

Interrupt Labs Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2022

Interrupt Labs Limited

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Interrupt Labs Limited

Company Information

Directors	J Loureiro A Chopping I Messenger S Heath
Registered office	Matrix House Basing View Basingstoke Hampshire RG21 4DZ
Accountants	Tax Innovations Limited Innovations House 19 Staple Gardens Winchester Hampshire SO23 8SR

Interrupt Labs Limited
(Registration number: 13427173)
Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	<u>4</u>	3,066,061	2,066,223
Tangible assets	<u>5</u>	147,567	13,148
Investments	<u>6</u>	2	-
		<u>3,213,630</u>	<u>2,079,371</u>
Current assets			
Debtors	<u>7</u>	1,533,776	864,553
Cash at bank and in hand		<u>1,406,173</u>	<u>51,233</u>
		2,939,949	915,786
Creditors: Amounts falling due within one year	<u>8</u>	<u>(2,938,061)</u>	<u>(725,321)</u>
Net current assets		<u>1,888</u>	<u>190,465</u>
Total assets less current liabilities		3,215,518	2,269,836
Creditors: Amounts falling due after more than one year	<u>8</u>	<u>(2,773,799)</u>	<u>(2,315,253)</u>
Net assets/(liabilities)		<u><u>441,719</u></u>	<u><u>(45,417)</u></u>
Capital and reserves			
Called up share capital	<u>9</u>	82	82
Retained earnings		<u>441,637</u>	<u>(45,499)</u>
Shareholders' funds/(deficit)		<u><u>441,719</u></u>	<u><u>(45,417)</u></u>

Interrupt Labs Limited
(Registration number: 13427173)
Balance Sheet as at 31 December 2022

For the financial year ending 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. As permitted by section 444 (5A) of the Companies Act 2006, the directors have not delivered to the registrar a copy of the Profit and Loss Account.

Approved and authorised by the Board on 29 March 2023 and signed on its behalf by:

.....

J Loureiro

Director

Interrupt Labs Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Matrix House
Basing View
Basingstoke
Hampshire
RG21 4DZ
United Kingdom

These financial statements were authorised for issue by the Board on 29 March 2023.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Group accounts not prepared

The company has not prepared group accounts under the small group exemptions..

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

- the amount of revenue can be reliably measured;
- it is probable that future economic benefits will flow to the entity; and
- specific criteria have been met for each of the company's activities.

Interrupt Labs Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured. Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Computer equipment	Straight line at 3 years
Office equipment	Straight line at 5 years
Leashold Improvements	Straight line at 5 years

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Interrupt Labs Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Straight line over 3 years

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call 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 of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Interrupt Labs Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Where the company transfers substantially all the risks and rewards of ownership, the arrangement is classified as a finance lease and a receivable is recognised at an amount equal to the net investment in the lease. Recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the finance lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 29 (2021 - 2).

Interrupt Labs Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 January 2022	2,066,223	2,066,223
Revaluations	2,532,868	2,532,868
At 31 December 2022	4,599,091	4,599,091
Amortisation		
Amortisation charge	1,533,030	1,533,030
At 31 December 2022	1,533,030	1,533,030
Carrying amount		
At 31 December 2022	3,066,061	3,066,061
At 31 December 2021	2,066,223	2,066,223

5 Tangible assets

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 January 2022	13,921	13,921
Additions	153,736	153,736
At 31 December 2022	167,657	167,657
Depreciation		
At 1 January 2022	773	773
Charge for the year	19,317	19,317
At 31 December 2022	20,090	20,090
Carrying amount		
At 31 December 2022	147,567	147,567
At 31 December 2021	13,148	13,148

Interrupt Labs Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

6 Investments

	2022	2021
	£	£
Investments in subsidiaries	<u>2</u>	<u>-</u>
Subsidiaries		£
Cost or valuation		
Additions		<u>2</u>
Provision		
Carrying amount		
At 31 December 2022		<u><u>2</u></u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
Interrupt Labs (Australia) Limited	Innovations House, 19 Staple Gardens, Winchester, England, SO23 8SR England	Ordinary	100%	0%
Interrupt Labs (US) Limited	Innovations House, 19 Staple Gardens, Winchester, England, SO23 8SR England	Ordinary	100%	0%
Interrupt Labs US LLC	United States of America		100%	0%

Interrupt Labs Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

Subsidiary undertakings

Interrupt Labs (Australia) Limited

The principal activity of Interrupt Labs (Australia) Limited is the provision of vulnerability research services. Its financial period end is 30 June.

Interrupt Labs (US) Limited

The principal activity of Interrupt Labs (US) Limited is that of dormancy. Its financial period end is 30 June.

Interrupt Labs US LLC

The principal activity of Interrupt Labs US LLC is the provision of vulnerability research services. The profit for the financial period of Interrupt Labs US LLC was £5,857 and the aggregate amount of Capital and reserves at the end of the period was £ 5,857.

7 Debtors

Current	Note	2022 £	2021 £
Trade debtors		1,032,689	649,217
Amounts owed by related parties	<u>11</u>	3,081	25,940
Prepayments		159,500	84,212
Other debtors		338,506	105,184
		<u>1,533,776</u>	<u>864,553</u>

Charges Held over debtors

A charge is held over a nominated bank account in favour of the leasehold property as part of the AGA.

A charge is held over a nominated bank account in favour of the revenue share consideration, on an accruals basis, as part of the AGA.

Interrupt Labs Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

8 Creditors

Creditors: amounts falling due within one year

	Note	2022 £	2021 £
Due within one year			
Trade creditors		65,480	33,911
Amounts owed to related parties	<u>11</u>	28,987	-
Taxation and social security		411,169	-
Accruals and deferred income		69,859	2,807
Other creditors		2,362,566	688,603
		<u>2,938,061</u>	<u>725,321</u>

Within Other creditors is a contingent liability of £2,360,850 arising as part of the AGA. The liability is dependent on future events and is measured at fair value.

Creditors: amounts falling due after more than one year

	Note	2022 £	2021 £
Due after one year			
Loans and borrowings	<u>10</u>	460,000	460,000
Other non-current financial liabilities		2,313,799	1,855,253
		<u>2,773,799</u>	<u>2,315,253</u>

Other non-current financial liabilities is a contingent liability arising as part of the AGA. The liability is dependent on future events and is measured at fair value.

Interrupt Labs Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

9 Share capital

Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
A Ordinary of £0.000001 (2021 - £0.0001) each	52,000,000	52	520,000	52
B Ordinary of £0.000001 (2021 - £0.0001) each	30,000,000	30	300,000	30
	<u>82,000,000</u>	<u>82</u>	<u>820,000</u>	<u>82</u>

10 Loans and borrowings

	2022	2021
	£	£
Non-current loans and borrowings		
Other borrowings	<u>460,000</u>	<u>460,000</u>

11 Related party transactions

Key management personnel

I Messenger
(A director of the company)

Summary of transactions with key management

Provision of a working capital loan with interest payable at 10%

Summary of transactions with all subsidiaries

Interrupt Labs (Australia) Limited
(A subsidiary)
Interrupt Labs (US) Limited
(A subsidiary)
Provision of working capital loans with no interest or fixed rate of repayment

Income and receivables from related parties

Interrupt Labs Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

	Subsidiary £
2022	
Amounts receivable from related party	3,081

	Subsidiary £
2021	
Amounts receivable from related party	25,940

Expenditure with and payables to related parties

	Subsidiary £	Key management £
2022		
Rendering of services	267,881	-
Amounts payable to related party	28,987	60,000

	Key management £
2021	
Amounts payable to related party	100,000

12 Share Options

During the year the company set up an EMI share option scheme. The scheme is open to nominated members of staff who meet the eligibility criteria. Options may be exercised should a qualifying event occur, as defined in the scheme rules. If the option holder ceases employment, the options will lapse and be forfeited.

During the year the company issued 3,650,000 share options at a price of £0.0297552537 per share.

	Weighted average exercise price (pence)	Number
Note		
Granted during the year	2.98	3,650,000
Outstanding at the end of the year	2.98	3,650,000

No charge has been made to operating expenses in respect of the options issued as in the opinion of the directors this charge would not be material to the financial statements.

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.