Company No: SC181158 (Scotland)

ADROK LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021
PAGES FOR FILING WITH THE REGISTRAR

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UNAUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Contents

ADROK LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021	2020
		£	£
Fixed assets			
Intangible assets	4	4,249	6,621
Tangible assets	5	127,089	216,552
Investments	6	93,734	115,909
		225,072	**339,082**
Current assets			
Debtors	7	537,515	792,939
Cash at bank and in hand		15,136	6,616
		552,651	**799,555**
Creditors			
Amounts falling due within one year	8	(341,591)	(300,144)
Net current assets		**211,060**	**499,411**
Total assets less current liabilities		**436,132**	**838,493**
Creditors			
Amounts falling due after more than one year	9	(46,074)	(52,951)
Net assets		**390,058**	**785,542**
Capital and reserves			
Called-up share capital		1,693	1,693
Share premium account		3,446,301	3,446,301
Profit and loss account		(3,057,936)	(2,662,452)
Total shareholders' funds		**390,058**	**785,542**

For the financial year ending 31 December 2021 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 financial statements for the financial year in accordance with section 476;
- 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; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Profit and Loss Account has not been delivered.

The financial statements of Adrok Limited (registered number: SC181158) were approved and authorised for issue by the Director on 26 May 2022. They were signed on its behalf by:

G C Stove
Director

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

Adrok Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in Scotland. The address of the Company's registered office is 50 Lothian Road, Edinburgh, EH3 9WJ, United Kingdom.

The financial statements have been prepared under the historical cost convention, in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the company and rounded to the nearest £.

Going concern

The directors have assessed the Balance Sheet and likely future cash flows at the date of approving these financial statements. The directors note that the business has incurred significant losses for the year. The Company is supported through loans from the directors. The directors have confirmed that the loan facilities will continue to be available for at least 12 months from the date of signing these financial statements and the directors will continue to support the Company. Given the current position, the directors believe that any foreseeable debts can be met for at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Group accounts exemption

Group accounts exemption s399
The Company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the Company as an individual entity and not about its group.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in the Profit and Loss Account in the period in which they arise.

Turnover

Turnover represents amounts receivable for research and design of radar applications net of VAT and trade discounts.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Employee benefits

Defined contribution schemes
The company operates a defined contribution scheme for the benefit of directors and qualifying employees. Contributions payable are charged to the profit and loss account in the year they are payable.

Taxation

Current tax
Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax
Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

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.

Intangible assets

Intangible assets are stated at cost or valuation, net of amortisation and any provision for impairment. Amortisation is provided on all intangible assets at rates to write off the cost or valuation of each asset over its expected useful life as follows:

Other intangible assets	10 years straight line

Trademarks, patents and licences

Separately acquired patents and trademarks are included at cost and amortised in equal annual instalments over a period of 10 years which is their estimated useful economic life. Provision is made for any impairment.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Leasehold improvements	10 years straight line
Plant and machinery	10 years straight line
Vehicles	4 years straight line
Fixtures and fittings	5 years straight line
Computer equipment	5 years straight line

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

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.

Leases

The Company as lessee
Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Profit and Loss Account as described below.

Non-financial assets
At each balance sheet date, the company reviews 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).

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.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a 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.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either 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.

Basic financial liabilities
Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price.

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.

Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

Government grants

Government grants are recognised based on the performance model and are measured at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received.

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

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements that have a significant impact on the amounts recognised. The following are the critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

The directors acknowledge that their judgement on the recoverability of the amounts owed by subsidiaries is essential to the readers understanding of the financial statements and wish to highlight note 7 which provides further detail of this assessment.

3. Employees

	2021	2020
	Number	**Number**
Monthly average number of persons employed by the Company during the year, including directors	7	7

4. Intangible assets

	Other intangible assets	Total
	£	£
Cost		
At 01 January 2021	191,901	191,901
At 31 December 2021	**191,901**	**191,901**
Accumulated amortisation		
At 01 January 2021	185,280	185,280
Charge for the financial year	2,372	2,372
At 31 December 2021	**187,652**	**187,652**
Net book value		
At 31 December 2021	**4,249**	**4,249**
At 31 December 2020	6,621	6,621

5. Tangible assets

	Leasehold improve-ments	Plant and machinery	Vehicles	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£	£
Cost						
At 01 January 2021	35,982	911,793	29,529	25,220	171,309	1,173,833
At 31 December 2021	**35,982**	**911,793**	**29,529**	**25,220**	**171,309**	**1,173,833**
Accumulated depreciation						
At 01 January 2021	25,064	727,665	29,421	20,788	154,343	957,281
Charge for the financial year	3,600	72,369	94	923	12,477	89,463
At 31 December 2021	**28,664**	**800,034**	**29,515**	**21,711**	**166,820**	**1,046,744**
Net book value						
At 31 December 2021	**7,318**	**111,759**	**14**	**3,509**	**4,489**	**127,089**
At 31 December 2020	10,918	184,128	108	4,432	16,966	216,552

6. Fixed asset investments

	2021	2020
	£	£
Subsidiary undertakings	900	824
Other investments and loans	92,834	115,085
	93,734	**115,909**

Investments in subsidiaries

	2021
	£
Cost	
At 01 January 2021	824
Exchange differences on foreign investments	76
At 31 December 2021	**900**
Carrying value at 31 December 2021	**900**
Carrying value at 31 December 2020	824

	Other investments	Total
	£	£
Carrying value before impairment		
At 01 January 2021	115,085	115,085
Disposals	(22,251)	(22,251)
At 31 December 2021	**92,834**	**92,834**
Provisions for impairment		
At 01 January 2021	0	0
At 31 December 2021	**0**	**0**
Carrying value at 31 December 2021	**92,834**	**92,834**
Carrying value at 31 December 2020	115,085	115,085

7. Debtors

	2021	2020
	£	£
Trade debtors	0	213,439
Amounts owed by own subsidiaries	459,310	478,297
Corporation tax	37,279	68,003
Other debtors	40,926	33,200
	537,515	**792,939**

The directors have assessed the recoverability of the amounts owed by subsidiaries and note that the balances will only be repaid to Adrok Limited on the basis that the relative companies have a profitable trading position. The directors are of the opinion that despite the loans being issued to subsidiaries with no fixed terms of repayment and the timing of repayment being uncertain, options are being explored through the subsidiary companies with the expectation of future profitability. In the opinion of the directors, no provision is required on any amounts owed by own subsidiaries.

8. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans	5,324	48,429
Trade creditors	149,276	116,765
Other creditors	182,866	122,650
Other taxation and social security	4,125	12,300
	341,591	**300,144**

There are no amounts included above in respect of which any security has been given by the small entity.

9. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans	45,306	50,000
Other creditors	768	2,951
	46,074	**52,951**

There are no amounts included above in respect of which any security has been given by the small entity.

10. Related party transactions

At the balance sheet date of 31 December 2021, the Company owed G C Stove and Dr C Stove, directors of the Company, £173,146 (2020 £100,123). No interest was paid in respect of these loans which are unsecured, repayable on demand and included in Other creditors falling due within one year.