Alvant

Alvant Limited
Annual Report and Accounts

For the year ended 30th April 2021

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Company Information

Directors, Officers and Advisors

Current Directors:	Simon Halliday TD MA(Oxon) ACA	- Non-Executive Chairman
	John Bonas	- Managing Director
	Gemma Christian BEng MSc CEng	- Technical Director
	Richard Thompson BEng MBA CEng	- Commercial Director
	Neil Collins BSc MSc	- Non-Executive Director
Company Secretary:	Neil Collins BSc MSc	
Registered Number:	02765553 (England and Wales)	
Registered Office & Trading Address:	3 Prisma Business Park 3 Berrington Way, Wade Road Basingstoke Hampshire RG24 8GT	
Website Address:	www.alvant.com	
E-Mail:	enquiries@alvant.com	
Telephone:	(01256) 477741	
Auditors:	Rouse Audit LLP, 55 Station Road, Beaconsfield Buckinghamshire HP9 1QL	
Bankers:	Lloyds Bank Plc, 130/132 Broadway Bexleyheath, Kent, DA6 7DP	
Solicitors:	Keystone Law, 48 Chancery Lane London, WC2A 1JF	
Corporate Finance Advisors:	LGB & Co. Limited 2nd Floor, Berkeley Square House London, W1J 6BD	
Patent Attorneys:	Maguire Boss 24 East Street, St Ives Cambridge PE27 5PD	

Directors' Report

for the year ended 30th April 2021

The directors present their report and the financial statements for the year ended 30th April 2021.

Principal activities

The principal activity of the Company is the creation and application of Aluminium Matrix Composite intellectual property into highly engineered products.

Results and dividends

The results for the financial period are given in the statement of comprehensive income on page 11. The directors do not recommend the payment of a dividend for the year ended 30th April 2021.

Directors

The directors who held office during the financial period were as follows:

- J R Bonas
- G L Christian
- N P Collins
- S Halliday
- R J E Thompson

Directors' responsibilities

The directors are responsible for preparing the Annual Report and the 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' Report

for the year ended 30th April 2021

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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

By order of the board

John Bonas
Managing Director

Simon Halliday
Non-Executive Chairman

28th September 2021

Company Registration Number: 02765553

Independent Auditors' Report

to the Members of Alvant Ltd

Opinion

We have audited the financial statements of Alvant Ltd (the 'Company') for the year ended 30th April 2021 set out on pages 11 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30th April 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 are independent of the 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.

Material uncertainty related to going concern

We draw attention to note 1.2 in the financial statements, which indicates that the company made a loss for the year of £910,585 and had net current liabilities at the balance sheet date of £9,091,191 together with the impact of the COVID-19 pandemic. These events or conditions, along with the other matters as set out in note 1.2, indicate that a material uncertainty exists that may cast doubt over the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Independent Auditors' Report

to the Members of Alvant Ltd

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Independent Auditors' Report

to the Members of Alvant Ltd

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the Director's Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations.

Independent Auditors' Report

to the Members of Alvant Ltd

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

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- through discussions with the directors and other management we identified the laws and regulations applicable to the company; and
- focusing on the specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, we assessed the extent of compliance with those laws and regulations identified above through making enquiries of management and inspecting relevant correspondence.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates detailed in the accounting policies were indicative of potential bias; and
- investigated the rationale behind significant or unusual bank transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance.

Independent Auditors' Report

to the Members of Alvant Ltd

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

Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Rouse Audit LLP

Bindi Palmer (Senior Statutory Auditor)
For and on behalf of Rouse Audit LLP

Chartered Accountants
Statutory Auditor

55 Station Road
Beaconsfield
Buckinghamshire
HP9 1QL

28th September 2021

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Statement of Comprehensive Income

for the year ended 30th April 2021

	Notes	2021 £	2020 £
Turnover	3	170,916	516,699
Cost of sales		(23,078)	(42,288)
		147,838	474,411
Other Income – Government Grants		130,662	28,485
Gross profit		278,500	502,896
Administrative expenses		(1,344,349)	(1,986,199)
Loss on disposal of fixed assets		-	-
Operating loss		(1,065,849)	(1,483,303)
Interest receivable		58	-
Interest payable		(1,656)	(170)
Loss on ordinary activities before taxation		(1,067,447)	(1,483,473)
Tax on loss on ordinary activities	7	156,862	249,617
Loss for the period and total comprehensive income		(910,585)	(1,233,856)

The notes to the accounts on pages 14 to 26 form part of these financial statements.

Balance Sheet

for the year ended 30th April 2021

	Notes	2021 £	2020 £
Fixed assets			
Intangible assets	8	128,199	11,422
Tangible assets	9	692,846	712,747
		821,045	724,169
Current assets			
Stocks	10	35,392	52,798
Debtors	11	337,527	516,324
Cash at bank and in hand		54,699	87,574
		427,618	656,696
Creditors: amounts falling due within one year	12	(9,518,809)	(8,740,426)
Net current liabilities		(9,091,191)	(8,083,730)
Net liabilities		(8,270,146)	(7,359,561)
Capital and reserves			
Called up share capital	15	4,316	4,316
Share premium account		3,234,357	3,234,357
Profit and loss account		(11,732,779)	(10,836,428)
Revaluation reserve		223,960	238,194
Total equity		(8,270,146)	(7,359,561)

The notes to the accounts on pages 14 to 26 form part of these financial statements.

These financial statements were approved by the Board of Directors on 28th September 2021 and were signed on their behalf by:

John Bonas
Managing Director

Company Registration Number 02765553

Statement of Changes in Equity

for the year ended 30th April 2021

	Share capital £	Share premium account £	Profit and loss account £	Revaluation reserve £	Total £
Balance at 1 May 2019	4,316	3,234,357	(9,616,808)	252,430	(6,125,705)
Period ended 30 April 2020:					
Loss for the year	-	-	(1,233,856)	-	(1,233,856)
Direct reserves transfer for the additional depreciation charge based on revalued amount rather than historical cost	-	-	14,236	(14,236)	-
Balance at 30 April 2020	4,316	3,234,357	(10,836,428)	238,194	(7,359,561)
Period ended 30 April 2021:					
Loss for the year	-	-	(910,585)	-	(910,585)
Direct reserves transfer for the additional depreciation charge based on revalued amount rather than historical cost	-	-	14,234	(14,234)	-
Balance at 30 April 2021	4,316	3,234,357	(11,732,779)	223,960	(8,270,146)

The notes to the accounts on pages 14 to 26 form part of these financial statements.

Notes to the Accounts

for the year ended 30th April 2021

1. Accounting policies

Company information

Alvant Ltd is a company limited by shares domiciled and incorporated in England and Wales. The registered office is 3 Prisma Business Park, 3 Berrington Way, Wade Road, Basingstoke, Hampshire, RG24 8GT.

1.1 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.

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

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and plant and machinery. The principal accounting policies adopted are set out below.

The Company's immediate and ultimate parent undertaking, Alvant Group Plc includes the Company in its consolidated financial statements. The consolidated financial statements of Alvant Group Plc are prepared in accordance with UK accounting standards and are available to the public from Companies House.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes.

1.2 Going concern

During the year, the company made a loss after taxation of £910,585 and had net current liabilities at the balance sheet date of £9,091,191. The company is reliant upon the continued support of its parent which is, itself, reliant upon the continued availability of additional capital finance from current and future investors. Given the unprecedented situation caused by the COVID-19 pandemic, Alvant closed its facility twice; first in April 2020 to early June 2020 and again from January 2021 to early March 2021, with the majority of staff on furlough which has had a significant impact on the trading activities during the year.

- The directors have extensively reviewed cashflow forecasts for the period ending 12 months from the date of approval of these financial statements;
- Through various negotiations with HMRC, suppliers and employee cuts, the Board were able to reduce Alvant's operating cost base by ~60% for 3 to 4 months. The factory operations re-opened in early July to focus on the delivery of the key milestones.
- The directors have received written confirmation from the parent that it will continue to provide financial support for a period of at least 12 months from the date of approval of these financial statements.
- In September 2021 the group successfully raised finance of £435,311 from a rights issue, and the company is expecting a R&D tax credit of £170,299 giving additional funds of approximately £605,610.
- The group directors recognise the need for, and intend to secure, further investment or contractual funding within the next 12 months.

It is not possible to evaluate all the potential implications for the company of COVID-19, however, the directors are actively mitigating these risks by:

- implementing a robust health and safety management system in all of its facilities to ensure social distancing and appropriate hygiene and disinfection for staff and visitors; and
- ensuring the majority of the company's staff can carry out their duties remotely.

As a result of these matters there is a material uncertainty which may cast doubt over the company's ability to continue as a going concern. However, the group directors believe that because of the encouraging progress that has been made subsequent to the year end towards delivering the key milestones and the high level of interest shown by prospective investors that are actively engaged in discussions with the group, they will be able to secure the contractual funding and/or additional investment required by the business, which they consider to be sufficient to overcome the uncertainty. In consequence, the directors have prepared the financial statements on a going concern basis.

1.3 Tangible fixed assets

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

Some items of plant and machinery are included at their fair value, with their change in value being taken to the revaluation reserve through the Statement of Comprehensive Income.

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

Plant and Machinery	4% - 20% straight line
Leasehold Improvements	10% - 20% straight line
Fixtures, Fittings and Office equipment	20% straight line
Computer Equipment and Software	20% - 33.3% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the profit and loss account.

1.4 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible 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).

1.5 Patents

Patents are valued at cost less accumulated amortization. Amortisation is calculated to write off the cost in equal annual instalment over their estimated useful lives of 20 years.

1.6 Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised when its future recoverability can be foreseen with reasonable assurance. Any expenditure carried forward is amortised during the years following completion of the development in line with the sales from the related projects.

1.7 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 instruments are classified as basic or other.

1.8 Financial assets

Basic financial assets, which include trade and other receivables 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. Other financial assets are measured at fair value with subsequent changes taken to the profit and loss account.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.9 Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. They are subsequently measured at amortised cost using the effective interest method.

Other financial liabilities are initially measured at fair value. They are subsequently measured at fair value with changes taken to the profit and loss account.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.10 Equity instruments

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

1.11 Retirement benefits

The Company contributes to external defined contribution pension schemes. The assets of the scheme are held separately from those of the Company. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

1.12 Leases

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

1.13 Stocks

Stocks are valued at the lower of cost and net realisable value.

1.14 Government Grants

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

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

1.15 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

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

Deferred tax (continued)

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.

1.16 Turnover

Turnover comprises sales of goods, other income and contract work under grants exclusive of VAT. Turnover from sales of goods are recognised on the despatch of goods. Other income represents the sale of scrap metal and is recognised when the metal is despatched. Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

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

1.17 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

Notes to the Accounts

for the year ended 30th April 2021

2. Judgements and key sources of estimation uncertainty

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

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

Depreciation and amortisation

Depreciation and amortisation is provided to write off the costs of the assets being depreciated over their estimated useful economic life.

3. Turnover

All income arose within the UK. Turnover is comprised as follows:

	2021	2020
	£	£
Sale of goods	21,200	46,984
Other Income	109	142
Contract work under grants	136,170	428,679
R&D expenditure credit	13,437	40,894
	170,916	516,699

4. Operating loss is stated after charging:

	2021	2020
	£	£
Depreciation of owned tangible fixed assets	90,005	110,433
Amortisation of intangible fixed assets	2,352	2,352
Operating lease charges	69,738	75,252
Government Grants	(130,662)	(28,485)

Government grants relates to income received in respect of the Coronavirus Job Retention Scheme.

5. Staff numbers and costs

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

	2021 number	2020 number
Management, sales and admin	17	17

The aggregate payroll costs for employees, including directors, were as follows:

	2021 £	2020 £
Wages and salaries	842,843	946,800
Social security costs	92,651	110,024
Other pension costs	60,821	45,569
	996,315	1,102,393

6. Directors' emoluments

	2021 £	2020 £
Directors' remuneration	397,488	494,474
Directors' benefits in kind	13,349	13,145
Directors' pension contributions	26,437	23,424
	437,274	531,043

The number of directors to whom retirement benefits were accruing under money purchase schemes were 4 (2020: 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	109,133	125,000
Company pension contributions to defined contribution scheme	8,067	6,600
	117,200	131,600

Notes to the Accounts

for the year ended 30th April 2021

7. Tax on loss on ordinary activities

	2021	2020
	£	£
Current tax		
R & D repayable tax credits	(156,862)	(249,617)
Adjustment in respect of prior years	-	-
Tax credit on ordinary activities	(156,862)	(249,617)

	2021	2020
	£	£
Trading losses available for future relief	8,128,778	7,434,350
Reconciliation of the current tax (credit)		
Loss on ordinary activities before tax	(1,067,447)	(1,483,473)
Loss on ordinary activities before taxation at the UK standard rate of 19.00% (2020: 19.00%)	(202,815)	(281,859)
Effects of:		
Fixed asset differences	632	639
Expenses not deductible for tax purposes	19	56
Additional deduction for R&D expenditure	(116,177)	(184,874)
Tax losses surrendered in respect of R & D repayable tax credit claim	48,681	77,467
R&D expenditure credit	599	1,820
Development expenditure	(22,634)	-
Chargeable gains/(losses)	-	-
Deferred tax not recognised	134,833	260,637
Remeasurement of deferred tax for changes in tax rates	-	(123,503)
Adjust opening and closing deferred tax to average rate	-	-
Adjustment in respect of prior years	-	-
Total current UK tax (credit)	(156,862)	(249,617)

No provision has been made to reflect the deferred tax asset, which relates to these losses due to the uncertainty of the company being able to recover these losses against future profits. Had provision been made, the values included would be as follows:

	2021	2020
	£	£
Deferred tax asset calculated at 19% (2020: 19%) relating to:		
Losses available for relief against future profits	1,544,468	1,412,527
Less: Accelerated capital allowances	(99,219)	(102,112)
Deferred tax asset not provided	1,445,249	1,310,415

Notes to the Accounts

for the year ended 30th April 2021

8. Intangible fixed assets

	Patents	Development Costs	Total
	£	£	£
Cost			
Brought forward at 1 May 2020	47,075	-	47,075
Additions	-	119,129	119,129
Disposals	-	-	-
Carried forward at 30 April 2021	47,075	119,129	166,204
Amortisation			
Brought forward at 1 May 2020	35,653	-	35,653
Charge for period	2,352	-	2,352
Carried forward at 30 April 2021	38,005	-	38,005
Net book value at 30 April 2021	9,070	119,129	128,199
Net book value at 30 April 2020	11,422	-	11,422

Notes to the Accounts

for the year ended 30th April 2021

9. Tangible fixed assets

	Plant & Machinery	Fixture & Fittings	Computers & Software	Leasehold Improvements	Total
	£	£	£	£	£
Cost or valuation					
Brought forward At 1 May 2020	870,236	48,290	135,940	167,754	1,222,220
Additions	62,642	1,262	6,200	-	70,104
Disposals	-	-	-	-	-
Carried forward at 30 April 2021	932,878	49,552	142,140	167,754	1,292,324
Depreciation					
Brought forward At 1 May 2020	225,479	37,863	111,708	134,423	509,473
Charge for period	64,061	3,973	13,043	8,928	90,005
Disposals	-	-	-	-	-
Carried forward at 30 April 2021	289,540	41,836	124,751	143,351	599,478
Net book value at 30 April 2021	643,338	7,716	17,389	24,403	692,846
Net book value at 30 April 2020	644,757	10,427	24,232	33,331	712,747

On the historical cost basis the net book value of plant and machinery carried at valuation would be £105,387 (2020: £111,657) and the depreciation charged under the historic basis would be £6,269 (2020: £6,269).

10. Stocks

	2021	2020
	£	£
Raw materials and consumables	35,392	52,798

Notes to the Accounts

for the year ended 30th April 2021

11. Debtors

	2021	2020
	£	£
Trade debtors	71,387	100,671
Other taxes and social security costs	11,059	4,082
Prepayments and accrued income	84,782	121,061
R&D tax credit receivable	170,299	290,510
	337,527	516,324

12. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	64,428	115,348
Other creditors	5,531	5,534
Amount due to parent undertaking	9,370,517	8,492,509
Other taxes and social security costs	33,426	92,005
Accruals and deferred income	44,907	35,030
	9,518,809	8,740,426

13. Pension and other post-retirement benefit commitments Defined Contribution

	2021	2020
	£	£
Contributions payable by the company for the year	60,821	45,569

Notes to the Accounts

for the year ended 30th April 2021

14. Operating lease commitments

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

	Other Equipment		Land and Buildings	
	2021	2020	2021	2020
	£	£	£	£
Operating leases:				
Within one year	727	727	77,850	77,850
Between two and five years	1,272	1,999	180,123	159,410
After five years	-	-	351,333	409,605
	1,999	2,726	609,306	646,865

15. Called up share capital

	2021	2020
	£	£
Issued and fully paid		
Ordinary shares of £1 each	4,316	4,316

16. Security charge

The Company did a sale and leaseback of its property during the year ended 30th April 2017. The landlord, WBP Holdings Limited, has taken a fixed and floating charge over the Company's assets as security.