

UNAUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 MARCH 2021

KARAKURI LIMITED

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# KARAKURI LIMITED

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## COMPANY INFORMATION

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<b>Directors</b>	B Wragg B Hoberman D Tatton-Brown M Bornhaesser M Muller
<b>Registered number</b>	11228129
<b>Registered office</b>	14 Amherst Avenue London W13 8NQ
<b>Accountants</b>	Menzies LLP Chartered Accountants Ashcombe House 5 The Crescent Leatherhead Surrey KT22 8DY

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# KARAKURI LIMITED

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**KARAKURI LIMITED**  
**REGISTERED NUMBER:11228129**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	4	1,986,141	1,041,245
Tangible assets	5	141,076	131,958
		<u>2,127,217</u>	<u>1,173,203</u>
<b>Current assets</b>			
Debtors: amounts falling due after more than one year	6	142,500	142,500
Debtors: amounts falling due within one year	6	728,683	63,334
Cash at bank and in hand		9,123,107	5,131,643
		<u>9,994,290</u>	<u>5,337,477</u>
Creditors: amounts falling due within one year	7	(202,387)	(139,820)
<b>Net current assets</b>		<u>9,791,903</u>	<u>5,197,657</u>
<b>Total assets less current liabilities</b>		<u>11,919,120</u>	<u>6,370,860</u>
Creditors: amounts falling due after more than one year	8	(6,583,819)	-
<b>Provisions for liabilities</b>			
Deferred tax		(380,024)	-
		<u>(380,024)</u>	<u>-</u>
<b>Net assets</b>		<u>4,955,277</u>	<u>6,370,860</u>
<b>Capital and reserves</b>			
Called up share capital	9	1,225	1,225
Share premium account	9	7,149,766	7,149,766
Other reserves		157,750	53,325
Profit and loss account		(2,353,464)	(833,456)
		<u>4,955,277</u>	<u>6,370,860</u>

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**KARAKURI LIMITED**  
REGISTERED NUMBER:11228129

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 MARCH 2021**

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The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**B Wragg**  
Director

Date: 6 October 2021

The notes on pages 3 to 10 form part of these financial statements.

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# KARAKURI LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### 1. General information

Karakuri Limited is a private company limited by shares incorporated in England and Wales. The address of the registered office is disclosed on the company information page.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

#### 2.2 Going concern

The Coronavirus pandemic is creating significant uncertainty globally and the company is not immune to this. The directors are working to ensure the safety of their employees and maintaining the continuity of their operations as far as they are able, whilst adhering to Government advice. Whilst the pandemic will have a financial impact on the company, at this stage it is not possible to reliably forecast what this may be. However, the directors have taken all relevant measures to ensure they are able to safeguard cash flow, jobs, customers and supplies to put them in the best possible position to be able to pick up on opportunities as they arise once business starts to return to normal.

Given the uncertainties that exist, they believe these actions should enable them to continue in operational existence. Therefore, it is the directors' opinion that the going concern basis of preparation continues to be appropriate.

#### 2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

#### 2.4 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

#### 2.5 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 2.6 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

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# KARAKURI LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### 2. Accounting policies (continued)

#### 2.7 Pensions

##### Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

#### 2.8 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of financial position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

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# KARAKURI LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### 2. Accounting policies (continued)

#### 2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following basis:

Website	- 5 years
Development expenditure	- 3 years
Patents & trademarks	- 10 years
Computer software	- 3 - 5 years

#### 2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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# KARAKURI LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### 2. Accounting policies (continued)

#### 2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	-	25%
Plant and machinery	-	10-33.3%
Fixtures and fittings	-	20%
Office equipment	-	20-33.3%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

#### 2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

#### 2.13 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

### 3. Employees

The average monthly number of employees, including directors, during the year was 24 (2020 - 12).

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# KARAKURI LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### 4. Intangible assets

	Website	Development expenditure	Patents & Trademarks	Computer software	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 April 2020	5,444	997,120	-	47,950	1,050,514
Additions	-	1,857,883	8,700	50,939	1,917,522
At 31 March 2021	<u>5,444</u>	<u>2,855,003</u>	<u>8,700</u>	<u>98,889</u>	<u>2,968,036</u>
<b>Amortisation</b>					
At 1 April 2020	1,089	-	-	8,180	9,269
Charge for the year	1,089	951,667	870	19,000	972,626
At 31 March 2021	<u>2,178</u>	<u>951,667</u>	<u>870</u>	<u>27,180</u>	<u>981,895</u>
<b>Net book value</b>					
At 31 March 2021	<u>3,266</u>	<u>1,903,336</u>	<u>7,830</u>	<u>71,709</u>	<u>1,986,141</u>
<i>At 31 March 2020</i>	<u>4,355</u>	<u>997,120</u>	<u>-</u>	<u>39,770</u>	<u>1,041,245</u>

# KARAKURI LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 5. Tangible fixed assets

	Long-term leasehold property	Plant and machinery	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 April 2020	64,515	30,912	25,459	33,222	154,108
Additions	-	22,052	7,521	26,096	55,669
Disposals	-	(2,795)	-	-	(2,795)
At 31 March 2021	<u>64,515</u>	<u>50,169</u>	<u>32,980</u>	<u>59,318</u>	<u>206,982</u>
<b>Depreciation</b>					
At 1 April 2020	8,343	7,807	1,389	4,611	22,150
Charge for the year on owned assets	16,129	10,106	5,942	12,977	45,154
Disposals	-	(1,398)	-	-	(1,398)
At 31 March 2021	<u>24,472</u>	<u>16,515</u>	<u>7,331</u>	<u>17,588</u>	<u>65,906</u>
<b>Net book value</b>					
At 31 March 2021	<u>40,043</u>	<u>33,654</u>	<u>25,649</u>	<u>41,730</u>	<u>141,076</u>
<i>At 31 March 2020</i>	<u>56,172</u>	<u>23,105</u>	<u>24,070</u>	<u>28,611</u>	<u>131,958</u>

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# KARAKURI LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### 6. Debtors

	2021 £	2020 £
<b>Due after more than one year</b>		
Other debtors	142,500	142,500
	<u>142,500</u>	<u>142,500</u>
	2021 £	2020 £
<b>Due within one year</b>		
Other debtors	27,232	-
Called up share capital not paid	650	650
Prepayments and accrued income	86,990	62,684
Tax recoverable	613,811	-
	<u>728,683</u>	<u>63,334</u>

### 7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	70,659	15,495
Other taxation and social security	58,394	27,852
Other creditors	2,528	6,624
Accruals and deferred income	70,806	89,849
	<u>202,387</u>	<u>139,820</u>

### 8. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Other loans	6,583,819	-
	<u>6,583,819</u>	<u>-</u>

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# KARAKURI LIMITED

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### 9. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
59,000 (2020 - 59,000) Ordinary shares of £0.01 each	590	590
26,000 (2020 -26,000) Deferred shares of £0.01 each	260	260
37,451 (2020 -37,451) Preference shares of £0.01 each	375	375
	<u>1,225</u>	<u>1,225</u>

### 10. Share based payments

The company has an EMI share option scheme in place for all employees.

At 31 March 2021 there were share options in issue over 6,687 Ordinary shares (2020: 3,548). No options were exercised during the year. (2020: no options were exercised during the year).

At 31 March 2021, there were 4,184 (2020: 1,011) options with an exercise price of £23.82 per share. In the year ended 31 March 2021 there were 3,289 (2020: 1,011) options granted and 116 (2020: nil) options cancelled.

At 31 March 2021, there were 2,503 (2020: 2,564) options with an exercise price of £44.86 per share. In the year ended 31 March 2021 no options had been granted (2020: 2,564 options had been granted) and 61 (2020: nil) options cancelled.

Options are only exercisable upon exit events and there are three possible exit events:

Share sale of the controlling interest to a third party, asset sale of all or a substantial part of the business and assets, or listing.

If the options remain unexercised on the tenth anniversary of the date of grant then the related options expire.

Options are also forfeited if the employee terminates employment before the options vest, unless authorised by the board.

### 11. Commitments under operating leases

At 31 March 2021 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	190,000	190,000
Later than 1 year and not later than 5 years	242,250	432,250
	<u>432,250</u>	<u>622,250</u>



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