
SHOGUN LABS UK LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2021

SHOGUN LABS UK LIMITED
REGISTERED NUMBER: 12267488

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Current assets			
Debtors: amounts falling due within one year	4	2,701	<i>1</i>
Cash at bank and in hand	5	176,036	<i>37,922</i>
		178,737	<i>37,923</i>
Creditors: amounts falling due within one year	6	(123,154)	<i>(34,529)</i>
Net current assets		55,583	<i>3,394</i>
Net assets		55,583	<i>3,394</i>
Capital and reserves			
Called up share capital		1	<i>1</i>
Profit and loss account		55,582	<i>3,393</i>
		55,583	<i>3,394</i>

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 comprehensive income 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:

.....
F Taylor
Director

Date: 20 January 2023

The notes on pages 3 to 7 form part of these financial statements.

SHOGUN LABS UK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Profit and loss account £	Total equity £
Comprehensive income for the period			
Profit for the period	-	721	721
Total comprehensive income for the period	-	721	721
Contributions by and distributions to owners			
Shares issued during the period	1	-	1
Credit to equity for equity settled share-based payments	-	2,672	2,672
Total transactions with owners	1	2,672	2,673
At 1 January 2021	1	3,393	3,394
Comprehensive income for the year			
Profit for the year	-	38,805	38,805
Total comprehensive income for the year	-	38,805	38,805
Contributions by and distributions to owners			
Credit to equity for equity settled share-based payments	-	13,384	13,384
At 31 December 2021	<u>1</u>	<u>55,582</u>	<u>55,583</u>

The notes on pages 3 to 7 form part of these financial statements.

SHOGUN LABS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Shogun Labs UK Limited ("the Company") is a company incorporated in the United Kingdom under the Companies Act. The Company is a private company limited by shares and is registered in England and Wales. The registered office is First Floor, Templeback, 10 Temple Back, Bristol, United Kingdom, BS1 6FL.

The prior period was from the date of incorporation on 17 October 2019 to 31 December 2020 as the year end was aligned with that of fellow group companies.

The principal activity of the company was that of the provision of development and customer support services with respect to the Shogun platforms to the parent company, Shogun Labs, Inc.

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

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. This the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP and the financial statements have been rounded to the nearest £.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.4 Revenue

Revenue represents amounts charged to the Company's parent on a cost plus basis. Revenue is recognised when chargeable costs are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.5 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.6 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 balance sheet 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 balance sheet 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 balance sheet date, except that:

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- 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 balance sheet date.

2.8 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.11 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 balance sheet 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 Balance Sheet.

2.12 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 13 (2020 - 3).

4. Debtors

	2021	<i>2020</i>
	£	£
Other debtors	1	<i>1</i>
Deferred taxation	2,700	<i>-</i>
	<u>2,701</u>	<u><i>1</i></u>

5. Cash and cash equivalents

	2021	<i>2020</i>
	£	£
Cash at bank and in hand	<u>176,036</u>	<u><i>37,922</i></u>

6. Creditors: Amounts falling due within one year

	2021	<i>2020</i>
	£	£
Amounts owed to group undertakings	55,900	<i>11,946</i>
Corporation tax	11,609	<i>796</i>
Other taxation and social security	38,117	<i>13,621</i>
Other creditors	-	<i>2,100</i>
Accruals and deferred income	17,528	<i>6,066</i>
	<u>123,154</u>	<i><u>34,529</u></i>

Amounts due to group undertakings are repayable on demand and no interest is charged on outstanding balances.

7. Share based payments

The company operates a share option scheme, under which the Board offered employees of Shogun Labs UK Limited the option to purchase ordinary shares in Shogun Labs, Inc.

The options are exercisable at any time after they have vested. Options are forfeited if the employee leaves the company.

The share based payment charge is recognised in the financial statements reflecting the fact the employees holding the options are employed by and provide services to Shogun Labs UK Limited.

8. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £12,581 (2020 - £6,276). Contributions totaling £nil (2020 - £2,100) were payable to the fund at the balance sheet date and are included in creditors.

9. Controlling party

The ultimate parent of the smallest group for which consolidated accounts are drawn up is Shogun Labs, Inc. registered in the United States. The registered office of Shogun Labs, Inc. is 340 South Lemon Avenue Suite 1085 Walnut, CA 91789, United States.

