Aghoco 1472 Limited

Annual Report and Financial Statements

For the accounting reference period ended
31 December 2020
(Prepared for the financial year ended
7 January 2021)

Company Number 10489530

Aghoco 1472 Limited

Company Information

Directors	C J P Eccles A P O'Sullivan E J Stoddart
Company secretary	J Goodwin
Registered number	10489530
Registered office	Venture Point Business Park 58 Evans Road Liverpool L24 9PB
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT
Banker	Handelsbanken Tithebarn Street Liverpool L24 2QP

Aghoco 1472 Limited

Contents

Aghoco 1472 Limited

Group Strategic Report
For the Year Ended 7 January 2021

The directors present their strategic report together with the audited financial statements for the year ended 7 January 2021.

Results for the year

The Group achieved significant growth in sales in the year, achieving turnover of £15.95m being an increase of £2.72m on the previous year and representing 20.5% increase..

The increase in Group Adjusted EBITDA was even more significant at £6.66m, an increase of 55% on the prior year, with additional sales driving up profitability and the significant effort to maintain margins and overheads.

	Year ended 7 January 2021 £'000	Year ended 7 January 2020 £'000	Increase %
Turnover	15,949	13,232	20.5%
Adjusted EBITDA*	6,632	4,267	55.4%

Adjusted EBITDA represents Earnings before interest, taxation, depreciation and amortisation adjusted for foreign exchange movements and other exceptional items:

	Year ended 7 January 2021 £'000	**Year ended 7 January 2020 £'000**
Operating loss	**(934)**	(384)
Depreciation	**558**	527
Amortisation	**5,618**	5,362
Exceptional items:		
Foreign exchange movement on forward contracts	**128**	(479)
Foreign exchange movement on external loans	**631**	(880)
Other exceptional items	**631**	122
Adjusted EBITDA	**6,632**	4,267

Business review

Revenue from all product types and all sales regions saw growth in the year. Both of our Containment and Aseptic valve solutions saw healthy growth in revenue from the prior year and our Single Use solutions saw even higher growth, giving customers an alternative to cleaning and re-using traditional containment products. Our aftercare department ensures that customers ongoing needs are looked after with supply of spares and consumables which along with new product sales and our customers previously installed valve base, contributed to significant growth in aftercare revenue.

Following capital expenditure in the Clean Room in 2019, resulting in the launch of Single Use products in the prior year, the Group achieved pleasing levels of sales of our HiPure™ ChargeBag® disposable passive products in the year, contributing to the significant growth in revenue. Both products were designed and validated to meet the stringent requirements of sterile and high potent powder processing, whilst offering a disposable alternative which is suited to some applications. This unrivalled hybrid solution offers our customer a cost effective, high performance solution and has the potential to drive recurring sales for the Group.

Business review (continued)

Our customer base continues to grow rapidly and we continue to supply new customers and sectors as well as the pharmaceutical and biopharmaceutical sectors. We continue to work with our customers in the healthcare sector to provide tailored technical solutions to assist them in their advancement of drug and vaccine manufacturing techniques and the challenges of contained and sterile product transfer.

The directors continue to assess the global pandemic, customer demands and supply chain and governmental guidelines to ensure the business operates at the highest standards. The directors remain confident that actions taken in 2020 and to date will ensure that the Group can continue to meet the needs of customers and remain a critical supplier to the healthcare sector and invest in new products and opportunities to support our customers.

The year saw continued investment in Research and Development including developing products to improve the sterility assurance level through a mixture of techniques as well as reduce time and handling issues, with such investment continuing into 2021.

We are extremely thankful to our customers, sales channel partners, suppliers and workforce for their continued dedication and support, in particular during the uncertain times of the COVID19 pandemic, and we look forward to continued collaboration and success in 2021.

Going concern and COVID 19

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons;

In response to the pandemic, the business continuity plans actioned by the Group have resulted in operations continuing and to date the Covid 19 pandemic has not negatively impacted the Group's trading activity or liquidity.

The directors considered the most recent forecast cash flows covering a period of 12 months from the date of approval of these financial statements. These forecast cash flows take into account the reasonable possible changes in trading and the Group's access to financial resources and impact of post statement of financial position events including new parent borrowing facilities which the group became party to, as explained in post statement of financial position event note 33. The post statement of financial position facilities include term loans which will mature in May 2027 and a revolving credit facility which is available until at least May 2025. These facilities provide security over the Group's funding for an extended period of time beyond the forecast period of 12 months.

After taking into account the current economic uncertainty regarding the COVID-19 pandemic and the mitigating factors mentioned above, the directors have concluded that the Group has sufficient resources and facilities to continue in operational existence for the foreseeable future and operate for a period of at least 12 months from the date of signing of these financial statements. The company therefore continues to prepare the financial statements on a going concern basis.

Events after the reporting period

On 26 February 2021 the business was sold to Arcline Investment Management. The entire share capital of the group was acquired by Sirius Bidco Limited, resulting in a change in ultimate controlling party to Sirius Topco LLC.

With the support of Arcline, the group will continue with the strategy of expanding the business, launching new products, accelerating Research & Development and investing in new equipment and manufacturing processes. This will further accelerate our product development pipeline, empowering us to deliver enhanced sterile & contained process solutions, as well as new innovations and technology platforms, to market faster than ever before. This new investment will offer considerable benefits, allowing the business to increase and deepen its local presence in key European, American and Asian markets. A broader global presence will enable us to offer our customers increased localised support, tailored to the unique needs of their business to help them navigate challenges in their local markets. Partnering with Arcline is an incredible opportunity for us to further strengthen our commitment to delivering high-quality world class process solutions for our customers.

Principal risks and uncertainties

The Group uses financial instruments, these include cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations. The existence of these financial instruments exposes the Company to a number of financial risks, which are described in more detail below.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash safely and profitably.

Interest rate risk

The Group finances its operations through retained profits and borrowings.

Credit risk

The Group's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited.

The principal credit risk arises therefore from its trade debtors. In order to manage credit risk, credit limits are set and reviewed on a regular basis in conjunction with credit reports, debt ageing and collection history.

Currency risk

The Group has overseas transactions. As a result, the Group reviews its currency exposure on a continual basis and will enter into hedges if considered necessary.

COVID-19

The impact of COVID-19 is still be fully realised, but the Group has mitigated the effect by ringfencing the manufacturing site which continues to operate and office-based employees are working from home. The business is seeing increased demand for its products with the increase in demand for health and pharmaceutical services. The business has reduced the number of employees working in the manufacturing site at any one time to continue to meet evolving guidance put in place by UK government, which could limit the ability to continue to meet an increased demand for our products. However, there will remain a level of uncertainty going forwards as we have no experience of a similar crisis, so there is no way of predicting the extent that the effect of Coronavirus will have on sales, the ability to maintain manufacturing to match demand and the wider business moving forward. It is not yet clear, how long the pandemic will last and what the medium to long term effect of this pandemic will be on consumer behaviour. This situation is changing on a daily basis and the directors are working to respond quickly to any ultimate impact that this may have on the business.

This report was approved by the board on 29 June 2021 and signed on its behalf.

C J P Eccles
Director

Directors' Report
For the Year Ended 7 January 2021

The directors present their report together with the audited financial statements for the year ended 7 January 2021.

Principal activity

The group's principal activity is the manufacture and distribution of containment systems. The company's principal activity is that of a holding company.

Results and dividends

The loss for the year, after taxation, amounted to £5,489,553 (2020 - loss £5,391,253).

Dividends paid during the year amount to £Nil (2020 - £Nil).

Directors

The directors who served during the year were:

C J P Eccles
A P O'Sullivan
A M White (resigned 21 February 2020)
R J Yarwood (resigned 21 February 2020)
J P Clarke (resigned 26 February 2021)
K Coulton (appointed 21 February 2020, resigned 26 February 2021)
M J Vitty (resigned 26 February 2021)
E J Stoddart (appointed 7 September 2020)

Future developments

For future developments see details contained in the business review in the strategic report.

Qualifying third party indemnity provisions

Qualifying third party indemnity provisions were in place for all directors during the current year and prior year.

Matters covered in the strategic report

Disclosures required under S416(4) of the Companies Act 2006 are commented upon in the strategic report in accordance with S414C(11) as the directors consider them to be of strategic importance to the company.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

Auditor

The auditor, BDO LLP, was reappointed during the period and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29 June 2021 and signed on its behalf.

C J P Eccles
Director

Directors' Responsibilities Statement
For the Year Ended 7 January 2021

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Aghoco 1472 Limited

Independent Auditor's Report to the Members of Aghoco 1472 Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 7 January 2021 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Aghoco 1472 Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 7 January 2021 which comprise consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We remain independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or

- the Parent Company financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of Directors' remuneration specified by law are not made; or

- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding and accumulated knowledge of the Group and the Parent Company and the sector in which it operates we considered the risk of acts by the Group and the Parent Company which were contrary to applicable laws and regulations, including fraud and whether such actions or non-compliance might have a material effect on the financial statements. These included but were not limited to those that relate to the form and content of the financial statements, such as the Group accounting policies, United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice) and the UK Companies Act 2006; those that relate to the payment of employees; and industry related such as compliance with health and safety legislation. All team members were briefed to ensure they were aware of any relevant regulations in relation to their work.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates as well as inappropriate revenue cut-off. Our audit procedures included, but were not limited to:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the impairment model utilised to assess goodwill impairment;
- Identifying and testing journal entries, in particular review of journal entries posted over the weekend, journals posted with rounded amounts, journals posted to the least used accounts, manual journals to revenue, high value journals recorded to the revenue ledger and journals including specific keywords;
- Testing a sample of revenue recognised either side of the period end to ensure revenue has been recognised in the correct period;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud; and
- Review of minutes of Board meetings throughout the period.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Auditor's responsibilities for the audit of the financial statements (continued)

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Gary Harding

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Gary Harding (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom

29 June 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Aghoco 1472 Limited

Consolidated Statement of Comprehensive Income
For the Year Ended 7 January 2021

	Note	Year ended 7 January 2021 £	Year ended 7 January 2020 £
Turnover	4	**15,949,325**	13,231,791
Cost of sales		**(4,704,911)**	(4,059,632)
Gross profit		**11,244,414**	9,172,159
Administrative expenses		**(10,921,466)**	(10,793,984)
Exceptional administrative expenses	5	**(630,979)**	(122,347)
Foreign exchange movement on forward contracts		**(127,604)**	479,587
Foreign exchange movement on external loans		**(631,344)**	880,139
Total administrative expenses		**(12,311,393)**	(9,556,605)
Other operating income	6	**133,366**	-
Operating loss	7	**(933,613)**	(384,446)
Interest payable and similar charges	11	**(4,844,908)**	(4,714,113)
Loss before taxation		**(5,778,521)**	(5,098,559)
Tax on loss	12	**288,968**	(292,694)
Loss for the financial year		**(5,489,553)**	(5,391,253)
Currency translation differences		**9,664**	(23,520)
Other comprehensive income for the year		**9,664**	(23,520)
Total comprehensive income for the year		**(5,479,889)**	(5,414,773)
Loss for the year attributable to:			
Owners of the parent company		**(5,489,553)**	(5,391,253)
		(5,489,553)	(5,391,253)

The notes on pages 19 to 42 form part of these financial statements.

Aghoco 1472 Limited
Registered number: 10489530

Consolidated Statement of Financial Position
As at 7 January 2021

	Note	7 January 2021 £	7 January 2021 £	7 January 2020 £	7 January 2020 £
Fixed assets					
Intangible assets	13		**30,129,464**		33,989,269
Tangible assets	14		**1,560,071**		1,583,538
			31,689,535		35,572,807
Current assets					
Stocks	16	**1,460,250**		1,183,554	
Debtors: amounts falling due within one year	17	**4,146,252**		2,832,923	
Cash at bank and in hand		**4,637,944**		2,848,504	
		10,244,446		6,864,981	
Creditors: amounts falling due within one year	18	**(4,412,127)**		(2,868,212)	
Net current assets			**5,832,319**		3,996,769
Total assets less current liabilities			**37,521,854**		39,569,576
Creditors: amounts falling due after more than one year	19		**(59,223,988)**		(55,499,127)
Deferred taxation	23		**-**		(292,694)
Net liabilities			**(21,702,134)**		(16,222,245)
Capital and reserves					
Called up share capital	24		**1,266**		1,266
Share premium account	25		**527,820**		527,820
Foreign exchange reserve	25		**(29,697)**		(39,361)
Profit and loss account	25		**(22,201,523)**		(16,711,970)
Total equity			**(21,702,134)**		(16,222,245)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 June 2021.

C J P Eccles
Director

E J Stoddart
Director

The notes on pages 19 to 42 form part of these financial statements.

Aghoco 1472 Limited
Registered number: 10489530

Company Statement of Financial Position
As at 7 January 2021

	Note	7 January 2021 £	7 January 2021 £	7 January 2020 £	7 January 2020 £
Fixed assets					
Investments	15		**49,305,724**		48,333,609
Current assets					
Debtors: amounts falling due within one year	17	**863,036**		67,347	
Cash at bank and in hand		**118,712**		11,838	
		981,748		79,185	
Creditors: amounts falling due within one year	18	**(7,704,586)**		(4,543,560)	
Net current liabilities			**(6,722,838)**		(4,464,375)
Total assets less current liabilities			**42,582,886**		43,869,234
Creditors: amounts falling due after more than one year	19		**(59,217,711)**		(55,393,013)
Net liabilities			**(16,634,825)**		(11,523,779)
Capital and reserves					
Called up share capital	24		**1,266**		1,266
Share premium account	25		**527,820**		527,820
Profit and loss account	25		**(17,163,911)**		(12,052,865)
Total equity			**(16,634,825)**		(11,523,779)

The company has take advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss after tax of the parent company for the year was £5,111,046 (2020 - £3,755,603).

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 June 2021.

C J P Eccles
Director

E J Stoddart
Director

The notes on pages 19 to 42 form part of these financial statements.

Consolidated Statement of Changes in Equity
For the Year Ended 7 January 2021

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total deficit
	£	£	£	£	£
At 8 January 2020	1,266	527,820	(39,361)	(16,711,970)	(16,222,245)
Comprehensive loss for the year					
Loss for the year	-	-	-	(5,489,553)	(5,489,553)
Currency translation differences	-	-	9,664	-	9,664
Total comprehensive loss for the year	-	-	9,664	(5,489,553)	(5,479,889)
At 7 January 2021	1,266	527,820	(29,697)	(22,201,523)	(21,702,134)

The notes on pages 19 to 42 form part of these financial statements.

Consolidated Statement of Changes in Equity
For the Year Ended 7 January 2020

	Called up share capital	Share premium account	Foreign exchange reserve	Profit and loss account	Total deficit
	£	£	£	£	£
At 8 January 2019 (as previously stated)	1,251	527,820	(15,841)	(11,489,546)	(10,976,316)
Prior year adjustment	-	-	-	168,829	168,829
At 8 January 2019 (as restated)	1,251	527,820	(15,841)	(11,320,717)	(10,807,487)
Comprehensive loss for the year					
Loss for the year	-	-	-	(5,391,253)	(5,391,253)
Currency translation differences	-	-	(23,520)	-	(23,520)
Total comprehensive loss for the year	-	-	(23,520)	(5,391,253)	(5,414,773)
Shares issued during the year	15	-	-	-	15
At 7 January 2020	1,266	527,820	(39,361)	(16,711,970)	(16,222,245)

The notes on pages 19 to 42 form part of these financial statements.

Aghoco 1472 Limited

Company Statement of Changes in Equity
For the Year Ended 7 January 2021

	Called up share capital	Share premium account	Profit and loss account	Total deficit
	£	£	£	£
At 8 January 2020	1,266	527,820	(12,052,865)	(11,523,779)
Comprehensive loss for the year				
Loss for the year	-	-	(5,111,046)	(5,111,046)
Total comprehensive loss for the year	-	-	(5,111,046)	(5,111,046)
At 7 January 2021	1,266	527,820	(17,163,911)	(16,634,825)

Company Statement of Changes in Equity
For the Year Ended 7 January 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 8 January 2019 (as previously stated)	1,251	527,820	(8,466,091)	(7,937,020)
Prior year adjustment	-	-	168,829	168,829
At 8 January 2019 (as restated)	1,251	527,820	(8,297,262)	(7,768,191)
Comprehensive loss for the year				
Loss for the year	-	-	(3,755,603)	(3,755,603)
Total comprehensive loss for the year	-	-	(3,755,603)	(3,755,603)
Contributions by and distributions to owners				
Shares issued during the year	15	-	-	15
At 7 January 2020	1,266	527,820	(12,052,865)	(11,523,779)

The notes on pages 19 to 42 form part of these financial statements.

Aghoco 1472 Limited

Consolidated Statement of Cash Flows
For the Year Ended 7 January 2021

	Year ended 7 January 2021 £	Year ended 7 January 2020 £
Cash flows from operating activities		
Loss for the financial year	**(5,489,553)**	(5,391,253)
Adjustments for:		
Amortisation of intangible assets	**5,617,538**	5,361,944
Depreciation of tangible assets	**558,131**	527,147
Corporation tax received	**-**	304,591
R&D tax credit	**(30,014)**	-
Interest payable	**4,844,908**	4,714,113
Taxation (credit)/charge	**(288,968)**	292,694
(Increase) in stocks	**(276,696)**	(20,212)
(Increase) in debtors	**(1,362,038)**	(612,199)
Increase/(decrease) in creditors	**1,500,688**	(739,376)
Unrealised foreign exchange losses/(gains)	**684,961**	(903,659)
Net cash generated from operating activities	**5,758,957**	3,533,790
Cash flows from investing activities		
Purchase of intangible fixed assets	**(785,618)**	(951,388)
Purchase of tangible fixed assets	**(536,661)**	(471,167)
Purchase of subsidiary undertaking	**(972,115)**	-
Net cash from investing activities	**(2,294,394)**	(1,422,555)
Cash flows from financing activities		
Issue of ordinary shares	**-**	15
Repayment of HP capital & interest	**(86,074)**	(135,943)
Interest paid	**(1,558,753)**	(1,613,069)
Repayment of loan notes	**(57,268)**	-
Net cash used in financing activities	**(1,702,095)**	(1,748,997)
Net increase in cash and cash equivalents	**1,762,468**	362,238
Cash and cash equivalents at beginning of year	**2,848,504**	2,486,266
Effect of exchange rates on cash and cash equivalents	**26,972**	-
Cash and cash equivalents at the end of year	**4,637,944**	2,848,504

Aghoco 1472 Limited

Consolidated Statement of Cash Flows (continued)
For the Year Ended 7 January 2021

	2021 £	2020 £
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**4,637,944**	2,848,504
	4,637,944	2,848,504

1. General information

Aghoco 1472 Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the company information page and the nature of the company's operations and its principal activity are set out in the directors' report.

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 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available to qualifying entities:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No cash flow statement or net debt reconciliation has been presented for the parent company;
- Disclosures in respect of the parent company's income, expense, net gains and net losses on financial instruments measured at amortised cost have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

2. Accounting policies (continued)

2.4 Going concern

The Group's business activities, together with the factors likely to affect future development, performance and position including Covid-19 are set out in the Strategic and Directors report.

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons:

In response to the pandemic, the business continuity plans actioned by the Group have resulted in operations continuing and to date the Covid 19 pandemic has not negatively impacted the Group's trading activity or liquidity.

The directors considered the most recent forecast cash flows covering a period of 12 months from the date of approval of these financial statements. These forecast cash flows take into account the reasonable possible changes in trading and the Group's access to financial resources and impact of post statement of financial position events including new parent borrowing facilities which the group became party to, as explained in post statement of financial position event note 33. The post statement of financial position facilities include term loans which will mature in May 2027 and a revolving credit facility which is available until at least May 2025. These facilities provide security over the Group's funding for an extended period of time beyond the forecast period of 12 months.

After taking into account the current economic uncertainty regarding the COVID-19 pandemic and the mitigating factors mentioned above, the directors have concluded that the Group has sufficient resources and facilities to continue in operational existence for the foreseeable future and operate for a period of at least 12 months from the date of signing of these financial statements. The company therefore continues to prepare the financial statements on a going concern basis.

2.5 Foreign currency translation

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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'other operating income'.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2. Accounting policies (continued)

2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.7 Operating leases: the group as lessee

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight line basis over the lease term.

2.8 Leased assets: the group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the consolidated statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.9 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 life of 3 years.

2. Accounting policies (continued)

2.10 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the consolidated statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the consolidated statement of comprehensive income in the same period as the related expenditure.

Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised in other income in the period in which it becomes receivable and the related expense is incurred.

2.11 Finance costs

Finance costs are charged to the consolidated statement of comprehensive income 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.

2.12 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the consolidated statement of financial position. The assets of the plan are held separately from the group in independently administered funds.

2.13 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2. **Accounting policies (continued)**

2.15 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Patents	-	10 years
Development expenditure	-	3 years
Goodwill	-	10 years

2.16 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	- 3 to 5 years
Fixtures and fittings	- 3 to 10 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 the consolidated statement of comprehensive income.

2. Accounting policies (continued)

2.17 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. Work in progress and finished goods include labour and attributable overheads.

At each reporting 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 the consolidated statement of comprehensive income.

2.18 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.19 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.

2.20 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the consolidated statement of comprehensive income in the year that the group becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the consolidated statement of financial position.

2. Accounting policies (continued)

2.22 Financial instruments

The Group enters into both basic and non-basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

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 that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the consolidated statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position 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.

The only non-basic financial instruments are derivatives and are recognised at fair value using a valuation technique with any gains or losses being reported in the consolidated statement of comprehensive income.

2. Accounting policies (continued)

2.23 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income 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 and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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

Preparation of the financial statements in conformity with generally accepted accounting principles requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the directors believe that the critical accounting policies where judgements or estimates are necessarily applied are summarised below:

Judgements

Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

3. Judgements in applying accounting policies (continued)

Estimates

- The useful expected lives of property, plant and equipment and intangibles and their residual values are determined by management at the time the asset is acquired. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life. Both are reviewed annually for appropriateness.

- FRS 102 (19) requires intangibles to be amortised over their estimated useful economic life. If a reliable estimate is unable to be made, the life shall not exceed 10 years. The directors have not been able to make a reliable estimate for both goodwill and patents and thus a useful economic life of 10 years has been applied.

- The directors have used significant judgement in preparing forecasts including potential downside scenarios as result of the impact of COVID-19 on the business and the wider economy for the period of 12 months following signing of the financial statements. These forecasts have been used by the directors in making their assessment of going concern.

4. Turnover

The whole of the turnover is attributable to the principal activity of the group.

Analysis of turnover by country of destination:

	Year ended 7 January 2021 £	Year ended 7 January 2020 £
United Kingdom	**1,232,416**	1,126,584
Rest of Europe	**6,464,741**	8,211,116
Rest of the World	**8,252,168**	3,894,091
	15,949,325	13,231,791

5. Exceptional items

	Year ended 7 January 2021 £	Year ended 7 January 2020 £
Other exceptional items	**630,979**	122,347

Other exceptional items is made up of restructuring costs, foreign exchange losses and COVID-19 costs incurred.

In the prior period, other exceptional items relate to restructuring costs.

6. Other operating income

	Year ended 7 January 2021 £	Year ended 7 January 2020 £
Coronavirus Job Retention Scheme grant	**103,352**	-
R&D income	**30,014**	-
	133,366	-

7. Operating loss

The operating loss is stated after charging/(crediting):

	Year ended 7 January 2021 £	Year ended 7 January 2020 £
Depreciation of tangible fixed assets	**558,131**	527,147
Amortisation of intangible fixed assets	**5,617,538**	5,361,944
Exchange differences	**880,571**	(1,359,726)
Operating lease rentals	**153,970**	146,896
Research and development charged as an expense	**16,595**	8,732

8. Auditor's remuneration

	Year ended 7 January 2021 £	Year ended 7 January 2020 £
Fees payable to the group's auditor and its associates for the audit of the group's annual financial statements	**35,650**	30,000

Fees payable to the group's auditor and its associates in respect of:

	Year ended 7 January 2021 £	Year ended 7 January 2020 £
Tax compliance services	**8,789**	8,300
Tax advisory services	**14,822**	5,000
All other non-audit services	**9,663**	12,000
	33,274	25,300

9. Employees

Staff costs, including directors' remuneration, were as follows:

	Group Year ended 7 January 2021 £	Group Year ended 7 January 2020 £	Company Year ended 7 January 2021 £	Company Year ended 7 January 2020 £
Wages and salaries	**3,278,700**	2,910,871	**47,944**	43,746
Social security costs	**364,899**	384,553	**2,054**	4,747
Cost of defined contribution scheme	**123,542**	126,873	**-**	-
	3,767,141	3,422,297	**49,998**	48,493

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

	Year ended 7 January 2021 No.	Year ended 7 January 2020 No.
Staff numbers	**89**	88

The company has no employees other than the directors.

10. Directors' remuneration

	Year ended 7 January 2021 £	Year ended 7 January 2020 £
Directors' emoluments	**475,006**	427,155
Company contributions to defined contribution pension schemes	**16,831**	19,500
	491,837	446,655

During the year retirement benefits were accruing to 4 directors (2020 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £136,670 (2020 - £130,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £9,100 (2020 - £9,100).

11. Interest payable and similar charges

	Year ended 7 January 2021 £	Year ended 7 January 2020 £
Bank interest payable	**1,494,863**	1,589,152
Loan note interest payable	**3,077,071**	2,833,760
Finance leases and hire purchase contracts	**7,202**	23,917
Other interest payable	**265,772**	267,284
	4,844,908	4,714,113

12. Taxation

	Year ended 7 January 2021 £	Year ended 7 January 2020 £
Current tax on loss for the year - United Kingdom	**-**	-
Current tax - Overseas	**3,726**	-
Total current tax	**3,726**	-
Deferred tax		
Origination and reversal of timing differences	**(292,694)**	292,694
Total deferred tax	**(292,694)**	292,694
Taxation (credit) / charge on loss	**(288,968)**	292,694

12. Taxation (continued)

Factors affecting tax (credit) / charge for the year

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	Year ended 7 January 2021 £	Year ended 7 January 2020 £
Loss before tax	**(5,778,521)**	(5,098,559)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	**(1,097,919)**	(968,726)
Effects of:		
Expenses not deductible for tax purposes	**1,279,692**	1,357,075
Fixed asset differences	**3,454**	3,209
Income not taxable for tax purposes	**(6,227)**	-
Other timing differences	**(12)**	791
Adjustments in research and development tax credit	**(142,597)**	(247,000)
Adjustments in respect of prior periods (deferred tax)	**1,615**	-
Adjustment of opening and closing deferred tax to average rate of 19%	**(79,162)**	(15,300)
Deferred tax (recognised)/not recognised	**(251,538)**	162,645
Foreign tax charge	**3,726**	-
Taxation (credit) / charge on loss	**(288,968)**	292,694

Factors that may affect future tax charges

An increase in the future main corporation tax rate to 25% from 1 April 2023, from the previously enacted 19%, was announced at the budget on 3 March 2021, and substantively enacted on 24 May 2021. The deferred tax balance at 7 January 2021 has been calculated based on the rate as at the reporting date.

13. Intangible assets

Group

	Patents £	Development expenditure £	Goodwill £	Total £
Cost				
At 8 January 2020	1,059,468	3,025,947	46,068,505	50,153,920
Additions	166,298	619,320	972,115	1,757,733
At 7 January 2021	1,225,766	3,645,267	47,040,620	51,911,653
Amortisation				
At 8 January 2020	520,407	1,735,345	13,908,899	16,164,651
Charge for the year	164,289	820,128	4,633,121	5,617,538
At 7 January 2021	684,696	2,555,473	18,542,020	21,782,189
Net book value				
At 7 January 2021	541,070	1,089,794	28,498,600	30,129,464
At 7 January 2020	539,061	1,290,602	32,159,606	33,989,269

14. Tangible fixed assets

Group

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 8 January 2020	**2,724,752**	**1,289,815**	**546,534**	**4,561,101**
Additions	**442,318**	**62,681**	**31,662**	**536,661**
Exchange adjustments	**1,567**	**1,037**	**350**	**2,954**
At 7 January 2021	**3,168,637**	**1,353,533**	**578,546**	**5,100,716**
Depreciation				
At 8 January 2020	**1,893,518**	**653,743**	**430,302**	**2,977,563**
Charge for the year	**356,348**	**139,156**	**62,627**	**558,131**
Exchange adjustments	**1,367**	**2,934**	**650**	**4,951**
At 7 January 2021	**2,251,233**	**795,833**	**493,579**	**3,540,645**
Net book value				
At 7 January 2021	**917,404**	**557,700**	**84,967**	**1,560,071**
At 7 January 2020	831,234	636,072	116,232	1,583,538

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	7 January 2021 £	7 January 2020 £
Plant and machinery	**72,380**	102,329
Fixtures and fittings	**68,273**	89,434
	140,653	191,763

15. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost and net book value	
At 8 January 2020	**48,333,609**
Additions	**972,115**
At 7 January 2021	**49,305,724**

During the year £972,115 additional consideration was paid in relation to the acquisition of ChargePoint Technology Holdings Limited on 6 January 2017.

Direct subsidiary undertaking

The following was a direct subsidiary undertaking of the company:

Name	Registered office	Holding
ChargePoint Technology Holdings Limited	58 Evans Road, Liverpool, England, L24 9PB	100%

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the company:

Name	Registered office	Holding
ChargePoint Technology Limited	58 Evans Road, Liverpool, England, L24 9PB	100%
ChargePoint Automation Limited	58 Evans Road, Liverpool, England, L24 9PB	100%
ChargePoint Technology Inc.	120 North Main Street, Suite 11, Forked River, NJ 08371, United States	100%
ChargePoint Technology Europe Limited	20, Triq IL-Kurat Bezzina, Mosta, Malta	100%

16. Stocks

	Group 7 January 2021 £	Group 7 January 2020 £
Raw materials and consumables	**1,091,177**	266,788
Work in progress (goods to be sold)	**298,187**	553,522
Finished goods and goods for resale	**70,886**	363,244
	1,460,250	1,183,554

The difference between purchase price or production cost of stocks and their replacement cost is not material.

An impairment gain of £42,452 (2020 - £188,186 loss) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

17. Debtors: amounts falling due within one year

	Group 7 January 2021 £	Group 7 January 2020 £	Company 7 January 2021 £	Company 7 January 2020 £
Trade debtors	**3,061,851**	2,241,040	**-**	-
Other debtors	**219,788**	24,026	**4,001**	-
Called up share capital not paid	**-**	50,000	**-**	50,000
Prepayments and accrued income	**740,746**	266,386	**536,573**	17,347
Deferred taxation	**-**	-	**322,462**	-
Derivative financial assets	**123,867**	251,471	**-**	-
	4,146,252	2,832,923	**863,036**	67,347

The impairment loss recognised in the group profit or loss for the year in respect of bad and doubtful trade debtors was £71,351 (2020 - £54,201).

18. Creditors: amounts falling due within one year

	Group 7 January 2021 £	Group 7 January 2020 £	Company 7 January 2021 £	Company 7 January 2020 £
Trade creditors	**1,426,644**	613,167	**334,924**	8,610
Amounts owed to group undertakings	**-**	-	**6,729,314**	4,157,535
Other taxation and social security	**135,361**	113,475	**1,348**	3,141
Obligations under finance lease and hire purchase contracts	**78,822**	84,618	**-**	-
Other creditors	**1,562**	49,672	**-**	-
Accruals and deferred income	**2,769,738**	2,007,280	**639,000**	374,274
	4,412,127	2,868,212	**7,704,586**	4,543,560

All amounts owed to group undertakings are interest free, carry no security and are repayable on demand.

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

	Group 7 January 2021 £	Group 7 January 2020 £	Company 7 January 2021 £	Company 7 January 2020 £
Bank loans	**18,536,587**	17,689,735	**18,536,587**	17,689,735
Loan notes	**40,221,293**	37,210,671	**40,221,293**	37,210,671
Net obligations under finance leases and hire purchase contracts	**6,277**	79,353	**-**	-
Other creditors	**459,831**	519,368	**459,831**	492,607
	59,223,988	55,499,127	**59,217,711**	55,393,013

20. Loans

The maturity of sources of debt finance are as follows:

	Group 7 January 2021 £	Group 7 January 2020 £	Company 7 January 2021 £	Company 7 January 2020 £
Amounts falling due 2-5 years				
Bank loans	**18,536,587**	17,689,735	**18,536,587**	17,689,735
Loan notes	**40,221,293**	37,210,671	**40,221,293**	37,210,671
	58,757,880	54,900,406	**58,757,880**	54,900,406

The bank loans were repayable on 6 January 2024 but were repaid on 26 February 2021.

The loan notes were repayable on 30 June 2024. Compound interest was accruing on the loan notes at a rate of 8% per annum. The loan notes were repaid on 26 February 2021.

Loan notes include £10,849,362 (2020 - £7,838,739) of accrued interest.

£10,280,002 (2020 - £10,280,002) of the loan notes were secured by a fixed and floating charge over the assets of the business.

On 12 June 2017, £18,888,356 loan notes issued to LDC were listed on The International Stock Exchange.They were deregistered in March 2021.

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 7 January 2021 £	Group 7 January 2020 £
Within one year	**78,822**	84,618
Between 2-5 years	**6,277**	79,353
	85,099	163,971

Assets held under hire purchase are secured on the assets to which they relate.

22. Financial instruments

	Group 7 January 2021 £	Group 7 January 2020 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**7,919,583**	5,113,570
Other financial assets measured at fair value through profit or loss	**123,867**	251,471
	8,043,450	5,365,041
Financial liabilities		
Financial liabilities measured at amortised cost	**(63,500,754)**	(58,142,718)

Financial assets that are debt instruments measured at amortised cost comprise cash, trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, HP creditors, loans, loan notes and accruals.

Financial liabilities and financial assets measured at fair value comprise forward currency contracts.

23. Deferred taxation

Group

	7 January 2021 £
At beginning of year	**(292,694)**
Credited to profit or loss	**292,694**
At end of year	**-**

23. Deferred taxation (continued)

Company

	7 January 2021 £
At beginning of year	-
Credited to profit or loss	322,462
At end of year	**322,462**

The deferred taxation (liability) / asset balance is made up as follows:

	Group 7 January 2021 £	Group 7 January 2020 £	Company 7 January 2021 £	Company 7 January 2020 £
Origination and reversal of timing differences	-	(328,933)	322,461	-
Adjustments in respect of prior periods	-	1,615	-	-
Effect of tax rate change on opening balance	-	34,624	1	-
	-	(292,694)	322,462	-

24. Share capital

	7 January 2021 £	7 January 2020 £
Allotted, called up and fully paid		
48,572 (2020 - 48,572) A Ordinary shares of £0.010 each	486	486
14,557 (2020 - 14,557) B1 Ordinary shares of £0.020 each	291	291
2,971 (2020 - 2,971) B2 Ordinary shares of £0.020 each	59	59
10,100 (2020 - 10,100) C Ordinary shares of £0.010 each	101	101
16,300 (2020 - 16,300) D Ordinary shares of £0.010 each	163	163
5,000 (2020 - 5,000) E Ordinary shares of £0.013 each (2019 - £0.100 each)	65	65
840 (2020 - 840) F Ordinary shares of £0.100 each	84	84
1,660 (2020 - 1,660) G Ordinary shares of £0.010 each	17	17
	1,266	1,266

The Ordinary A, C, D, E and G shares are entitled to exercise such percentage of votes as is equal to the percentage that the number of equity shares held to the total number of shares, excluding B and F shares. The ordinary B1, B2 and F shares are entitled to exercise 5% of votes of all shares in issue.

25. Reserves

The group's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Foreign exchange reserve

Translation reserve includes amounts arising on the conversion of a foreign entity's functional currency financial statements to the reporting entity's financial statements.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

26. Analysis of net debt

	At 8 January 2020 £	Cash flows £	Other non-cash changes £	At 7 January 2021 £
Cash at bank and in hand	2,848,504	1,762,468	26,972	4,637,944
Debt due after 1 year	(54,900,406)	57,267	(3,914,741)	(58,757,880)
Finance leases	(163,971)	86,074	(7,202)	(85,099)
	(52,215,873)	1,905,809	(3,894,971)	(54,205,035)

27. Contingent liabilities

This company was party to a debenture and guarantee in favour of Handelsbanken and Crescent Capital in respect of borrowings which are secured by the bank standard debenture over the assets of the group. The total maximum exposure at year end was £19,183,117 (2020 - £18,551,774). The debenture and guarantee was released post year end.

28. Capital commitments

At 7 January 2021 the group and company had capital commitments as follows:

	Group 7 January 2021 £	Group 7 January 2020 £
Plant and machinery	**290,500**	-

29. Pension commitments

The group operates a defined contributions pension scheme and makes payments to personal pension plans for certain employees. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £123,542 (2020 - £126,873). Contributions totalling £19,773 (2020 - £8,648) were payable to the fund at the reporting date.

30. Commitments under operating leases

At 7 January 2021 the group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 7 January 2021 £	Group 7 January 2020 £
Not later than 1 year	**167,326**	136,503
Later than 1 year and not later than 5 years	**574,483**	484,270
Later than 5 years	**623,757**	660,000
	1,365,566	1,280,773

31. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102, whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertakings of the group.

During the period, management fees totalling £100,000 (2020 - £100,000) were paid to LDC VI LP in respect of services provided to the group.

Loan notes of £18,888,356 (2020 - £18,888,356) and accrued interest of £7,013,780 (2020 - £5,040,897) were outstanding to LDC VI LP at year end which were set to mature on 30 June 2024. Interest was accrued during the year of £1,972,883 (2020 - £1,822,320) on these loan notes at 8% per annum.

In addition, loan notes of £10,261,539 (2020 - £10,261,539) and accrued interest of £3,753,132 (2020 - £2,738,585) were outstanding to key management personnel at year end which were set to mature on 30 June 2024. Interest of £1,071,815 (2020 - £990,018) was accrued during the year on these loan notes at 8% per annum.

The loan notes and interest accrued were repaid on 26 February 2021.

At the period end, £Nil (2020 - £50,000) was included in other debtors relating to amounts due from a statutory director in relation to unpaid share premium.

Key management personnel include all directors and a number of senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total key management compensation, for services provided to the group, was £832,836 (2020 - £750,650).

32. Controlling party

The company did not have an ultimate controlling related party during the year. On 26 February 2021, the ultimate parent company became Sirius Topco LLC, a limited liability company registered in the United States.

33. Events after the reporting period

On 26 February 2021 the business was sold to Arcline Investment Management. The entire share capital of the group was acquired by Sirius Bidco Limited, resulting in a change in ultimate controlling party to Sirius Topco LLC.

In March 2021 the group became party to security in favour of Crescent Capital in respect of term loans of the new parent company Sirius Bidco Limited. The total maximum exposure of these facilities being 29,132,500 Euros and 21,202,500 US Dollars.

In May 2021 the group became party to security in favour of Barclays Bank plc in respect of an RCF facility available to the new parent company Sirius Bidco Limited. The total maximum exposure is £500,000.