
ACORN2OAK INNOVATION SOLUTIONS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 29 OCTOBER 2021

ACORN2OAK INNOVATION SOLUTIONS LIMITED

COMPANY INFORMATION

Director	Dr Christopher Berg
Registered number	06635265
Registered office	The Innovation Centre Keckwick Lane Daresbury Warrington WA4 4FS
Accountants	Grant Thornton UK LLP Chartered Accountants Royal Liver Building Liverpool L3 1PS
Bankers	Santander Bridle Road Bootle Merseyside L30 4GB

ACORN2OAK INNOVATION SOLUTIONS LIMITED

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Report to the director on the preparation of the unaudited statutory financial statements of Acorn2Oak Innovation Solutions Limited for the year ended 29 October 2021

We have compiled the accompanying financial statements of Acorn2Oak Innovation Solutions Limited (the 'company') based on the information you have provided. These financial statements comprise the Statement of Financial Position of Acorn2Oak Innovation Solutions Limited as at 29 October 2021, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), 'Compilation Engagements'.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with 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). As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at www.icaew.com.

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

This report is made solely to the Company's directors, as a body, in accordance with the terms of our engagement letter dated 22 November 2021. Our work has been undertaken solely to prepare for your approval the financial statements of the company and state those matters that we have agreed to state to the Company's directors, as a body, in this report in accordance with our engagement letter dated 22 November 2021. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its directors, as a body, for our work or for this report.

Grant Thornton UK LLP

Chartered Accountants

Liverpool

22 July 2022

ACORN2OAK INNOVATION SOLUTIONS LIMITED
REGISTERED NUMBER:06635265

STATEMENT OF FINANCIAL POSITION
AS AT 29 OCTOBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	5	13,577	16,933
Tangible assets	6	15,257	2,890
		<u>28,834</u>	<u>19,823</u>
Current assets			
Debtors: amounts falling due within one year	7	16,556	12,569
Cash at bank and in hand		5,156	5,194
		<u>21,712</u>	<u>17,763</u>
Creditors: amounts falling due within one year	8	(63,352)	(39,112)
Net current liabilities		<u>(41,640)</u>	<u>(21,349)</u>
Total assets less current liabilities		<u>(12,806)</u>	<u>(1,526)</u>
Net liabilities		<u>(12,806)</u>	<u>(1,526)</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		(12,807)	(1,527)
		<u>(12,806)</u>	<u>(1,526)</u>

ACORN2OAK INNOVATION SOLUTIONS LIMITED
REGISTERED NUMBER:06635265

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 29 OCTOBER 2021

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Dr Christopher Berg
Director

Date: 20 July 2022

The notes on pages 4 to 11 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 OCTOBER 2021

1. General information

Acorn2Oak Innovation Solutions Limited is a private company limited by shares incorporated in England & Wales.

Registered number: 06635265

The registered office is The Innovation Centre, Keckwick Lane, Daresbury, Warrington, WA4 4FS.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

Notwithstanding the loss for the year and the negative reserves position, the accounts have been prepared on the going concern basis on the understanding that the director will continue to support the company financially for the foreseeable future.

2.3 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.4 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 lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.5 Grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss 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 profit or loss in the same period as the related expenditure.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 OCTOBER 2021

2. Accounting policies (continued)

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

2.8 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	-	5	years
Software	-	5	years
Trademarks	-	5	years

2.9 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 OCTOBER 2021

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

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	-	25%
Office equipment	-	25%

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 profit or loss.

2.10 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.

2.11 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.

2.12 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 OCTOBER 2021**

2. Accounting policies (continued)**2.13 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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 profit or loss.

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 of the recoverable amount, 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 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.

3. Employees

The average monthly number of employees, including the director, during the year was 1 (2020 - 1).

4. Director's remuneration

	2021	2020
	£	£
Director's emoluments	<u>23,222</u>	<u>9,634</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 OCTOBER 2021

5. Intangible assets

	Patents £	Trademarks £	Software £	Total £
Cost				
At 30 October 2020	11,308	2,026	5,945	19,279
At 29 October 2021	11,308	2,026	5,945	19,279
Amortisation				
At 30 October 2020	554	801	991	2,346
Charge for the year on owned assets	1,762	405	1,189	3,356
At 29 October 2021	2,316	1,206	2,180	5,702
Net book value				
At 29 October 2021	8,992	820	3,765	13,577
At 29 October 2020	10,754	1,225	4,954	16,933

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 OCTOBER 2021

6. Tangible fixed assets

	Plant and machinery £	Office equipment £	Total £
Cost			
At 30 October 2020	774	8,193	8,967
Additions	13,751	2,929	16,680
At 29 October 2021	14,525	11,122	25,647
Depreciation			
At 30 October 2020	308	5,769	6,077
Charge for the year on owned assets	1,912	2,401	4,313
At 29 October 2021	2,220	8,170	10,390
Net book value			
At 29 October 2021	12,305	2,952	15,257
At 29 October 2020	466	2,424	2,890

7. Debtors

	2021 £	2020 £
Other debtors	8,798	10,507
Prepayments and accrued income	164	125
Deferred taxation	7,594	1,937
	16,556	12,569

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 OCTOBER 2021**

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	14,545	16,830
Other creditors	38,079	17,679
Accruals and deferred income	10,728	4,603
	<u>63,352</u>	<u>39,112</u>

9. Deferred taxation

	2021 £
At beginning of year	1,937
Charged to the statement of comprehensive income	5,657
At end of year	<u><u>7,594</u></u>

The deferred tax asset is made up as follows:

	2021 £	2020 £
Fixed asset timing differences	(3,312)	(1,105)
Short term timing differences	731	308
Losses and other deductions	10,175	2,734
	<u><u>7,594</u></u>	<u><u>1,937</u></u>

10. Contingent liabilities

The company received grant income in the year of £91,552 (2020: £25,258). The grants received had certain conditions which were required to be met. Should the conditions not be met, part or all of the grant may have to be repaid. The directors satisfied these conditions throughout the current and previous financial year.

The directors confirm there were no other contingent liabilities as at 29 October 2021 (2020: £nil).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 OCTOBER 2021**

11. Commitments under operating leases

At 29 October 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	6,674	280
Later than 1 year and not later than 5 years	9,454	-
	<u>16,128</u>	<u>280</u>

12. Related party transactions

The company was under the control of Dr C Berg throughout the current and previous period. Dr C Berg is a director and majority shareholder. During the year the director entered into the following advances and credits with the company:

	Balance brought forward £	Advances / credits £	Amounts repaid £	Balance at year end £
Dr C Berg	<u>(17,679)</u>	<u>8,255</u>	<u>(27,858)</u>	<u>(37,282)</u>

This balance is included within other creditors. Interest at 10% is charged on the credit balance.

13. Post balance sheet events

On 18 November 2021, there was a sub-division of shares from a nominal value of £1 per ordinary share to £0.01 per ordinary share. On the same date, the company allotted 9,900 ordinary shares.

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.