
ACORN2OAK INNOVATION SOLUTIONS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 29 OCTOBER 2022

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 2022

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 2022, the Statement of Changes in Equity for the year then ended 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 director, in accordance with the terms of our engagement letter dated 4 September 2023. 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 director, in this report in accordance with our engagement letter dated 4 September 2023. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its director, for our work or for this report.

Grant Thornton UK LLP

Chartered Accountants

Liverpool

26 October 2023

ACORN2OAK INNOVATION SOLUTIONS LIMITED
REGISTERED NUMBER:06635265

STATEMENT OF FINANCIAL POSITION
AS AT 29 OCTOBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	5	10,221	13,577
Tangible assets	6	12,578	15,257
		<u>22,799</u>	<u>28,834</u>
Current assets			
Debtors: amounts falling due within one year	7	24,124	16,556
Cash at bank and in hand		2	5,156
		<u>24,126</u>	<u>21,712</u>
Creditors: amounts falling due within one year	8	(54,194)	(63,352)
Net current liabilities		(30,068)	(41,640)
Total assets less current liabilities		(7,269)	(12,806)
Net liabilities		<u>(7,269)</u>	<u>(12,806)</u>
Capital and reserves			
Called up share capital	10	101	1
Share premium account		41,549	-
Profit and loss account		(48,919)	(12,807)
		<u>(7,269)</u>	<u>(12,806)</u>

ACORN2OAK INNOVATION SOLUTIONS LIMITED
REGISTERED NUMBER:06635265

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 29 OCTOBER 2022

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: 24 October 2023

The notes on pages 5 to 14 form part of these financial statements.

ACORN2OAK INNOVATION SOLUTIONS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 OCTOBER 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 October 2020	1	-	(1,527)	(1,526)
Comprehensive income for the year				
Loss for the year	-	-	(11,280)	(11,280)
At 30 October 2021	1	-	(12,807)	(12,806)
Comprehensive income for the year				
Loss for the year	-	-	(36,112)	(36,112)
Shares issued during the year	100	41,549	-	41,649
Total transactions with owners	100	41,549	-	41,649
At 29 October 2022	101	41,549	(48,919)	(7,269)

The notes on pages 5 to 14 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 OCTOBER 2022

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 2022

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 reporting 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 OCTOBER 2022

2. Accounting policies (continued)

2.8 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 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 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	-	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.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 OCTOBER 2022

2. Accounting policies (continued)

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.

2.13 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Statement of Financial Position 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.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 OCTOBER 2022

2. Accounting policies (continued)

2.13 Financial instruments (continued)

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

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 the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 OCTOBER 2022

2. Accounting policies (continued)

2.13 Financial instruments (continued)

transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

3. Employees

The average monthly number of employees, including directors, during the year was 1 (2021: 1).

4. Director's remuneration

	2022	2021
	£	£
Director's emoluments	<u>7,661</u>	<u>23,222</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 OCTOBER 2022

5. Intangible assets

	Patents £	Trademarks £	Software £	Total £
Cost				
At 30 October 2021	11,308	2,026	5,945	19,279
At 29 October 2022	11,308	2,026	5,945	19,279
Amortisation				
At 30 October 2021	2,316	1,206	2,180	5,702
Charge for the year on owned assets	1,762	405	1,189	3,356
At 29 October 2022	4,078	1,611	3,369	9,058
Net book value				
At 29 October 2022	7,230	415	2,576	10,221
At 29 October 2021	8,992	820	3,765	13,577

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 OCTOBER 2022

6. Tangible fixed assets

	Plant and machinery £	Office equipment £	Total £
Cost			
At 30 October 2021	14,525	11,122	25,647
Additions	1,405	1,018	2,423
Disposals	(375)	-	(375)
At 29 October 2022	<u>15,555</u>	<u>12,140</u>	<u>27,695</u>
Depreciation			
At 30 October 2021	2,220	8,170	10,390
Charge for the year on owned assets	3,772	1,236	5,008
Disposals	(281)	-	(281)
At 29 October 2022	<u>5,711</u>	<u>9,406</u>	<u>15,117</u>
Net book value			
At 29 October 2022	<u>9,844</u>	<u>2,734</u>	<u>12,578</u>
At 29 October 2021	<u>12,305</u>	<u>2,952</u>	<u>15,257</u>

7. Debtors

	2022 £	2021 £
Other debtors	4,949	8,798
Prepayments and accrued income	164	164
Deferred taxation	19,011	7,594
	<u>24,124</u>	<u>16,556</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 OCTOBER 2022**

8. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	14,520	14,545
Other creditors	30,543	38,079
Accruals and deferred income	9,131	10,728
	<u>54,194</u>	<u>63,352</u>

9. Deferred taxation

	2022 £	2021 £
At beginning of year	7,594	1,937
Charged to the statement of comprehensive income	11,417	5,657
At end of year	<u>19,011</u>	<u>7,594</u>

The deferred tax asset is made up as follows:

	2022 £	2021 £
Fixed asset timing differences	(2,638)	(3,312)
Short term timing differences	1,346	731
Losses and other deductions	20,303	10,175
	<u>19,011</u>	<u>7,594</u>

10. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
10,083 (2021: 100) Ordinary shares of £0.01 each (2021: £1 each)	<u>101</u>	<u>1</u>

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.

On 26 June 2022, there was a further allotment of 83, £0.01 ordinary shares for £41,500.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 OCTOBER 2022**

11. Contingent liabilities

The company received grant income in the year of £Nil (2021: £91,552). 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 2022 (2021: £nil).

12. Commitments under operating leases

At 29 October 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	6,674	6,674
Later than 1 year and not later than 5 years	2,781	9,454
	<u>9,455</u>	<u>16,128</u>

13. 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>37,282</u>	<u>(14,981)</u>	<u>22,517</u>	<u>29,746</u>

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

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.