

COMPANY REGISTRATION NUMBER: SC458616

Krotos Ltd

Filleted Unaudited Financial Statements

For the year ended

30 September 2023

Krotos Ltd

Statement of Financial Position

30 September 2023

		2023	2022
	Note	£	£
Fixed assets			
Tangible assets	5	9,557	13,058
Investments	6	8,486	8,486
		-----	-----
		18,043	21,544
Current assets			
Debtors	7	28,382	137,043
Cash at bank and in hand		391,357	1,033,397
		-----	-----
		419,739	1,170,440
Creditors: amounts falling due within one year	8	(97,741)	(96,751)
		-----	-----
Net current assets		321,998	1,073,689
		-----	-----
Total assets less current liabilities		340,041	1,095,233
Creditors: amounts falling due after more than one year	9	(16,750)	(26,750)
		-----	-----
Net assets		323,291	1,068,483
		-----	-----
Capital and reserves			
Called up share capital	11	2	2
Share premium account		1,583,143	1,583,143
Profit and loss account		(1,259,854)	(514,662)
		-----	-----
Shareholders funds		323,291	1,068,483
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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 2023 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 .

Krotos Ltd

Statement of Financial Position *(continued)*

30 September 2023

These financial statements were approved by the board of directors and authorised for issue on 25 April 2024 , and are signed on behalf of the board by:

Mr O A Boteas

Director

Company registration number: SC458616

Krotos Ltd

Notes to the Financial Statements

Year ended 30 September 2023

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is C/O Shepherd & Wedderburn LLP, 9 Haymarket Square, Edinburgh, EH3 8FY, 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.

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, stated net of discounts and of Value Added Tax. When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period. When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

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.

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:

Computer 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 subsidiaries

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

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. 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.

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.

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.

Share-based payments

Equity-settled share-based payment transactions are measured at fair value at the date of grant. The fair value is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. This is based upon the company's estimate of the shares or share options that will eventually vest which takes into account all vesting conditions and non-market performance conditions, with adjustments being made where new information indicates the number of shares or share options expected to vest differs from previous estimates. Fair value is determined using an appropriate pricing model. All market conditions and non-vesting conditions are taken into account when estimating the fair value of the shares or share options. As long as all other vesting conditions are satisfied, no adjustment is made irrespective of whether market or non-vesting conditions are met. Where the terms of an equity-settled transaction are modified, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the fair value of the transaction, as measured at the date of modification. Where an equity-settled transaction is cancelled or settled, it is treated as if it had vested on the date of cancellation or settlement, and any expense not yet recognised in profit or loss is expensed immediately. Cash-settled share-based payment transactions are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is re-measured at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 21 (2022: 26).

5. Tangible assets

	Studio Equipment £	Computer Equipment £	Total £
Cost			
At 1 October 2022	1,083	48,931	50,014
Additions	—	3,348	3,348
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At 30 September 2023	1,083	52,279	53,362
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Depreciation			
At 1 October 2022	1,083	35,873	36,956
Charge for the year	—	6,849	6,849
	-----	-----	-----
At 30 September 2023	1,083	42,722	43,805
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Carrying amount			
At 30 September 2023	—	9,557	9,557
	-----	-----	-----
At 30 September 2022	—	13,058	13,058
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6. Investments

	Shares in group undertakings £
Cost	
At 1 October 2022 and 30 September 2023	8,486

Impairment	
At 1 October 2022 and 30 September 2023	—

Carrying amount	
At 30 September 2023	8,486

At 30 September 2022	8,486

7. Debtors

	2023 £	2022 £
Trade debtors	9,010	104,359
Other debtors	19,372	32,684
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	28,382	137,043
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8. Creditors: amounts falling due within one year

	2023	2022
	£	£
Bank loans and overdrafts	10,000	10,000
Trade creditors	17,730	32,924
Social security and other taxes	26,123	22,565
Other creditors	43,888	31,262
	-----	-----
	97,741	96,751
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9. Creditors: amounts falling due after more than one year

	2023	2022
	£	£
Bank loans and overdrafts	16,750	26,750
	-----	-----

10. Share-based payments

Certain employees have been granted options to subscribe for shares in the company under share option schemes as follows :

	Number	Exercise price £
EMI options - October 2015 - October 2025	914	55
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Details of the number and weighted average exercise prices (WAEP) of share options during the year are as follows:

	2023		2022	
	No.	WAEP	No.	WAEP
Outstanding at 1 October 2022	949	52.00	535	11.11
Granted during the year	—	—	414	106.00
Expired during the year	(264)	60.10	—	—
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Outstanding at 30 September 2023	685	95.20	949	52.00
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The total expense recognised in profit or loss for the year is as follows:

	2023	2022
	£	£
Equity-settled share-based payments	1,575	3,514
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The estimated fair values were calculated by applying the Black-Scholes option pricing model. The model inputs were: 2023 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%

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

	2023		2022	
	No.	£	No.	£
Ordinary shares of £ 0.0001 each	12,764	1	12,764	1
Seed ordinary shares of £ 0.0001 each	2,263	—	2,263	—
	15,027	2	15,027	2

12. Related party transactions

The company has taken advantage of the exemption under FRS 102 33.1A from disclosing transactions with wholly-owned members of the group.

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.