

**Report of the Director and
Annual Report and Unaudited Financial Statements
for the Year Ended 31 December 2022
for**

ARX Alliance Limited

Wem & Co
Chartered Accountants
Savoy House
Savoy Circus
London
W3 7DA

ARX Alliance Limited

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ARX Alliance Limited

Company Information for the Year Ended 31 December 2022

Directors: A J Runciman
J D Stuart
A W Turville
B Delomenic
P S Richardson

Registered office: Savoy House
Savoy Circus
London
W3 7DA

Registered number: 11492489

Accountants: Wem & Co
Chartered Accountants
Savoy House
Savoy Circus
London
W3 7DA

ARX Alliance Limited

(Registration number: 11492489) Balance Sheet as at 31 December 2022

	Note	31.12.22	31.12.21
		£	£
FIXED ASSETS			
Intangible assets	<u>4</u>	1,348,278	897,220
Tangible assets	<u>5</u>	<u>11,237</u>	<u>7,236</u>
		1,359,515	904,456
CURRENT ASSETS			
Debtors	<u>6</u>	213,161	169,486
Cash at bank and in hand		<u>124,034</u>	<u>258,114</u>
		337,195	427,600
CREDITORS			
Creditors within 1yr	<u>7</u>	<u>217,049</u>	<u>504,603</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>120,146</u>	<u>(77,003)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,479,661	827,453
Creditors	<u>7</u>		
Amounts falling due after more than one year		328,358	-
PROVISIONS FOR LIABILITIES		<u>8,963</u>	<u>8,963</u>
NET ASSETS		<u>1,160,266</u>	<u>836,416</u>
CAPITAL AND RESERVES			
Called up share capital	<u>8</u>	2,543	2,159
Share premium reserve		1,595,335	946,156
Other component of equity		6,846	4,924
Profit and loss account		<u>(444,458)</u>	<u>(116,823)</u>
SHAREHOLDERS' FUNDS		<u>1,160,266</u>	<u>836,416</u>

For the financial year ending 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The notes on pages 4 to 8 form an integral part of these financial statements.

ARX Alliance Limited

(Registration number: 11492489)

Balance Sheet as at 31 December 2022 (continued)

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. As permitted by section 444 (5A) of the Companies Act 2006, the directors have not delivered to the registrar a copy of the Profit and Loss Account.

Approved and authorised by the Board on 21 September 2023 and signed on its behalf by:

.....

A J Runciman

Director

The notes on pages 4 to 8 form an integral part of these financial statements.

ARX Alliance Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022

1. General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Savoy House

Savoy Circus

London

W3 7DA

England

These financial statements were authorised for issue by the Board on 21 September 2023.

2. Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The presentational currency is Pound Sterling (£).

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

ARX Alliance Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

2 Accounting policies (continued)

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Hire purchase and leasing commitments

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

3. Staff numbers

The average number of persons employed by the company (including directors) during the year, was 7 (2021 - 8).

4. Intangible assets

	Computer software £
Cost or valuation	
At 1 January 2022	897,220
Additions internally developed	<u>451,058</u>
At 31 December 2022	<u>1,348,278</u>
Amortisation	
Carrying amount	
At 31 December 2022	<u><u>1,348,278</u></u>
At 31 December 2021	<u><u>897,220</u></u>

The company is developing software as a product to allow its customers to determine risk associated with their systems. The intangible asset is not amortised during the year as the software is not complete yet.

ARX Alliance Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

5. Tangible assets

	Office equipment £
Cost or valuation	
At 1 January 2022	10,854
Additions	<u>6,002</u>
At 31 December 2022	<u>16,856</u>
Depreciation	
At 1 January 2022	3,618
Charge for the year	<u>2,001</u>
At 31 December 2022	<u>5,619</u>
Carrying amount	
At 31 December 2022	<u><u>11,237</u></u>
At 31 December 2021	<u><u>7,236</u></u>

6. Debtors

	31.12.22 £	31.12.21 £
Other debtors	<u>213,161</u>	<u>169,486</u>
	<u><u>213,161</u></u>	<u><u>169,486</u></u>

Included in other debtors is the R&D tax credit receivable for £202,300.

ARX Alliance Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

7. Creditors

Creditors: amounts falling due within one year

	Note	31.12.22 £	31.12.21 £
Due within one year			
Loans and borrowings	10	-	312,997
Taxation and social security		7,049	9,106
Accruals and deferred income		10,000	7,500
Other creditors		200,000	175,000
		<u>217,049</u>	<u>504,603</u>

Creditors: amounts falling due after more than one year

	Note	31.12.22 £	31.12.21 £
Due after one year			
Loans and borrowings	10	<u>328,358</u>	<u>-</u>

8. Share capital

Allotted, called up and fully paid shares

	31.12.22		31.12.21	
	No.	£	No.	£
Ordinary of £0.01 each	144,537	1,445.37	127,242	1,272.42
A Ordinary Non Voting of £0.01 each	59,228	592.28	59,228	592.28
Series Seed of £0.01 each	50,596	505.96	29,500	295.00
	<u>254,361</u>	<u>2,544</u>	<u>215,970</u>	<u>2,160</u>

9. Related party transactions

Directors' remuneration

The directors' remuneration for the year was as follows:

	31.12.22 £	31.12.21 £
Remuneration	<u>99,000</u>	<u>10,328</u>

ARX Alliance Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 December 2022 (continued)

10. Loans and borrowings

	31.12.22 £	31.12.21 £
Non-current loans and borrowings		
10% Convertible loan note	<u>328,358</u>	<u>-</u>
	31.12.22 £	31.12.21 £
Current loans and borrowings		
Future Fund loan	<u>-</u>	<u>312,997</u>

During the year, the future fund loan was converted into 21,096 series seed shares.

During the year, the company issued a 10% convertible loan with a maturity date of 28/09/2024. The convertible loan note has been split with the equity component being recognised separately on the balance sheet.

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.