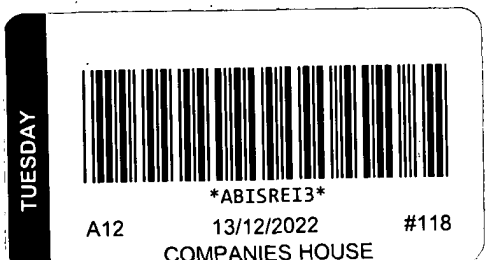


Registered number: 12329744

**COCKROACH LABS UK LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2022**



**COCKROACH LABS UK LIMITED****BALANCE SHEET  
AS AT 31 JANUARY 2022**

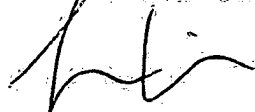
	Note	2022 \$	As restated 2021 \$
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	1,567,101	381,929
Cash at bank and in hand		89,421	-
		<u>1,656,522</u>	<u>381,929</u>
Creditors: amounts falling due within one year	6	(855,875)	(250,953)
<b>Net current assets</b>		<b>800,647</b>	<b>130,976</b>
<b>Net assets</b>		<b>800,647</b>	<b>130,976</b>
<b>Capital and reserves</b>			
Called up share capital	7	1,292	1,292
Foreign exchange reserve		(3,472)	-
Share-based payment reserve		316,973	45,649
Profit and loss account		485,854	84,035
<b>Total equity</b>		<b>800,647</b>	<b>130,976</b>

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 profit and loss account 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:



**S Kimball**  
Director

Date: Dec 14 2022

The notes on pages 3 to 10 form part of these financial statements.

# COCKROACH LABS UK LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JANUARY 2022

	Called up share capital	Foreign exchange reserve	Other reserves (as restated)	Profit and loss account	Total equity
	\$	\$	\$	\$	\$
<b>Comprehensive income for the period</b>					
Profit for the financial period	-	-	-	84,035	84,035
<b>Total comprehensive income for the period</b>	-	-	-	84,035	84,035
Shares issued during the period	1,292	-	-	-	1,292
Share options granted (prior year adjustment)	-	-	45,649	-	45,649
<b>Total transactions with owners</b>	1,292	-	45,649	-	46,941
<b>At 1 February 2021</b>	1,292	-	45,649	84,035	130,976
<b>Comprehensive income for the year</b>					
Profit for the financial year	-	-	-	358,721	358,721
Currency translation differences	-	(3,472)	-	-	(3,472)
<b>Total comprehensive income for the year</b>	-	(3,472)	-	358,721	355,249
Share options exercised	-	-	(43,098)	43,098	-
Share options granted	-	-	314,422	-	314,422
<b>Total transactions with owners</b>	-	-	271,324	43,098	314,422
<b>At 31 January 2022</b>	1,292	(3,472)	316,973	485,854	800,647

The notes on pages 3 to 10 form part of these financial statements.

# **COCKROACH LABS UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 JANUARY 2022**

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#### **1. General information**

Cockroach Labs UK Limited is a private company limited by shares incorporated in England and Wales. The address of its registered office is 5 New Street Square, London, United Kingdom, EC4A 3TW.

The comparative figures are for the period from incorporation on 22 November 2019 to 31 January 2021 and therefore are not entirely comparable.

The financial statements are presented in US Dollars (\$), monetary amounts in these financial statements are rounded to the nearest \$.

#### **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.

The following principal accounting policies have been applied:

##### **2.2 Going concern**

The company's sole customer is Cockroach Labs, Inc., its parent undertaking. The company is therefore dependent on the financial performance and support of Cockroach Labs, Inc., from whom the company has received a letter of financial support. Without such support the company would not be a going concern.

The directors have made enquiries as to the financial position and performance of its parent company. As disclosed in the parent company's most recent consolidated financial statements, the parent company has a solvent balance sheet and has sufficient cash reserves to finance the subsidiary.

After making enquiries of the directors of the parent undertaking, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

**COCKROACH LABS UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2022**

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**2. Accounting policies (continued)**

**2.3 Foreign currency translation**

**Functional and presentation currency**

The Company's functional currency is Sterling (£). This differs from the presentational currency which is US Dollars (\$). The reason for the difference is that the primary expense of the entity is related to payroll costs, which are denominated in Sterling. The company's functional currency is therefore in Sterling (£). The directors have however chosen to present the financial statements in US Dollars (\$).

There is no material impact between the functional currency being US Dollars (\$) or Sterling (£) in the current and prior year.

**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.

**2.4 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. The following criteria must also be met before revenue is recognised:

**Rendering of services**

Revenue 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.

# COCKROACH LABS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022

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### 2. Accounting policies (continued)

#### 2.5 Financial instruments

The Company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes party to the contractual provisions of the instrument.

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.

The Company's policies for its major classes of financial assets and financial liabilities are set out below.

##### Financial assets

Basic financial assets, including other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

##### Financial liabilities

Basic financial liabilities, including other creditors 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

# **COCKROACH LABS UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 JANUARY 2022**

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## **2. Accounting policies (continued)**

### **2.5 Financial instruments (continued)**

#### **Impairment of financial assets**

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets and financial liabilities**

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### **Offsetting of financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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.

### **2.6 Cash**

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

### **2.7 Share capital**

Ordinary shares are classed as equity.

**COCKROACH LABS UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2022**

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**2. Accounting policies (continued)**

**2.8 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 balance sheet 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.

**2.9 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

**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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.



# COCKROACH LABS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022

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### 2. Accounting policies (continued)

#### 2.11 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

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

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet 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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

In the application of the company's accounting policies which are detailed in note 2, the only key judgment made by the directors is:

#### Share based payments

As part of their ongoing service to the company, employees are granted options to purchase shares in the parent undertaking. The company determines the fair value of these options at grant date, then recognises the cost over the vesting period which ranges between 1 month and 4 years. The Black Scholes model is used to value these stock options, with key assumptions being stock volatility which is based on historic volatility of listed peer companies and the risk free rate which is based on the relevant market data at grant date.

### 4. Employees

The average monthly number of employees, including directors, during the year was 17 (2021: 6).

**COCKROACH LABS UK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2022**

**5. Debtors**

	2022	As restated 2021
	\$	\$
Amounts owed by group undertakings	1,294,570	333,852
Other debtors	164,757	48,077
Prepayments and accrued income	28,531	-
Deferred taxation	79,243	-
	<u>1,567,101</u>	<u>381,929</u>

Amounts owed by group undertakings are interest free, have no fixed repayment date and are repayable on demand.

**6. Creditors: amounts falling due within one year**

	2022	2021
	\$	\$
Corporation tax	97,349	32,797
Other taxation and social security	135,873	41,121
Other creditors	23,265	6,956
Accruals and deferred income	599,388	170,079
	<u>855,875</u>	<u>250,953</u>

**7. Share capital**

	2022	2021
	\$	\$
<b>Allotted, called up and fully paid</b>		
1,000 (2021 - 1,000) Ordinary shares of £1.00 each	1,292	1,292

**8. Prior year adjustment**

During the year ended 31 January 2022, the company reviewed the terms of the UK Sub-Plan of the Cockroach Labs, inc. 2015 Stock Plan under which share options are granted by its immediate parent entity to the employees of the company. In doing so, it was identified that there was no binding agreement to reimburse the parent entity for the shares granted to the company's employees and as a result, the share option expenditure incurred should have been recognised through equity and credited to the company's reserves rather than payable to the immediate parent entity. The error resulted in an understatement of the amounts owed by group undertakings and a corresponding understatement within reserves. The error has been corrected by restating the amounts owed by group undertakings and other reserves. The reported net assets of the company increased by \$45,649 as at 31 January 2021 as a result of this restatement. There is no impact on the reported profit for the financial period ended 31 January 2021 as a result of this restatement.

## **COCKROACH LABS UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2022**

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**9. Related party transactions**

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

**10. Parent undertaking**

The smallest group for which consolidated financial statements are drawn up is headed by Cockroach Labs, Inc. whose registered office is 251 Little Falls Drive Wilmington, DE 19808.

**11. Auditor's information**

The auditor's report on the financial statements for the year ended 31 January 2022 was unqualified.

The audit report was signed on 09/12/2022 by Andrew Sanford (Senior statutory auditor) on behalf of Blick Rothenberg Audit LLP.