

COMPANY REGISTRATION NUMBER: SC458616

Krotos Ltd
Filleted Unaudited Financial Statements
For the year ended
30 September 2022



Krotos Ltd**Statement of Financial Position****30 September 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	6	13,058	11,358
Investments	7	8,486	—
		<u>21,544</u>	<u>11,358</u>
Current assets			
Debtors	8	137,043	34,333
Cash at bank and in hand		<u>1,033,397</u>	<u>341,405</u>
		1,170,440	375,738
Creditors: amounts falling due within one year	9	<u>96,751</u>	<u>104,187</u>
Net current assets		<u>1,073,689</u>	<u>271,551</u>
Total assets less current liabilities		<u>1,095,233</u>	<u>282,909</u>
Creditors: amounts falling due after more than one year	10	<u>26,750</u>	<u>36,667</u>
Net assets		<u>1,068,483</u>	<u>246,242</u>
Capital and reserves			
Called up share capital	11	2	1
Share premium account		1,583,143	644,869
Profit and loss account		<u>(514,662)</u>	<u>(398,628)</u>
Shareholders funds		<u>1,068,483</u>	<u>246,242</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 30 September 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 year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

The notes on pages 3 to 8 form part of these financial statements.

Krotos Ltd

Statement of Financial Position *(continued)*

30 September 2022

These financial statements were approved by the board of directors and authorised for issue on 14 June 2023, and are signed on behalf of the board by:

O A Boteas

Mr O A Boteas
Director

Company registration number: SC458616

The notes on pages 3 to 8 form part of these financial statements.

Krotos Ltd

Notes to the Financial Statements

Year ended 30 September 2022

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is 1 Exchange Crescent, Conference Square, Edinburgh, EH3 8UL, Scotland.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going Concern

The financial statements have been prepared on a going concern basis. The directors have assessed the Company's ability to continue as a going concern and have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Krotos Ltd

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Office Equipment	- 33% straight line
Studio Equipment	- 25% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

Krotos Ltd

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

3. Accounting policies *(continued)*

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial assets, which include trade and other debtors, taxes receivable and cash at bank, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Basic financial liabilities, which include trade and other creditors, bank and other loans and taxes due are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Krotos Ltd**Notes to the Financial Statements** *(continued)***Year ended 30 September 2022****3. Accounting policies** *(continued)***Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 26 (2021: 13).

5. Tax on loss

There is an unrecognised deferred tax asset of £91,738 (2021: £40,122). This arises as a result of losses carried forward. Losses can only be offset against future profits, which cannot be determined with certainty.

6. Tangible assets

	Studio Equipment £	Computer Equipment £	Total £
Cost			
At 1 October 2021	1,083	38,981	40,064
Additions	—	9,950	9,950
At 30 September 2022	<u>1,083</u>	<u>48,931</u>	<u>50,014</u>
Depreciation			
At 1 October 2021	1,083	27,623	28,706
Charge for the year	—	8,250	8,250
At 30 September 2022	<u>1,083</u>	<u>35,873</u>	<u>36,956</u>
Carrying amount			
At 30 September 2022	<u>—</u>	<u>13,058</u>	<u>13,058</u>
At 30 September 2021	<u>—</u>	<u>11,358</u>	<u>11,358</u>

7. Investments

	Shares in group undertakings £
Cost	
At 1 October 2021	—
Additions	8,486
At 30 September 2022	<u>8,486</u>
Impairment	
At 1 October 2021 and 30 September 2022	<u>—</u>

Krotos Ltd**Notes to the Financial Statements** *(continued)***Year ended 30 September 2022****7. Investments** *(continued)*

	Shares in group undertakings £
Carrying amount	
At 30 September 2022	8,486
At 30 September 2021	—

8. Debtors

	2022 £	2021 £
Trade debtors	104,359	31,770
Other debtors	32,684	2,563
	<u>137,043</u>	<u>34,333</u>

9. Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans and overdrafts	10,000	10,000
Trade creditors	32,924	11,077
Social security and other taxes	22,565	19,349
Other creditors	31,262	63,761
	<u>96,751</u>	<u>104,187</u>

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

	2022 £	2021 £
Bank loans and overdrafts	26,750	36,667

11. Called up share capital**Issued, called up and fully paid**

	2022 No.	£	2021 No.	£
Ordinary shares of £0.0001 each	<u>15,027</u>	<u>2</u>	<u>12,764</u>	<u>1</u>

During the year 2,263 Ordinary shares of £0.0001 each were issued in return for proceeds of £110.12 per share

Krotos Ltd**Notes to the Financial Statements** *(continued)***Year ended 30 September 2022****12. Share-based payments**

During the year certain employees had been granted options to subscribe for shares in the company under share option schemes as follows:

	Number of shares	Exercise Price (£) £	Faire Value (£)
EMI options - October 2015 - October 2025	414	106	91

Details of the number and weighted average exercise prices (WAEP) of share options during the year are as follows:

	No. 2022	WAEP 2022 £	No. 2021	WAEP 2021 £
Outstanding at 1 October	535	11	570	11
Granted during the year	414	106	—	—
Expired during the year	—	—	(35)	19
Outstanding at 30 September	<u>949</u>	<u>52</u>	<u>535</u>	<u>11</u>

The total expense recognised in profit or loss for the year is as follows:

	2022 £	2021 £
Equity-settled share-based payments	3,514	—

The estimated fair values were calculated by applying the Black-Scholes option pricing model. The model inputs were:

	2022
Share price at grant date	£22.20 - £117.71
Exercise price	£18.87 - £105.94
Expected volatility	70%
Expected life	10 years
Risk free interest rate	1.23% - 1.89%
Dividend yield	0%