

Company registration number 09371413 (England and Wales)

ANIMAL DYNAMICS LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2023
PAGES FOR FILING WITH REGISTRAR

ANIMAL DYNAMICS LIMITED

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ANIMAL DYNAMICS LIMITED

BALANCE SHEET

AS AT 30 JUNE 2023

		30 June 2023	31 December 2022
	Notes	£	£
Fixed assets			
Intangible assets	4	5,166	10,333
Tangible assets	5	1,060,030	1,265,248
		<u>1,065,196</u>	<u>1,275,581</u>
Current assets			
Stocks		-	56,338
Debtors	6	3,433,505	3,469,700
Cash at bank and in hand		1,823,422	257,189
		<u>5,256,927</u>	<u>3,783,227</u>
Creditors: amounts falling due within one year	7	<u>(1,163,850)</u>	<u>(1,547,496)</u>
Net current assets		<u>4,093,077</u>	<u>2,235,731</u>
Total assets less current liabilities		<u>5,158,273</u>	<u>3,511,312</u>
Creditors: amounts falling due after more than one year	8	<u>(10,280,167)</u>	<u>(3,469,152)</u>
Net (liabilities)/assets		<u><u>(5,121,894)</u></u>	<u><u>42,160</u></u>
Capital and reserves			
Called up share capital		4,302	4,302
Share premium account		25,974,109	25,974,109
Profit and loss reserves		(31,100,305)	(25,936,251)
Total equity		<u><u>(5,121,894)</u></u>	<u><u>42,160</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial period ended 30 June 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the period in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

ANIMAL DYNAMICS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2023

The financial statements were approved by the board of directors and authorised for issue on 5 December 2023 and are signed on its behalf by:

A Thomas
Director

Company registration number 09371413 (England and Wales)

ANIMAL DYNAMICS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2023

1 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2 Accounting policies

Company information

Animal Dynamics Limited is a private company limited by shares incorporated in England and Wales. The registered office is 4610/20 Cascade Way, Oxford Business Park South, Oxford, OX4 2SU.

2.1 Reporting period

The financial year end of the company was changed from 31 December to 30 June. Accordingly, the current financial statements are prepared for 6 months from 1 January 2023 to 30 June 2023 and as a result, the comparative figures stated in the accounts and the related notes are not entirely comparable.

2.2 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

2.3 Going concern

The directors have reviewed the company's forecasts and considered its financial position. As a result of this, they have a reasonable expectation that the company will continue in existence for the foreseeable future and remain a going concern. They recognise that in the current environment there are uncertainties which may have implications for this status and, therefore, they continue to monitor the company's position closely so that they can take appropriate action if necessary.

2.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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 dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

ANIMAL DYNAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2023

2 Accounting policies

(Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

2.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred.

2.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Patents & licences	20% Straight Line
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2.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	20% Straight Line
Plant and equipment	10% Straight Line
Fixtures and fittings	25% Straight Line
Computers	33.33% Straight Line
Motor vehicles	20% Straight Line

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.

2.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

ANIMAL DYNAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2023

2 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

2.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

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.

ANIMAL DYNAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2023

2 Accounting policies

(Continued)

Classification of financial liabilities

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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.

2.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit 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 reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. 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 the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

ANIMAL DYNAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2023

2 Accounting policies

(Continued)

2.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

2.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2.16 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

2.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

ANIMAL DYNAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2023

3 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	2023 Number	2022 Number
Total	95	87

4 Intangible fixed assets

	Patents & licences £
Cost	
At 1 January 2023 and 30 June 2023	84,171
Amortisation and impairment	
At 1 January 2023	73,838
Amortisation charged for the period	5,167
At 30 June 2023	79,005
Carrying amount	
At 30 June 2023	5,166
At 31 December 2022	10,333

ANIMAL DYNAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2023

5 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2023	1,291,562	57,874	127,799	234,823	54,217	1,766,275
Disposals	-	-	(11,573)	(93,489)	-	(105,062)
At 30 June 2023	1,291,562	57,874	116,226	141,334	54,217	1,661,213
Depreciation and impairment						
At 1 January 2023	296,373	21,531	66,203	90,785	26,135	501,027
Depreciation charged in the period	137,106	2,897	9,939	39,480	5,554	194,976
Eliminated in respect of disposals	-	-	(11,573)	(83,247)	-	(94,820)
At 30 June 2023	433,479	24,428	64,569	47,018	31,689	601,183
Carrying amount						
At 30 June 2023	858,083	33,446	51,657	94,316	22,528	1,060,030
At 31 December 2022	995,189	36,343	61,596	144,038	28,082	1,265,248

6 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	19,691	16,466
Corporation tax recoverable	2,812,431	2,991,155
Other debtors	601,383	462,079
	3,433,505	3,469,700

7 Creditors: amounts falling due within one year

	2023 £	2022 £
Obligations under finance leases	281,773	210,226
Other borrowings	-	835,091
Trade creditors	531,342	279,682
Taxation and social security	161,004	168,112
Other creditors	53,211	48,830
Accruals and deferred income	136,520	5,555
	1,163,850	1,547,496

ANIMAL DYNAMICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2023

8 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Other creditors	10,280,167	3,469,152

9 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2023 Number	2022 Number	2023 £	2022 £
Outstanding at 1 January 2023	1,992,395	1,905,116	0.22	0.18
Granted	-	2,277,207	-	0.01
Forfeited	(50,000)	(2,267,928)	0.39	0.39
Outstanding at 30 June 2023	1,942,395	1,914,395	0.25	0.22
Exercisable at 30 June 2023	1,437,089	2,087,323	0.16	0.23

The options outstanding at 30 June 2023 had an exercise price ranging from £0.0001 to £0.39, and a remaining contractual life of 5 - 9 years.

Liabilities and expenses

During the period, the company recognised total share-based payment expenses of £(260,642) (2022 - £75,816) which related to equity settled share based payment transactions.

It is not expected that any of the staff will exercise their options and so the share based payment reserve has been reversed.

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2023 £	2022 £
1,487,566	1,845,881

11 Deferred taxation

At 30 June 2023 there existed a potential net deferred tax asset of £4,385,041 (31 December 2022 £2,902,137) in respect of unrelieved trading losses. This has not been reflected as an asset given the uncertainty of future revenue streams and the company's commitment to significant continued investment in research and development.

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.