

COMPANY REGISTRATION NUMBER: SC458616

Krotos Ltd
Filleted Unaudited Financial Statements
For the year ended
30 September 2020

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Krotos Ltd**Statement of Financial Position****30 September 2020**

	Note	2020 £	£	2019 £
Fixed assets				
Tangible assets	6		6,525	5,174
Current assets				
Debtors	7	18,700		55,309
Cash at bank and in hand		326,579		196,056
		345,279		251,365
Creditors: amounts falling due within one year	8	54,741		55,043
Net current assets			290,538	196,322
Total assets less current liabilities			297,063	201,496
Creditors: amounts falling due after more than one year	9		57,500	7,500
Net assets			239,563	193,996
Capital and reserves				
Called up share capital	10		1	1
Share premium account			644,869	644,869
Profit and loss account			(405,307)	(450,874)
Shareholders funds			239,563	193,996

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 income and retained earnings has not been delivered.

For the year ending 30 September 2020 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.

These financial statements were approved by the board of directors and authorised for issue on 11 May 2021 at 3:40:54 AM PDT, and are signed on behalf of the board by:

DocuSigned by:

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Mr O A Boteas
Director

Company registration number: SC458616

The notes on pages 2 to 6 form part of these financial statements.

Krotos Ltd

Notes to the Financial Statements

Year ended 30 September 2020

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is City Point, 65 Haymarket Terrace, Edinburgh, EH12 5HD, 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 2020

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

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.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

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.

Krotos Ltd

Notes to the Financial Statements *(continued)*

Year ended 30 September 2020

3. Accounting policies *(continued)*

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.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 11 (2019: 10).

5. Tax on loss

There is an unrecognised deferred tax asset of £32,458 (2019: £28,913). 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 2019	1,083	24,438	25,521
Additions	—	5,631	5,631
Disposals	—	(937)	(937)
At 30 September 2020	1,083	29,132	30,215
Depreciation			
At 1 October 2019	1,046	19,301	20,347
Charge for the year	37	4,243	4,280
Disposals	—	(937)	(937)
At 30 September 2020	1,083	22,607	23,690
Carrying amount			
At 30 September 2020	—	6,525	6,525
At 30 September 2019	37	5,137	5,174

Krotos Ltd**Notes to the Financial Statements** *(continued)***Year ended 30 September 2020****7. Debtors**

	2020	2019
	£	£
Trade debtors	18,397	25,288
Other debtors	303	30,021
	<u>18,700</u>	<u>55,309</u>

8. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	4,981	6,977
Social security and other taxes	17,732	13,002
Other creditors	32,028	35,064
	<u>54,741</u>	<u>55,043</u>

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

	2020	2019
	£	£
Other creditors	<u>57,500</u>	<u>7,500</u>

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

	2020		2019	
	No.	£	No.	£
Ordinary shares of £0.0001 each	<u>12,764</u>	<u>1</u>	<u>12,764</u>	<u>1</u>

Krotos Ltd**Notes to the Financial Statements** *(continued)***Year ended 30 September 2020**

11. Share-based payments**12. Share-based payments**

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

	Number of shares	Exercise Price (£)
EMI options - October 2015 – October 2025	222	1.89
EMI options - Sept 2018 – Sept 2028	313	18.87
Unapproved options - March 2019 – March 2029	35	0.0001
Total	<u>570</u>	

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

	2020		2019	
	No.	WAEP	No.	WAEP
Outstanding at 1 October	640	11.95	605	12.64
Granted during the year	-	-	35	0.0001
Expired during the year	(70)	18.87	-	-
Exercised during the year	-	-	-	-
Outstanding at 30 September	<u>570</u>	<u>11.11</u>	<u>640</u>	<u>11.95</u>