

Registered Number: 05846542

OXFORD ADVANCED SURFACES LIMITED

UNAUDITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



Oxford Advanced Surfaces Limited
Company Information

Year ended 31 December 2022

DIRECTORS

J-P Griffiths
V Ragoussis

COMPANY SECRETARY

N M Cooper

REGISTERED NUMBER

05846542

REGISTERED OFFICE

Centre for Innovation and Enterprise
Begbroke Science Park
Begbroke
OXF 1PF

Oxford Advanced Surfaces Limited
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**Oxford Advanced Surfaces Limited
Directors' Report**

Year ended 31 December 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year was the design, development, manufacture and sale of advanced chemistry products to address the adhesion and material performance challenges in the global composites and engineering plastics markets.

DIRECTOR

The directors who served during the year were:


J.P. Griffiths

V Ragoussis was appointed as a director on 28 January 2022

SMALL COMPANIES NOTE

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:

DocuSigned by:

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Director

9/25/2023
Date

Oxford Advanced Surfaces Limited
Profit and Loss Account

Year ended 31 December 2022

	Note	2022 £000	2021 £000
Turnover	4	135	49
Cost of sales		(21)	(26)
GROSS PROFIT		114	23
Research and development expenses		(495)	(220)
Administrative expenses		(631)	(417)
Other operating income	5	25	65
OPERATING LOSS		(987)	(549)
Finance charges	8	(7)	(60)
LOSS BEFORE TAX		(994)	(609)
Taxation	9	108	37
LOSS FOR THE FINANCIAL YEAR		(886)	(572)

There were no recognised gains and losses for 2022 or 2021 other than those included in the profit and loss account.

The notes on pages 6 to 18 form part of these financial statements.

Oxford Advanced Surfaces Limited
Balance Sheet

Year ended 31 December 2022

	Note	2022 £000	2021 £000
FIXED ASSETS			
Intangible assets	10	91	103
Tangible assets	11	155	163
Investments	12	-	-
		246	266
CURRENT ASSETS			
Stocks	13	36	40
Debtors: amounts falling due within one year	14	317	79
Cash at bank and in hand	15	173	106
		526	225
Creditors: amounts falling due within one year	16	(1,720)	(535)
NET CURRENT LIABILITIES		(1,194)	(310)
TOTAL ASSETS LESS CURRENT LIABILITIES		(948)	(44)
Creditors: amounts falling due after more than one year	17	(34)	(52)
NET LIABILITIES		(982)	(96)
CAPITAL AND RESERVES			
Called up share capital	19	981	981
Share premium account		4,905	4,905
Retained losses		(6,868)	(5,982)
		(982)	(96)

The 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 Company was entitled to exemption from audit under section 477 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 Company's financial statements have been prepared in accordance with the provisions applicable to entities 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:

Director 
Date 
9/25/2023

The notes on pages 6 to 18 form part of these financial statements.

Oxford Advanced Surfaces Limited
Statement of Changes in Equity

Year ended 31 December 2022

	Called up share capital £'000	Share premium account £'000	Retained earnings £'000	Total equity £'000
AT 31 DECEMBER 2020	721	4,881	(5,410)	192
Loss for the year	-	-	(572)	(572)
Shares issued during the year	260	24	-	284
AT 31 DECEMBER 2021	981	4,905	(5,982)	(96)
Loss for the year	-	-	(886)	(886)
AT 31 DECEMBER 2022	981	4,905	(6,868)	(982)

The notes on pages 6 to 18 form part of these financial statements.

Oxford Advanced Surfaces Limited

Notes to the Financial Statements

Year ended 31 December 2022

1. GENERAL INFORMATION

Oxford Advanced Surfaces Limited is a private company limited by shares and incorporated in England and Wales. The address of its registered office is Centre for Innovation and Enterprise, Begbroke Science Park, Begbroke, OXF 1PF. The principal activity of the Company during the year was the design, development, manufacture and sale of advanced chemistry products to address the adhesion and material performance challenges in the global composites and engineering plastics markets.

These financial statements are presented in GB Pounds Sterling (£) because that is the currency of the primary economic environment in which the Company operates and rounded to the nearest thousand (E'000) except when otherwise stated.

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 Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

2.2 FINANCIAL REPORTING STANDARD 101 – REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46-52 of IFRS 2 Share-based payment
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers.
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant, Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of the paragraph 17 and 18A of IAS 24 Related Party Disclosures.
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

This information is included in the consolidated financial statements of Oxeco Limited as at 31 December 2022 and these financial statements may be obtained from Companies House.

2.3 EXEMPTION FROM PREPARING CONSOLIDATED FINANCIAL STATEMENTS

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

2.4 GOING CONCERN

Oxford Advanced Surfaces Limited

Notes to the Financial Statements

Year ended 31 December 2022

The directors have considered their obligation in relation to the assessment of the going concern status of the Company and have reviewed the current cash flow forecasts and assumptions as well as the main risk factors facing the Company. The directors consider that the Company has a supportive shareholder base and access to adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in the preparation of the financial statements.

2.5 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

2.6 GOVERNMENT GRANTS

Grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

2.7 RESEARCH AND DEVELOPMENT

Research costs are expensed as they are incurred. Certain development costs are capitalised as intangible assets, when it is probable that future economic benefits will flow to the Company. Such intangible assets are amortised on a straight line basis from the point at which the assets are ready for use over the period of the expected benefit, and are reviewed for impairment at each statement of financial position date. Other development costs are charged against income as incurred since the criteria for their recognition as an asset are not met. The criteria for recognising expenditure as an asset are:

- Completion of the intangible asset is technically feasible so that it will be available for use or sale;
- The Company intends to complete the intangible asset and use or sell it;
- The Company has the ability to use or sell the intangible asset;
- The intangible asset will generate probable future economic benefits. Among many other things, this requires that there is a market for the output from the intangible asset or for the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such benefits;
- The Company has available to it adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The Company can reliably measure the expenditure attributable to the intangible asset during its development.

The costs of an internally generated intangible asset comprise all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Directly attributable costs include; employee costs incurred on technical development, testing and certification, materials consumed and any relevant third party costs. The costs of internally generated developments are recognised as intangible assets and are subsequently measured in the same way as externally acquired intangible assets. However, until completion of the development project, the assets are subject to impairment testing only.

2.8 FINANCE CHARGES

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 TAXATION

The tax credit or charge represents the sum of the tax currently receivable or payable and deferred tax.

The tax currently payable/receivable is based on taxable profit/loss for the year. Taxable profit/loss differs from net profit/loss as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items 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 date of the balance sheet.

Oxford Advanced Surfaces Limited

Notes to the Financial Statements

Year ended 31 December 2022

Any tax credit receivable under the small company R&D tax scheme is included against the tax charge when there is reasonable probability of receipt.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

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 there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.10 INTANGIBLE ASSETS

Patent costs and licensing consist of capitalised registration fees which are capitalised at cost when they relate to identifiable assets expected to generate future economic benefits. These intangible assets are amortised over their estimated economic useful life which is generally 20 years from the priority (filing) date.

2.11 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 assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

The estimated useful lives range as follows:

Plant and machinery	-	4 years
Fixtures and fittings	-	4 years
Computer equipment	-	3 years

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.

2.12 INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Finished goods include labour and attributable overheads. At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Oxford Advanced Surfaces Limited
Notes to the Financial Statements

Year ended 31 December 2022

2.14 DEBTORS

Trade and other debtors are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method less provision for expected credit losses. The Company makes use of a simplified approach in accounting for trade and other debtors and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating the expected credit loss, the Company uses its historical experience, external indicators and forward-looking information using a provision matrix based on ageing of the days past due.

2.15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand and other short-term and highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.16 PROVISIONS

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. If the effect is material, provisions are determined by discounting the expected future cash flows using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

2.17 LEASES

Where the Company has substantially all of the economic benefits from use of a leased asset, leases are recognised on the balance sheet in the form of a right-of-use asset and a lease liability.

Leases are recognised at their commencement date, being the date on which the underlying asset is available for use by the lessee. If the Group negotiates a lease before the underlying asset is available for use, costs relating to the construction or design are accounted for under IFRS 16 and payments for the right-of-use asset are recognised as an asset until such time as the right-of-use asset and lease liability are recognised, unless the terms of the contract are considered onerous.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred and an estimate of costs to restore the underlying asset to its previous condition less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-to-use asset or the end of the lease term. The estimated useful lives of right-to-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted using the Company's incremental borrowing rate.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options, or periods after termination options, are only included in the lease term if the lease is reasonable certain to be extended, or not terminated.

The lease liability is subsequently measured at amortised cost, using the effective interest method by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made.

Interest expenses on the lease liabilities are presented separately from the depreciation charge for the right-of-use asset. Interest expense on the lease liabilities are components of finance costs, which is presented separately in the profit and loss account.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases with a duration of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis.

2.18 CREDITORS

Oxford Advanced Surfaces Limited

Notes to the Financial Statements

Year ended 31 December 2022

Trade and other creditors are stated at cost, which approximates fair value due to the short-term nature of these liabilities. Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

2.19 FINANCIAL INSTRUMENTS

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs and subsequently at amortised cost.

The Company's financial liabilities include borrowings trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at FVTPL. Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss. All interest-related charges and changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

2.20 SHARE BASED PAYMENTS

All goods and services received in exchange for the grant of the any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions (for example, profitability and sales growth targets.)

Share options are valued at the date of grant using the Black-Scholes option pricing model and are charged to the profit and loss account over the expected vesting period of the award with a corresponding credit to accumulated losses. No separate share-based payment reserve is maintained.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the expected vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are subsequently revised if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options ultimately exercised are different to that estimated on vesting. Where an equity-settled award is forfeited, no expense is recognised, and any expense recognised up to the date of the forfeiture is reversed through the profit and loss account.

Upon exercise of share options for the proceeds received, net of attributable transaction costs, are credited to share capital, and where appropriate, share premium.

2.21 SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits, including holiday entitlement, are current liabilities measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

2.22 POST-EMPLOYMENT BENEFITS

The Company provides post-employment benefits through a defined contribution pension scheme.

A defined contribution plan is a pension plan under which the Company pays fixed contributions into an independent entity. The Company has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution. The Company contributes to several schemes for individual employees that are defined contribution plans. Contributions to the plans are recognised as an expense in the period that relevant employee services are received.

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Capitalisation of product development costs

The capitalisation of product development costs requires judgement from the directors as to whether the six criteria for capitalisation as disclosed in note 2.7 have been met. The directors have assessed that, other than for certain costs associated with registration of process patents and licenses, no product specific development has met the relevant criteria for capitalisation to date and therefore no associated research and development costs have been transferred to the statement of financial position.

Oxford Advanced Surfaces Limited
Notes to the Financial Statements

Year ended 31 December 2022

Carrying value of patents and licenses

A judgement has been made on the carrying value of the Company's intangible asset relating to patents and licenses. The carrying value has been deemed appropriate by the directors who have assessed that the intellectual property registered to date and held within the business has a value in excess of the costs capitalised to date. Therefore, no impairment charge has been recognised in these financial statements.

Leases

Measurement of the right-of-use asset and corresponding lease liability requires the discounting of future cash outflows to arrive at an assessment of the net present value of the lease at inception. The incremental borrowing rate applied is based on the directors' best estimate given that the Company has no equivalent borrowings and use of a different rate could affect the results of the Company.

Share based payments

The recognition of a charge for share-based payments requires the use of both judgements and estimates. The directors have made the judgement that certain employee share options will vest at a point in the future and therefore recognition of a share-based payments charge is appropriate. The directors have calculated the charge for the year using the Black-Scholes option pricing model, which inherently involves estimation based on the selected inputs. The selection of different input assumptions could affect the results of the Company

4. TURNOVER

The Company only operates one class of business which is the development and commercialisation of advanced materials and technology solutions. All revenue during the current and prior year related to this class of business. The Company's operations are based in the UK however all revenue during the current and prior year arose through sales to a customer in Turkey.

5. OTHER OPERATING INCOME

	2022	2021
	£000	£000
Government grants receivable	23	58
Research and development expenditure credit	2	7
	25	65

Government grants receivable relates to amounts awarded by grant bodies in order to fund specific agreed research projects. There are no conditions or contingencies attached to the grants other than the proper performance of the work as agreed in the grant proposals.

6. OPERATING LOSS

The operating loss is stated after charging:

	2022	2021
	£000	£000
Research and development expenses	495	220
Depreciation of tangible fixed assets	118	109
Amortisation of intangible assets	12	12
Loss on disposal of tangible fixed assets	-	7

Oxford Advanced Surfaces Limited
Notes to the Financial Statements

Year ended 31 December 2022

Short term lease rentals	1	1
Share based payments expense	3	1
Auditors' remuneration	19	19
Auditors' remuneration – non audit	14	13
	662	382

7. EMPLOYEES

	2022	2021
	£000	£000
Wages, salaries and benefits	504	355
Social security costs	54	29
Pension costs	12	7
Share based payment expense	3	1
	573	305

The average monthly number of employees, including the directors, during the year was as follows:

	2022	2021
	£000	No.
Employees	8	7

8. FINANCE CHARGES

	2022	2021
	£000	£000
Interest on convertible loans	-	52
Interest of lease liabilities	7	8
	7	60

On 23 November 2020 Oxford Advanced Surfaces Limited issued £300,000 in convertible loan notes which carried a 10% interest rate. The loan notes were repayable on 23 November 2023 or convertible at a 20% discount to the latest investor share price based on the terms of the instrument. As part of a group reorganisation, the loan notes were novated to Oxeco Limited on 14 July 2021 and later converted into equity of that Company in January 2022 as part of an equity fundraise.

9. TAXATION

	2022	2021
	£'000	£'000
CURRENT TAX		
Current tax credit for the year	(108)	(37)
TOTAL TAX CREDIT FOR THE YEAR	(108)	(37)
FACTORS AFFECTING TAX CREDIT FOR THE YEAR		

Oxford Advanced Surfaces Limited
Notes to the Financial Statements

Year ended 31 December 2022

The tax assessed for the year is higher than (2020 – higher than) the standard rate of corporation tax in the UK of 19.00% (2021 – 19.00%). The differences are explained below:

	2022	2021
	£'000	£'000
Loss of ordinary activities before tax	(994)	(609)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2021 – 19.00%)	(189)	(116)
EFFECTS OF:		
Additional deduction for R&D expenditure	(72)	(28)
Surrender of losses for R&D tax credit refund	31	12
Movement in deferred tax not recognised	122	95
TOTAL TAX CREDIT FOR THE YEAR	(108)	(37)

The Company has unrelieved trading losses estimated at £1,760,000 (2021 - £1,038,000) and fixed asset and other short term timing differences estimated at £38,000 (2021 - £13,000) which remain available to offset against future taxable trading profits. No deferred tax asset has been recognised in respect of the tax losses or other timing differences due to uncertainty over the timing of their recovery.

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

The closing deferred tax assets and liabilities have been calculated at 25% (2021 – 25%) in accordance with the rates enacted at the statement of financial position date. The Finance Act 2021, which announced the upcoming rise in headline rates of corporation tax to 25% from 1 April 2023, was substantively enacted on 24 May 2021.

10. INTANGIBLE ASSETS

	Patents
	£'000
COST	
At 31 December 2020	194
Additions	3
At 31 December 2021	197
Additions	-
At 31 December 2022	197
AMORTISATION	
At 31 December 2020	(82)

Oxford Advanced Surfaces Limited
Notes to the Financial Statements

Year ended 31 December 2022

Charge for the year	(12)
At 31 December 2021	(94)
Charge for the year	(12)
At 31 December 2022	(106)

NET BOOK VALUE

At 31 December 2021	103
At 31 December 2022	91

11. PROPERTY, PLANT AND EQUIPMENT

	Right-of-use assets £'000	Plant and machinery £'000	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
COST					
At 31 December 2020	289	469	7	53	818
Additions	-	15	2	17	34
Disposals	-	(32)	-	(4)	(36)
At 31 December 2021	289	452	9	66	816
Additions	84	20	-	6	110
Disposals	(76)	-	-	-	(76)
At 31 December 2022	297	472	9	72	850
DEPRECIATION					
At 31 December 2020	67	449	7	50	573
Charge for the year	97	10	-	2	109
Disposals	-	(28)	-	(1)	(29)
At 31 December 2021	164	431	7	51	653
Charge for the year	98	13	1	6	118
Disposals	(76)	-	-	-	(76)
At 31 December 2022	186	444	8	57	695
NET BOOK VALUE					
At 31 December 2021	125	21	2	15	163
At 31 December 2022	110	29	1	15	155

12. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000
COST	
At 1 January 2021	68
At 31 December 2021 and 31 December 2022	68

IMPAIRMENT

Oxford Advanced Surfaces Limited
Notes to the Financial Statements

Year ended 31 December 2022

At 1 January 2021	(68)
At 31 December 2021 and 31 December 2022	(68)

NET BOOK VALUE

At 31 December 2022	-
At 31 December 2021	-

13. STOCKS

	2022	2021
	£000	£000
Finished goods	36	40

14. DEBTORS

	2022	2021
	£000	£000
Trade debtors	89	1
Current tax receivable	143	44
Other debtors	34	15
Prepayments and accrued income	51	19
	317	79

As at 31 December 2022, the Company did not recognise an allowance (2021 - £NIL) in respect of expected credit losses on receivables on the basis that any charge would be immaterial.

15. CASH AND CASH EQUIVALENTS

	2022	2021
	£000	£000
Cash at bank and in hand	173	106

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£000	£000
Trade creditors	8	22
Amounts owed to group undertakings	1,591	391

Oxford Advanced Surfaces Limited
Notes to the Financial Statements

Year ended 31 December 2022

Other taxation and social security	16	14
Lease liabilities	80	76
Other creditors	9	6
Accruals	16	26
	1,720	535

Amounts owed to group undertakings are unsecured, non-interest bearing and repayable on demand.

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£000	£000
Lease liabilities	34	52
	34	52

18. LEASES

The Company rents office and laboratory facilities in Oxford, UK, under multiple separate lease agreements. The lease terms are all three years but include termination provisions at one month's notice. The lease liabilities are included for all leases on the basis that the office and laboratory facilities will be in use for the full lease term.

Lease liabilities are due as follows:

	2022	2021
	£000	£000
No later than one year	80	76
Between one year and five years	34	52
	114	128

18. LEASES (CONTINUED)

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or Loss:

	2022	2021
	£000	£000
Interest expense on lease liabilities	7	8
Expenses relating to short-term leases	1	1
Expenses relating to leases of low-value assets	-	-

19. SHARE CAPITAL

2022 **2021**

Oxford Advanced Surfaces Limited
Notes to the Financial Statements

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ALLOTTED, CALLED UP AND FULLY PAID	£000	£000
78,480,000 (2021 – 78,480,000) Ordinary shares of £0.0125 each	981	981
	981	981

The Company had 14,424 Ordinary Shares of £50 each in issue at 31 December 2020.

On 22 January 2021, the Company issued 80 Ordinary Shares of £50 each at par value for total cash consideration of £4,000. On the same date, the Company also issued 116 Ordinary shares of £50 each at a price of £250 per share for total cash consideration of £29,000.

On 23 March 2021, the Company redesigned the nominal value of its Ordinary Shares from £50 each to £0.0125 each, which resulted in the total number of Ordinary shares in issue increasing from 14,620 to 58,480,000.

On 16 June 2021, the Company issued 20,000,000 Ordinary Shares of £0.0125 each at par value for total cash consideration of £250,000.

20. SHARE BASED PAYMENTS

The Company's ultimate parent, Oxeco Limited, established a share option plan during the prior year ("new plan"), under which options may be granted to directors, officers, employees and consultants. Prior to the establishment of the new plan, the Company operated its own share option plan ("old plan") with similar rules. Under the terms of the group reorganisation undertaken on 14 July 2021, which resulted in the Company becoming a wholly owned subsidiary of Oxeco Limited, all options held by employees under the terms of the old plan were surrendered and new options were granted to certain employees under the terms of the new plan.

Under both the new and old plans all options granted were equity-settled with a maximum term of 10 years from the grant date. The vesting conditions attached to the options include revenue targets, market valuation targets and completion of an 'exit event'.

On 22 January 2021, prior to the Company redesignating the nominal value of its Ordinary Shares from £50 each to £0.0125 each, an employee exercised their option to purchase 80 Ordinary Shares with a weighted average share price of £50.

The Company recognised total expenses in the period of £3,000 (2021 - £1,000) in respect of equity-settled share-based payment transactions.

At 31 December 2022 there were 8,662,000 share options outstanding under the new plan, which have a weighted average exercise price of £0.0125 and a weighted average remaining contractual life of 8.88 years.

21. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge represents contributions payable by the Company to the fund and amounted to £12,000 (2021 - £7,000). Contributions of £4,000 (2021 - £NIL) were payable to the fund at the balance sheet date.

22. RELATED PARTY TRANSACTIONS

During the period the Company entered into transactions with other group companies. The Company has taken advantage of the exemption provided in FRS 101 not to disclose transactions occurring with wholly owned members of a group.

23. CONTROLLING PARTY

The Company's ultimate parent and controlling party is Oxeco Limited, a company incorporated in England and Wales. Oxeco Limited prepares publicly available consolidated financial statements and copies of there may be obtained from its registered office address; C/O Dwf Company Secretarial Services Limited, 1 Scott Place, 2 Hardman Street, Manchester, M3 3AA.