

AYRTON SAUNDERS (DEVELOPMENT) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Company Registration No. 12316004 (England and Wales)

AYRTON SAUNDERS (DEVELOPMENT) LIMITED

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AYRTON SAUNDERS (DEVELOPMENT) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	3		7,688,261		7,129,504
Current assets					
Debtors	4	4,355,421		3,247,981	
Cash at bank and in hand		836		835	
		<u>4,356,257</u>		<u>3,248,816</u>	
Creditors: amounts falling due within one year	5	<u>(11,461,225)</u>		<u>(9,668,908)</u>	
Net current liabilities			<u>(7,104,968)</u>		<u>(6,420,092)</u>
Total assets less current liabilities			583,293		709,412
Provisions for liabilities			<u>(1,553,693)</u>		<u>(1,950,663)</u>
Net liabilities			<u>(970,400)</u>		<u>(1,241,251)</u>
Capital and reserves					
Called up share capital	6		1		1
Profit and loss reserves			<u>(970,401)</u>		<u>(1,241,252)</u>
Total equity			<u>(970,400)</u>		<u>(1,241,251)</u>

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

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

The financial statements were approved by the board of directors and authorised for issue on 30 September 2022 and are signed on its behalf by:

Mr M Bromley
Director

Company Registration No. 12316004

AYRTON SAUNDERS (DEVELOPMENT) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 14 November 2019		-	-	-
Period ended 31 December 2020:				
Loss and total comprehensive income for the period		-	(1,241,252)	(1,241,252)
Issue of share capital	6	1	-	1
Balance at 31 December 2020		1	(1,241,252)	(1,241,251)
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	270,851	270,851
Balance at 31 December 2021		1	(970,401)	(970,400)

AYRTON SAUNDERS (DEVELOPMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Ayrton Saunders (Development) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Progress House, Commerce Way, Liverpool, L8 7BA.

1.1 Reporting period

The current financial period is for 12 months. The prior year period was for 14 months from date of incorporation to 31 December. As such, the periods are not entirely comparable.

1.2 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 £1.

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

1.3 Going concern

The company has net current liabilities of £7,104,968 (2020: £6,420,092) and net liabilities of £970,400 (2020: £1,241,251) and is dependent on the continued support of its fellow group companies in order to meet its financial obligations to third party creditors as and when they fall due.

The group prepares forecasts, which includes this company, which indicate that the company and the group will continue to generate cash, over the period considered by them in their assessment of the appropriateness of adopting the going concern basis in the preparation of these financial statements. The forecasts also demonstrate that existing group banking facilities will remain adequate and that all associated banking covenants will be satisfactorily met.

Management has also considered the ongoing impact of the operational challenges posed by COVID-19, including but not restricted to, an assessment of the robustness of their supply chain and broader logistics arrangements. Management has concluded that any continued operational pressures caused directly by the COVID-19 situation are unlikely to have a material impact on the company. Having made appropriate enquiries, the directors remain satisfied that support from fellow group companies will be forthcoming and having considered the ongoing impact of COVID-19, the directors consider it appropriate to prepare these financial statements on a going concern basis.

1.4 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.

Revenue from the rendering of services is recognised when the following conditions are met: the stage of completion of the transaction can be measured reliably; when 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 for the transaction and the costs to complete the transaction can be measured reliably.

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

AYRTON SAUNDERS (DEVELOPMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.6 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:

Development costs

Released over the life of the product

1.7 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.

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.

1.8 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.

1.9 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.

AYRTON SAUNDERS (DEVELOPMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

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.

1.10 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.

1.11 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.

AYRTON SAUNDERS (DEVELOPMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

1.12 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.

1.13 Retirement benefits

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

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Employees

No company payroll. Wages and salaries consists of reallocated costs for employees undertaking work directly for the business from other group companies.

	2021 Number	2020 Number
Total	-	-
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AYRTON SAUNDERS (DEVELOPMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

3 Intangible fixed assets

	Other £
Cost	
At 1 January 2021	7,129,504
Additions	526,180
Transfers	32,577
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At 31 December 2021	7,688,261
	<hr/>
Amortisation and impairment	
At 1 January 2021 and 31 December 2021	-
	<hr/>
Carrying amount	
At 31 December 2021	7,688,261
	<hr/> <hr/>
At 31 December 2020	7,129,504
	<hr/> <hr/>

Development costs have been capitalised in accordance with the requirements of FRS 102 and are therefore not treated, for dividend purposes, as a realised loss.

4 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	-	1
Corporation tax recoverable	338,322	473,647
Amounts owed by group undertakings	3,993,637	2,764,032
Other debtors	23,462	10,301
	<hr/>	<hr/>
	4,355,421	3,247,981
	<hr/> <hr/>	<hr/> <hr/>

Amounts owed by group undertakings are unsecured, interest free, and are repayable on demand.

5 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	20,258	-
Amounts owed to group undertakings	11,414,941	9,638,390
Other creditors	26,026	30,518
	<hr/>	<hr/>
	11,461,225	9,668,908
	<hr/> <hr/>	<hr/> <hr/>

Amounts owed to group undertakings are unsecured, interest free, and are payable on demand.

AYRTON SAUNDERS (DEVELOPMENT) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Called up share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary of £1 each	1	1	1	1
	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

7 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Senior Statutory Auditor:	Iain White BSc FCA
Statutory Auditor:	DSG

8 Related party transactions

There were no transactions during the year with related parties other than with group companies. The company is exempt from disclosing transactions with group companies that are wholly owned within the same group.

9 Ultimate parent company and controlling party

The company is a wholly owned subsidiary of OBG Scientific Division Limited which itself is a wholly owned subsidiary of the ultimate parent company, OBG Holding Limited. The ultimate parent company, which prepares consolidated financial statements, is registered in England and Wales at Ayrton House, 38 Commerce Way, Parliament Business Park, Liverpool, L8 7BA. The parent company also has the same registered office as the ultimate parent company.

The smallest and largest group into which the results of this entity are consolidated is that headed by OBG Holding Limited.

The ultimate controlling party is Mr G F O'Brien.

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.