

ENTOCYCLE LTD

Registered Number
09203334
(England and Wales)

Unaudited Financial Statements for the Year Ended
30 September 2021

ENTOCYCLE LTD

Company Information

for the year from 1 October 2020 to 30 September 2021

Directors

K C Olivares Whitaker

Registered Address

29 Shand Street

London

SE1 2ES

Registered Number

09203334 (England and Wales)

ENTOCYCLE LTD

Statement of Financial Position 30 September 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	8		14,555		16,595
			<u>14,555</u>		<u>16,595</u>
Current assets					
Debtors	12	154,265		190,623	
Cash at bank and on hand		148,648		611,462	
		<u>302,913</u>		<u>802,085</u>	
Creditors amounts falling due within one year	13	(2,980,000)		(2,854,468)	
Net current assets (liabilities)			(2,677,087)		(2,052,383)
Total assets less current liabilities			(2,662,532)		(2,035,788)
Net assets			(2,662,532)		(2,035,788)
Capital and reserves					
Called up share capital			100		100
Profit and loss account			(2,662,632)		(2,035,888)
Shareholders' funds			(2,662,532)		(2,035,788)

The company was entitled to exemption from audit for this reporting period under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to

accounting records and the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime. The directors have chosen to not file a copy of the company's profit and loss account.

The financial statements were approved and authorised for issue by the Director on 14 March 2022, and are signed on its behalf by:

K C Olivares Whitaker

Director

Registered Company No. 09203334

ENTOCYCLE LTD

Notes to the Financial Statements for the year ended 30 September 2021

1. STATUTORY INFORMATION

The company is a private company limited by shares and registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. COMPLIANCE WITH APPLICABLE REPORTING FRAMEWORK

The financial statements have been prepared in compliance with FRS 102 Section 1A as it applies to the financial statements for the period and there were no material departures from the reporting standard.

3. PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was that of improving the food chain sustainability by transforming organic by-products into sustainable protein feed using the power of insects.

4. BASIS OF MEASUREMENT USED IN FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland including the provisions of Section 1A applicable to Small Entities and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

5. ACCOUNTING POLICIES

Functional and presentation currency policy

The financial statements are presented in sterling and this is the functional currency of the company.

Property, plant and equipment policy

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Computer equipment - 33.33% on cost

Fixtures & fittings - 33.33% & 20% on cost

Plant & machinery - 33.33% & 20% on cost

Revenue recognition policy

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

Deferred tax policy

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only 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 and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

Research and development policy

Revenue expenditure on research and development is written off in the year in which it is incurred.

The company's revenue expenditure on research and development often qualifies for relief under the various R&D tax relief schemes, including the SME R&D tax relief scheme and the Research and Development Expenditure Credit (RDEC) scheme. Benefits arising from successful claims under the SME R&D tax relief scheme are reflected 'below the line' as a reduction in the Corporation Tax charge or, if the company is loss making, as a Corporation Tax credit. Benefits arising from successful claims under the RDEC scheme are subject to Corporation Tax. Gross benefits are therefore reflected 'above the line' in Other Income with the corresponding charge to Corporation Tax reflected as an increase in the Corporation Tax charge, or decrease in the Corporation Tax credit if appropriate. Benefits receivable from R&D claims are recognised in the reporting period in which the qualifying expenditure is incurred.

Foreign currency translation and operations policy

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

At each reporting 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at the period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Government grants and other government assistance policy

Grant income relating to revenue are recognised in income statement on a systematic basis over the periods in which the entity recognises the related costs for which they intended to compensate.

Leases policy

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Employee benefits policy

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Valuation of financial instruments policy

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

The Company only enters into basic financial instruments 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 non puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out right short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

Going concern

The financial statements have been prepared on a going concern basis. The company incurred losses during the year and the director is aware that the statement of financial position shows net liabilities. The holding company will continue to support the company to meet its obligations, if and when, they become due. The director is therefore of the opinion that he should continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors have considered the impact of the COVID 19 pandemic on the activities of the business and do not consider that this will materially impact the ability of the company to trade in future.

6. CRITICAL ESTIMATES AND JUDGEMENTS

An assessment is made at each reporting date of whether there are indications that an intangible asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the company estimates the recoverable amount of the asset.

Deferred income is recognised based on the period of the contract at the statement of financial position date. The estimated carrying value of the deferred income reflects the unexpired portion of the contract period.

7. EMPLOYEE INFORMATION

	2021	2020
Average number of employees during the year	20	18

8. PROPERTY, PLANT AND EQUIPMENT

	Plant & machinery	Office Equipment	Total
	£	£	£
Cost or valuation			
At 01 October 20	12,558	31,541	44,099
Additions	-	6,656	6,656
At 30 September 21	<u>12,558</u>	<u>38,197</u>	<u>50,755</u>
Depreciation and impairment			
At 01 October 20	5,314	22,190	27,504
Charge for year	2,601	6,095	8,696
At 30 September 21	<u>7,915</u>	<u>28,285</u>	<u>36,200</u>
Net book value			
At 30 September 21	<u>4,643</u>	<u>9,912</u>	<u>14,555</u>
At 30 September 20	<u>7,244</u>	<u>9,351</u>	<u>16,595</u>

9. DESCRIPTION OF FINANCIAL COMMITMENTS OTHER THAN CAPITAL COMMITMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

Within one years - £96,000 (2020 - £Nil)

Between one and five years - £9,732 (2020 - £Nil)

10. DESCRIPTION OF NATURE OF TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

The ultimate controlling party is Entocycle Inc, a company incorporated in the USA with its registered offices situated at The Company Corporation, 251 Little Falls Drive, Wilmington, DE, 19808.

11. ADVANCES AND CREDITS TO DIRECTORS, INCLUDING TERMS AND INTEREST RATES

At the date of the financial statements, the company owed the director £3,922 (2020 - £3,922). The loans are interest free and repayable on demand.

12. DEBTORS

	2021	2020
	£	£
Trade debtors / trade receivables	390	-
Other debtors	153,875	190,623
Total	<u>154,265</u>	<u>190,623</u>

13. CREDITORS WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors / trade payables	16,142	38,097
Amounts owed to related parties	2,920,970	2,793,080
Taxation and social security	26,432	17,078
Other creditors	10,226	6,213
Accrued liabilities and deferred income	6,230	-
Total	<u>2,980,000</u>	<u>2,854,468</u>

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.