

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2021

SKYRORA LIMITED

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# SKYRORA LIMITED

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## COMPANY INFORMATION

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Directors	L. Edison V Levykin (appointed 24 February 2021)
Registered number	SC569511
Registered office	108 Princes Street Floor 2 Edinburgh Scotland EH2 3AA
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditor 2 London Wall Place London EC2Y 5AU

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# SKYRORA LIMITED

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**SKYRORA LIMITED**  
**REGISTERED NUMBER:SC569511**

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

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	5	723,881	153,826
Investments	6	1,902,269	1,008,056
		<u>2,626,150</u>	<u>1,161,882</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	2,664,876	1,612,004
Cash at bank and in hand		1,114,707	237,343
		<u>3,779,583</u>	<u>1,849,347</u>
Creditors: amounts falling due within one year	8	(1,969,823)	(2,706,145)
<b>Net current assets/(liabilities)</b>		<u>1,809,760</u>	<u>(856,798)</u>
<b>Total assets less current liabilities</b>		<u>4,435,910</u>	<u>305,084</u>
<b>Net assets</b>		<u><u>4,435,910</u></u>	<u><u>305,084</u></u>
<b>Capital and reserves</b>			
Allotted, called up and fully paid share capital		9,000,000	9,000,000
Capital contribution reserve		11,256,663	-
Profit and loss account		(15,820,753)	(8,694,916)
		<u><u>4,435,910</u></u>	<u><u>305,084</u></u>

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 on 1 November 2022.

**V Levykin**  
 Director

The notes on pages 2 to 8 form part of these financial statements.

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# SKYRORA LIMITED

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

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### 1. General information

Skyrora Limited is a private company limited by shares and is incorporated in Scotland. The address of the registered office is disclosed on the company information page. The company's principal trading activity is in relation to researching and developing launch vehicle technology.

The financial statements are presented in £ and are rounded to the nearest pound.

### 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 Exemption from preparing consolidated financial statements

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

#### 2.3 Going concern

Whilst the Coronavirus pandemic is still creating some uncertainty globally, it is hoped that all the relevant measures that the directors have put into place over the last year, together with the ongoing vaccine immunisation taking place across the world, the ongoing impact this will have on the company is minimal.

At the date of signing the balance sheet, there is further global uncertainty being caused by world events including the war in Ukraine, inflation and supply chain shortages. These factors are being continuously monitored by the directors and the impacts mitigated, where possible, with forward planning, supply chain and cost management.

The company continues to be reliant on the parent company for capital and financial support. The directors have assessed the financial position of the company and believe that the company has a robust net asset position and sufficient cash reserves.

Skyrora has multiple potential future funding sources apart from the shareholders mentioned above. Skyrora expects to start receiving revenues from suborbital and orbital launch services in 2023-25, expected to grow substantially in the subsequent three years (by the end of the reporting period Skyrora had 23 client LOIs). Skyrora is also in the process of raising additional grants from the ESA and other government authorities.

Whilst some uncertainties still exist and these may cast doubt on the company's ability to continue as a going

concern, the directors believe that the actions they have taken should enable it to continue in operational existence for at least twelve months from the approval of these accounts.

#### 2.4 Operating leases: the Company as lessee

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

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

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### 2. Accounting policies (continued)

#### 2.5 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.

#### 2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

#### 2.7 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.

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:

Plant and machinery	-	10 years straight line
Motor vehicles	-	3 years straight line
Fixtures and fittings	-	10 years straight line
Office equipment	-	3 years straight line

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 profit or loss.

#### 2.8 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 Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

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

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### 2. Accounting policies (continued)

#### 2.9 Taxation

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 reporting date in the countries where the Company operates and generates income.

#### 2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.11 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.

#### 2.12 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.

#### 2.13 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is GBP.

##### 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.

# SKYRORA LIMITED

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

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amount reported. These estimates and judgement are continually reviewed and are based on experience and other factors, including expectations of future events that are believe to be reasonable under the circumstances. These estimates and judgement are as follows:

#### Valuation of Investment in subsidiaries

The valuation of investments in subsidiaries are reviewed on an annual basis and are held at cost less impairment.

#### 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.

### 4. Employees

The average monthly number of employees, including directors, during the year was 44 (2020 - 26).

### 5. Tangible fixed assets

	Plant and machinery	Motor vehicles	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2021	54,249	19,945	91,705	53,349	219,248
Additions	350,677	4,490	201,542	77,692	634,401
At 31 December 2021	404,926	24,435	293,247	131,041	853,649
<b>Depreciation</b>					
At 1 January 2021	9,566	7,911	17,134	30,811	65,422
Charge for the year	21,392	6,693	13,659	22,602	64,346
At 31 December 2021	30,958	14,604	30,793	53,413	129,768
<b>Net book value</b>					
At 31 December 2021	373,968	9,831	262,454	77,628	723,881
At 31 December 2020	44,683	12,034	74,571	22,538	153,826



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# SKYRORA LIMITED

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

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6. Investments

	Investments in subsidiaries £
<b>Cost or valuation</b>	
At 1 January 2021	1,008,056
Additions	894,213
At 31 December 2021	<u>1,902,269</u>

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# SKYRORA LIMITED

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

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

	2021 £	2020 £
Amounts owed by group undertakings	764,590	584,729
VAT recoverable	279,062	120,663
Other debtors	68,059	68,159
Prepayments	26,800	73,073
Tax recoverable	1,526,365	765,380
	<u>2,664,876</u>	<u>1,612,004</u>

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

	2021 £	2020 £
Bank overdrafts	4,126	-
Amounts owed to group undertakings	1,686,722	2,504,558
Other creditors	-	50,918
Accruals and deferred income	278,975	150,669
	<u>1,969,823</u>	<u>2,706,145</u>

### 9. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	434,216	54,216
Later than 1 year and not later than 5 years	1,408,165	62,951
	<u>1,842,381</u>	<u>117,167</u>

### 10. Parent company

The parent of the smallest group for which consolidated financial statements are drawn up is Skyrora Ventures Limited. The address of their registered office is: 4th Floor 115 George Street, Edinburgh, United Kingdom, EH2 4JN.

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# SKYRORA LIMITED

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

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### 11. Reserves

#### **Share capital**

The share capital account represents the par value of the shares allotted in the company.

#### **Capital contribution reserve**

The capital contribution reserve represents funds contributed without the issuing of additional shares.

#### **Profit and loss account**

The profit and loss account contains the balance of retained earnings to carry forward. It is fully distributable and shown as part of shareholders' reserves on the balance sheet.

### 12. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 2 November 2022 by Andrew Moyser FCA FCCA (Senior statutory auditor) on behalf of MHA MacIntyre Hudson.

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.