Company No: SC181158 (Scotland)

ADROK LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH THE REGISTRAR

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Contents

ADROK LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022	2021
		£	£
Fixed assets			
Intangible assets	4	1,885	4,249
Tangible assets	5	69,753	127,089
Investments	6	85,578	93,734
		157,216	**225,072**
Current assets			
Debtors	7	414,918	537,515
Cash at bank and in hand		97,934	15,136
		512,852	**552,651**
Creditors: amounts falling due within one year	8	(468,928)	(341,591)
Net current assets		**43,924**	**211,060**
Total assets less current liabilities		**201,140**	**436,132**
Creditors: amounts falling due after more than one year	9	(40,530)	(46,074)
Net assets		**160,610**	**390,058**
Capital and reserves			
Called-up share capital	10	1,799	1,693
Share premium account		3,605,300	3,446,301
Profit and loss account		(3,446,489)	(3,057,936)
Total shareholders' funds		**160,610**	**390,058**

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 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 29 September 2023. 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 and capital injections from the directors and in the period, £169,000 of additional cash was provided to the company. 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.

Financial assets are derecognised when and only when the contractual rights to the cash flows from the financial asset expire or are settled, or the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

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.

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

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.

3. Employees

	2022 Number	2021 Number
Monthly average number of persons employed by the Company during the year, including directors	5	7

4. Intangible assets

	Other intangible assets	Total
	£	£
Cost		
At 01 January 2022	191,901	191,901
At 31 December 2022	**191,901**	**191,901**
Accumulated amortisation		
At 01 January 2022	187,652	187,652
Charge for the financial year	2,364	2,364
At 31 December 2022	**190,016**	**190,016**
Net book value		
At 31 December 2022	**1,885**	**1,885**
At 31 December 2021	4,249	4,249

5. Tangible assets

	Leasehold improve-ments	Plant and machinery	Vehicles	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£	£
Cost						
At 01 January 2022	35,982	911,793	29,529	25,220	171,309	1,173,833
Additions	0	0	0	0	237	237
Disposals	0	0	(5,995)	0	0	(5,995)
At 31 December 2022	**35,982**	**911,793**	**23,534**	**25,220**	**171,546**	**1,168,075**
Accumulated depreciation						
At 01 January 2022	28,664	800,034	29,515	21,711	166,820	1,046,744
Charge for the financial year	3,598	48,651	14	1,565	3,745	57,573
Disposals	0	0	(5,995)	0	0	(5,995)
At 31 December 2022	**32,262**	**848,685**	**23,534**	**23,276**	**170,565**	**1,098,322**
Net book value						
At 31 December 2022	**3,720**	**63,108**	**0**	**1,944**	**981**	**69,753**
At 31 December 2021	7,318	111,759	14	3,509	4,489	127,089

6. Fixed asset investments

	2022	2021
	£	£
Subsidiary undertakings	161	900
Other investments and loans	85,417	92,834
	85,578	**93,734**

Investments in subsidiaries

	2022
	£
Cost	
At 01 January 2022	900
Disposals	(739)
At 31 December 2022	**161**
Carrying value at 31 December 2022	**161**
Carrying value at 31 December 2021	900

	Other investments	Total
	£	£
Carrying value before impairment		
At 01 January 2022	92,834	92,834
Disposals	(7,417)	(7,417)
At 31 December 2022	**85,417**	**85,417**
Provisions for impairment		
At 01 January 2022	0	0
At 31 December 2022	**0**	**0**
Carrying value at 31 December 2022	**85,417**	**85,417**
Carrying value at 31 December 2021	92,834	92,834

7. Debtors

	2022	2021
	£	£
Amounts owed by own subsidiaries	385,786	459,310
Corporation tax	0	37,279
Other debtors	29,132	40,926
	414,918	**537,515**

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 directors, no provision is required on any amounts owed by own subsidiaries.

8. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans	10,100	5,324
Trade creditors	227,637	149,276
Other taxation and social security	3,351	4,125
Other creditors	227,840	182,866
	468,928	**341,591**

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

	2022	2021
	£	£
Bank loans	40,530	45,306
Other creditors	0	768
	40,530	**46,074**

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

10. Called-up share capital

	2022	2021
	£	£
Allotted, called-up and fully-paid		
150,331 A ordinary shares of £ 0.01 each (2021: 139,724 shares of £ 0.01 each)	1,503.31	1,397.24
29,639 B ordinary shares of £ 0.01 each	296.39	296.39
	1,799.70	**1,693.63**

On 15 December 2022, 10,607 ordinary class A shares were issued by the company as follows:

6,667 A ordinary shares were issued for a cash consideration totalling £100,005 and 2,667 shares were issued in lieu of the capitalisation of loans payable to the Directors in the sum of £40,005.

1,273 A ordinary shares were issued as settlement of outstanding sums due in respect of salary totalling £19,095.

11. Related party transactions

At the balance sheet date of 31 December 2022, the company owed G C Stove, Dr C Stove, Mrs H Stove and Mrs P Stove directors and related parties of the company £202,489 (2021 - £173,146). The Directors injected new loans in the period and capitalised some of the loans into shares as set out at Note 10. 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.

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.