

NET AI TECH LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024
PAGES FOR FILING WITH THE REGISTRAR

NET AI TECH LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

Contents

Balance Sheet	3
Notes to the Financial Statements	4

NET AI TECH LTD
BALANCE SHEET
AS AT 29 FEBRUARY 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	4	2,639	5,688
		2,639	5,688
Current assets			
Debtors	5	13,818	8,502
Cash at bank and in hand		179,051	49,701
		192,869	58,203
Creditors: amounts falling due within one year	6	(14,050)	(25,613)
Net current assets		178,819	32,590
Total assets less current liabilities		181,458	38,278
Creditors: amounts falling due after more than one year	7	(350,000)	0
Net (liabilities)/assets		(168,542)	38,278
Capital and reserves			
Called-up share capital	8	150	150
Share premium account		714,877	714,877
Profit and loss account		(883,569)	(676,749)
Total shareholders' (deficit)/funds		(168,542)	38,278

For the financial year ending 29 February 2024 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 Board of Directors on 25 June 2024. 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 29 FEBRUARY 2024

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 year, 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 £206,420 in the period to 28 February 2024 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 cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Defined contribution 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 29 FEBRUARY 2024

Taxation

Current tax

Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Computer equipment	3 years straight line
--------------------	-----------------------

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

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

NET AI TECH LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

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.

Financial assets are derecognised when and only when the contractual rights to the cash flows from the financial asset expire or are settled, or the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Basic financial liabilities

Basic financial liabilities, including creditors, and bank loans that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

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

	2024	2023
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	6	8

NET AI TECH LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

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:

	2024		2023	
	Weighted Average		Weighted Average	
	Number of share options	Average exercise price (£)	Number of share options	Average exercise price (£)
Outstanding at beginning of period	14,100	0.39	0	0
Granted during the period	5,000	0.39	24,300	0.39
Lapsed during the period	0	0	(10,200)	0
Outstanding at the end of the period	19,100	0.39	14,100	0.39
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 29 FEBRUARY 2024

4. Tangible assets

	Computer equipment	Total
	£	£
Cost		
At 01 March 2023	9,147	9,147
At 29 February 2024	9,147	9,147
Accumulated depreciation		
At 01 March 2023	3,459	3,459
Charge for the financial year	3,049	3,049
At 29 February 2024	6,508	6,508
Net book value		
At 29 February 2024	2,639	2,639
At 28 February 2023	5,688	5,688

5. Debtors

	2024	2023
	£	£
Prepayments	5,845	4,441
VAT recoverable	712	1,685
Other debtors	7,261	2,376
	13,818	8,502

6. Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	5,010	14,361
Accruals	4,000	3,300
Other taxation and social security	4,319	6,838
Other creditors	721	1,114
	14,050	25,613

NET AI TECH LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 29 FEBRUARY 2024

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

	2024	2023
	£	£
Convertible loan notes	350,000	0

There are no amounts included above in respect of which any security has been given by the small entity.

8. Called-up share capital

	2024	2023
	£	£
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

The above share issues resulted in a share premium account of £749,961 in the year against which £35,084 of legal fees were been offset in 2023.

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.