,558

13 Profit and loss reserves

	2021 £	2020 £
At the beginning of the period	(1,280,371)	(288,146)
Loss for the period	(2,521,910)	(992,225)
At the end of the period	(3,802,281)	(1,280,371)

14 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2021 £	2020 £
Property	195,700	81,900

15 Events after the reporting date

Subsequent to the balance sheet date the company has continued to raise finance by issuing of shares for a total consideration of £2,854,764. Of this £1,614,130 was received in the the period to 30 September 2021 which is included in other reserves.

16 Controlling party

The controlling party is G J N Colao by virtue of their majority shareholding.

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.