

NET AI TECH LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023
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Contents

Balance Sheet	3
Notes to the Financial Statements	4

NET AI TECH LTD
BALANCE SHEET
AS AT 28 FEBRUARY 2023

	Note	28.02.2023	28.02.2022
		£	£
Fixed assets			
Tangible assets	4	5,688	8,737
		5,688	8,737
Current assets			
Debtors	5	8,502	20,767
Cash at bank and in hand		49,701	557,485
		58,203	578,252
Creditors: amounts falling due within one year	6	(25,613)	(16,155)
Net current assets		32,590	562,097
Total assets less current liabilities		38,278	570,834
Net assets		38,278	570,834
Capital and reserves			
Called-up share capital	7	150	150
Share premium account		714,877	714,877
Profit and loss account		(676,749)	(144,193)
Total shareholders' funds		38,278	570,834

For the financial year ending 28 February 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 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 Net AI Tech Ltd (registered number: SC689688) were approved and authorised for issue by the Director on 25 May 2023. They were signed on its behalf by:

Mr P Patras
Director

NET AI TECH LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023

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 period, unless otherwise stated.

General information and basis of accounting

Net AI Tech Ltd (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 Floor 3, 1-4 Atholl Crescent, Edinburgh, EH3 8HA, Scotland, United Kingdom.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and 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

As anticipated, the company has made a loss of £532,556 in the period to 28 February 2023 as the company develops its AI enabled software solutions. In accordance with the company's business plan to continue investment into product development, the Directors anticipate that further funding will be required in the next accounting period and the Directors are confident that they will secure this investment. Accordingly, these Financial Statements have been prepared on a going concern basis.

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 except for exchange differences arising on gains or losses on non-monetary items which are recognised in the Statement of Comprehensive Income.

Employee benefits

Short term benefits

The costs of short-term employee benefits are recognised as a liability and as an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Defined benefit schemes

The company operates a defined contribution scheme. Payments to defined contribution schemes are charged as an expense as they fall due.

NET AI TECH LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023

Taxation

Current tax

The tax currently payable is based on the taxable profit for the year. Taxable profit differs from net profit and reporter in the profit and loss accounts because it excludes items of income or expense that are taxable or deductible in other years and it further excludes that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting period end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that is probable that they will be recoverable against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit no the accounting profit.

The carrying amount of deferred tax assets are reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to the taxes levied by the same tax authority.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is recognised so as to write off the cost of valuation of assets less their residual values over their useful lives on the following bases:

Computer equipment	3 years straight line
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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.

Impairment of assets

At each reporting period end date, the company reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exist, the recoverable amount of the asset is estimated in order to determine the extend of the impairment loss (if any).

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

NET AI TECH LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors that are classified as debt are 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 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.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Government grants

Government grants relating to revenue are recognised in income over the period in which the related costs are recognised.

2. Employees

	Year ended 28.02.2023	Period from 18.02.2021 to 28.02.2022
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	8	3

NET AI TECH LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023

3. Share-based payments

Equity-settled share-based payment schemes

The Company has a share option scheme for all employees.

Options are exercisable at a price equal to the estimated fair value of the Company's shares on the date of grant. The options vest over time being 12 months up to 35 months. The options are only exercisable if an exit occurs. Options are forfeited if the employee leaves the Company before the options vest.

Details of the share options outstanding during the financial year are as follows:

	28.02.2023		28.02.2022	
	Weighted Average		Weighted Average	
	Number of share options	Average exercise price (£)	Number of share options	Average exercise price (£)
Outstanding at beginning of period	0	0	0	0
Granted during the period	24,300	0.39	0	0
Lapsed during the period	(10,200)	0	0	0
Outstanding at the end of the period	14,100	0.39	0	0
Exercisable at the end of the period	0	0	0	0

The fair value of the share options at the grant date was calculated using the Black Scholes model, which is considered to be the most appropriate generally accepted valuation method of measuring fair value. No share based payment charge has been recognised.

NET AI TECH LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023

4. Tangible assets

	Computer equipment	Total
	£	£
Cost		
At 01 March 2022	9,147	9,147
At 28 February 2023	9,147	9,147
Accumulated depreciation		
At 01 March 2022	410	410
Charge for the financial year	3,049	3,049
At 28 February 2023	3,459	3,459
Net book value		
At 28 February 2023	5,688	5,688
At 28 February 2022	8,737	8,737

5. Debtors

	28.02.2023	28.02.2022
	£	£
Prepayments	4,441	16,338
VAT recoverable	1,685	2,697
Other debtors	2,376	1,732
	8,502	20,767

6. Creditors: amounts falling due within one year

	28.02.2023	28.02.2022
	£	£
Trade creditors	14,361	8,960
Accruals	3,300	3,002
Other taxation and social security	6,838	3,441
Other creditors	1,114	752
	25,613	16,155

NET AI TECH LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 28 FEBRUARY 2023

7. Called-up share capital

	28.02.2023	28.02.2022
	£	£
Allotted, called-up and fully-paid		
1,111,111 Ordinary shares of £ 0.0001 each	111	111
335,051 Series Seed 1 ordinary shares of £ 1.94 each	649,999	649,999
51,547 Series Seed 2 ordinary shares of £ 1.94 each	100,001	100,001
	750,111	750,111
	750,111	750,111

The above share issues resulted in a share premium account of £749,961 in the year against which £35,084 of legal fees have been offset.

The rights of the various share issues are set out within the Company's Articles of Association.

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.