

Axon Digital Design Limited

Report and Unaudited Financial Statements

Year Ended

31 December 2020

Company Number 03513824

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Axon Digital Design Limited

Company Information

Director	Michel Counson
Company secretary	Remco Vergeer De Smit
Registered number	03513824
Registered office	C/O Tmf Group 8th Floor 20 Farringdon Street London EC4A 4AB
Accountants	BDO LLP Thames Tower Station Road Reading Berkshire RG1 1LX
Solicitors	TLT LLP 20 Gresham Street London EC2V 7JE

Axon Digital Design Limited

Contents

	Page(s)
Director's Report	1 - 2
Chartered Accountants' Report	3
Statement of Comprehensive Income	4
Statement of Financial Position	5 - 6
Statement of Changes in Equity	7
Notes to the Financial Statements	8 - 20

Axon Digital Design Limited

Director's Report For the Year Ended 31 December 2020

The director presents his annual report together with the unaudited financial statements for Axon Digital Design Limited ("the company") for the year ended 31 December 2020.

Principal activity

The principal activity of the company during the year was the distribution of audio and video processing equipment for the broadcast industry.

Results and dividends

The profit for the year, after taxation, amounted to £331,010 (2019: £242,854).

The director does not recommend the payment of a dividend for the year. During the year ended 31 December 2019, no final dividend was proposed.

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for a period of at least twelve months from the date of approval of the financial statements.

During the year, after a very strong first quarter in line with budget to reach a significantly higher turnover as compared to the prior year, the COVID-19 situation strongly impacted turnover for the rest of the year. Due to the absence of NAB and IBC broadcast events and the drastic reduction of travel expenses, the company's costs have been contained during the year. Significant turnover decrease and a slight decrease of costs resulted in the 2020 EBITDA being lower than 2019 due to the pandemic. During January 2021, the company's certifications of ISO 9901 and ISO 14001 have been confirmed and renewed.

Similar to other companies within the broadcast industry, the company will also continue to be affected by COVID-19 during 2021. Despite sporting events still being planned, projects such as the Olympic Games could still be postponed, which would have a negative effect on turnover.

The impact of the United Kingdom leaving the European Union during the year has also been considered by the director. The company has experienced increased transport costs and import taxes as well as increased delivery times. The director does not expect these factors to have a material impact on the company which would impact the director's assessment of the company's ability to continue as a going concern.

The director has considered the cash flow requirements of the company for a period of not less than twelve months from the date of approval of these financial statements, including modelling potential scenarios resulting from the impact of COVID-19. With the UK Government's 'road map' to ease all restrictions by July 2021 and the successful ongoing rollout of the UK vaccination programme, the director does not anticipate any significant or long term adverse impact on the company's activities.

Further, the director, as a director of the ultimate parent company and the ultimate controlling party, has satisfied himself that the group headed by EVS Broadcast Equipment S.A. ("the group") has sufficient financial resources to continue to provide support to the company based on the group's financial forecasts for the next twelve months. The group's financial forecasts include the director's best estimate of the impact of the events surrounding the COVID-19 pandemic. On this basis, the director concludes that there is no material uncertainty over the group's ability to continue as a going concern and to support the company in the UK accordingly.

The director therefore considers the company to be a going concern and has adopted the going concern basis of accounting in the preparation of the financial statements.

Axon Digital Design Limited

Director's Report (continued) For the Year Ended 31 December 2020

Directors

The directors who served during the year and up to the date of signing this report were:

Michiel Gerard Van Duijvendijk (resigned 30 April 2020)
Yvan Absil (appointed 30 April 2020, resigned 29 March 2021)
Michel Counson (appointed 30 April 2020)

Director's responsibilities statement

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.


The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

In preparing the Director's Report, advantage has been taken of the small companies' exemptions.

This report was approved by the board and signed on its behalf by:

Remco Vergeer De Smit
Secretary

Date: 12-07-2021 | 09:58 CEST

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Axon Digital Design Limited

Chartered Accountants' Report to the director on the preparation of the unaudited financial statements of Axon Digital Design Limited for the year ended 31 December 2020

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Axon Digital Design Limited for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation/a-z>.

It is your duty to ensure that Axon Digital Design Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Axon Digital Design Limited. You consider that Axon Digital Design Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of Axon Digital Design Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Use of our report

This report is made solely to the director of Axon Digital Design Limited in accordance with the terms of our engagement letter dated 19 August 2019. Our work has been undertaken solely to prepare for your approval the financial statements of Axon Digital Design Limited and state those matters that we have agreed to state to the director of Axon Digital Design Limited in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Axon Digital Design Limited and its director for our work or for this report.

BDO LLP

BDO LLP
Chartered Accountants
Reading
United Kingdom

Date: 12 July 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number 0C305127).

Axon Digital Design Limited

Statement of Comprehensive Income For the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	4	5,891,174	6,383,763
Cost of sales		(5,072,775)	(5,466,065)
Gross profit		818,399	917,698
Distribution costs		(109,482)	(123,292)
Administrative expenses		(424,207)	(503,484)
Other income		32,228	28,942
Operating profit	5	316,938	319,864
Interest receivable		-	197
Interest payable	8	(6,003)	(22,478)
Profit on ordinary activities before taxation		310,935	297,583
Taxation on profit on ordinary activities	9	20,075	(54,729)
Profit on ordinary activities after taxation and total comprehensive income for the financial year		331,010	242,854

All amounts relate to continuing activities.

The notes on pages 8 to 20 form part of these financial statements.

Axon Digital Design Limited
Registered number: 03513824

Statement of Financial Position
As at 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	10		41,196		23,803
Current assets					
Stocks	11	401,177		531,953	
Debtors: amounts falling due within one year	12	1,219,731		1,186,277	
Cash at bank and in hand		260,476		165,556	
		<u>1,881,384</u>		<u>1,883,786</u>	
Current liabilities					
Creditors: amounts falling due within one year	13	(960,982)		(799,553)	
Net current assets			<u>920,402</u>		<u>1,084,233</u>
Total assets less current liabilities			<u>961,598</u>		<u>1,108,036</u>
Creditors: amounts falling due after more than one year	14		-		(483,022)
Provisions for liabilities					
Deferred taxation	15	(7,451)		(1,877)	
			<u>(7,451)</u>		<u>(1,877)</u>
Net assets			<u><u>954,147</u></u>		<u><u>623,137</u></u>
Capital and reserves					
Called up share capital	17,18		2		2
Profit and loss account	18		954,145		623,135
Total equity			<u><u>954,147</u></u>		<u><u>623,137</u></u>


Axon Digital Design Limited
Registered number: 03513824

Statement of Financial Position (continued)
As at 31 December 2020

The director considers that the company is entitled to exemption from audit under section 479A 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 were approved and authorised for issue by the director.

DocuSigned by:

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Michel Counson
Director

Date: 12-07-2021 | 05:31 PDT

The notes on pages 8 to 20 form part of these financial statements.

Axon Digital Design Limited

Statement of Changes in Equity For the Year Ended 31 December 2020

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	2	623,135	623,137
Comprehensive income for the year			
Profit for the year	-	331,010	331,010
Total comprehensive income for the year	-	331,010	331,010
At 31 December 2020	2	954,145	954,147

Statement of Changes in Equity For the Year Ended 31 December 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2019	2	380,281	380,283
Comprehensive income for the year			
Profit for the year	-	242,854	242,854
Total comprehensive income for the year	-	242,854	242,854
At 31 December 2019	2	623,135	623,137

The notes on pages 8 to 20 form part of these financial statements.

Axon Digital Design Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

1. General information

Axon Digital Design Limited ("the company") is a private company limited by shares and is incorporated and domiciled in England & Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page and the nature of the company's operations and its principal activities are set out in the Director's Report.

2. Accounting policies

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 Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

FRS 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 for qualifying entities, as the information is disclosed within the financial statements of AXON Investments B.V.:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

The company's results are included in the publicly available consolidated financial statements of AXON Investments B.V. and these financial statements may be obtained as described in note 20.

Axon Digital Design Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for a period of at least twelve months from the date of approval of the financial statements.

During the year, after a very strong first quarter in line with budget to reach a significantly higher turnover as compared to the prior year, the COVID-19 situation strongly impacted turnover for the rest of the year. Due to the absence of NAB and IBC broadcast events and the drastic reduction of travel expenses, the company's costs have been contained during the year. Significant turnover decrease and a slight decrease of costs resulted in the 2020 EBITDA being lower than 2019 due to the pandemic. During January 2021, the company's certifications of ISO 9901 and ISO 14001 have been confirmed and renewed.

Similar to other companies within the broadcast industry, the company will also continue to be affected by COVID-19 during 2021. Despite sporting events still being planned, projects such as the Olympic Games could still be postponed, which would have a negative effect on turnover.

The impact of the United Kingdom leaving the European Union during the year has also been considered by the director. The company has experienced increased transport costs and import taxes as well as increased delivery times. The director does not expect these factors to have a material impact on the company which would impact the director's assessment of the company's ability to continue as a going concern.

The director has considered the cash flow requirements of the company for a period of not less than twelve months from the date of approval of these financial statements, including modelling potential scenarios resulting from the impact of COVID-19. With the UK Government's 'road map' to ease all restrictions by July 2021 and the successful ongoing rollout of the UK vaccination programme, the director does not anticipate any significant or long term adverse impact on the company's activities.

Further, the director, as a director of the ultimate parent company and the ultimate controlling party, has satisfied himself that the group headed by EVS Broadcast Equipment S.A. ("the group") has sufficient financial resources to continue to provide support to the company based on the group's financial forecasts for the next twelve months. The group's financial forecasts include the director's best estimate of the impact of the events surrounding the COVID-19 pandemic. On this basis, the director concludes that there is no material uncertainty over the group's ability to continue as a going concern and to support the company in the UK accordingly.

The director therefore considers the company to be a going concern and has adopted the going concern basis of accounting in the preparation of the financial statements.

The following accounting policies have been applied:

Turnover

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Turnover is recognised when the risks and rewards of owning the goods have passed to the customer which is generally on delivery.

Axon Digital Design Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

Leased assets

Rentals 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.

Research and development

Expenditure on research and development is charged to profit or loss in the year in which it is incurred.

Pension costs

The company operates a defined contribution pension scheme. Contributions are charged to profit or loss as they become payable. The assets of the scheme are held separately in an independently administered fund.

Foreign currencies

The company's functional and presentational currency is pound sterling.

Monetary assets and liabilities denominated in foreign currencies are translated into pound sterling at rates of exchange ruling at the reporting date.

Transactions in foreign currencies are translated into pound sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in profit or loss.

Interest receivable

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

Interest payable

Interest payable is charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

Axon Digital Design Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

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 operate and generated taxable 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. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are not discounted.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical cost less accumulated depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Software	- 25% straight line
Equipment	- 20% to 33.3% straight line

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Stocks

Stocks are valued at the lower of costs and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional to completion and disposal.

Stocks include equipment loaned to customers at the year end as the company retains title to the stock and bears the substantial risks and rewards of ownership of the stock throughout the period that the stock is in the customer's possession.

Financial assets

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment. The financial assets of the company consist of cash at bank and in hand, trade and other debtors.

Axon Digital Design Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost. The financial liabilities of the company consist of trade and other creditors, bank loans, accruals and amounts owed to group undertakings.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the director has made the following judgements:

- The director confirms that he has reviewed the significant assumptions used in the going concern assessment in light of COVID-19. The director acknowledges that a reasonable variation in the assumptions used to support the going concern forecasts may materially affect the conclusion regarding going concern. However the director considers the assumptions used to calculate those forecasts on which they base their going conclusion are reasonable and that there is no material uncertainty regarding going concern.
- Determine whether leases entered into by the company are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Other key sources of estimation uncertainty:

- Stocks (see note 11)

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition and net realisable value. In calculating net realisable value, stocks are assessed for impairment. If stocks are deemed to be impaired an estimate is made of the value of the impairment and the carrying amount is reduced to selling price less costs to complete and sell.

- Trade debtors (see note 12)

Trade debtors are reviewed for impairment loss on an annual basis and provision made for any balances where there is uncertainty against the recoverability of the balance. This methodology is applied on a customer by customer basis.

Axon Digital Design Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

4. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties during the year and is attributable to the distribution of audio and video processing equipment for the television industry. All activities are continuing.

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	5,699,580	6,222,379
Rest of Europe	190,012	161,384
Rest of the world	1,582	-
	<u>5,891,174</u>	<u>6,383,763</u>

5. Operating profit

This has been arrived at after charging/(crediting):

	2020 £	2019 £
Depreciation of tangible fixed assets - owned by the company	11,307	8,953
Operating lease expense	23,500	23,500
Staff costs recharged to group undertakings	(644,559)	(578,844)
Exchange differences	7,123	(27,840)
Research and development expenditure	167	121
Research and development tax credit	(80,957)	(75,101)
Pension costs (see note 16)	80,139	75,271
	<u>80,139</u>	<u>75,271</u>

Staff costs recharged to group undertakings represent the costs of staff performing research and development activities on behalf of other group companies.

The research and development tax credit arises from qualifying expenditure in relation to wage and salary costs.

Axon Digital Design Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

6. Employees

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	863,424	781,748
Social security costs	103,939	87,354
Pension costs	80,139	75,271
	<u>1,047,502</u>	<u>944,373</u>

The average number of employees (including the directors) during the year was as follows:

	2020 No.	2019 No.
Average number of employees	<u>13</u>	<u>11</u>

7. Director's remuneration

The director's emoluments and the emoluments of other directors of the company during the current and prior year have been borne by other group companies. The directors of the company during the current and prior year were also the directors or officers of a number of companies within the group. The director's services to the company and the services of other directors of the company during the current and prior year do not occupy a significant amount of their time. As such the director and other directors of the company during the current and prior year do not consider that they have received any remuneration for their incidental services to the company for the years ended 31 December 2020 and 2019.

Key management personnel include all directors and a number of senior managers across the group who together have authority and responsibility for planning, directing and controlling the activities of the group.

8. Interest payable

	2020 £	2019 £
Bank loans	<u>6,003</u>	<u>22,478</u>

Axon Digital Design Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

9. Taxation on profit on ordinary activities

	2020 £	2019 £
Current tax		
UK corporation tax on profit for the year	53,877	44,096
Adjustments in respect of previous periods	(79,526)	-
Total current tax	(25,649)	44,096
Deferred tax		
Origination and reversal of timing differences	5,353	10,633
Effect of tax rate change on opening balance	221	-
Total deferred tax (note 15)	5,574	10,633
Taxation on profit on ordinary activities	(20,075)	54,729

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before taxation	310,935	297,583
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	59,078	56,541
Effects of:		
Expenses not deductible for tax purposes	152	955
R&D expenditure credits	-	(1,516)
Adjustment to opening and closing deferred tax average rate	-	(1,251)
Adjustments to tax charge in respect of previous periods	(79,526)	-
Remeasurement of deferred tax for changes in tax rates	221	-
Total tax (credit)/charge for the year	(20,075)	54,729

Adjustments in respect of previous periods relate to a repayment of corporation tax arising from a transfer pricing adjustment made retrospectively to the company's taxable profit for the year ended 31 December 2016.

Axon Digital Design Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

9. Taxation on profit on ordinary activities (continued)

Factors that may affect future tax charges

The effects of changes to the corporation tax rate, substantively enacted as part of the Finance Act 2016 on 15 September 2016, legislated for a reduction of UK corporation tax to 17% effective from 1 April 2020. On 17 March 2020, it was announced that this change was to be reversed and the rate remains at 19% from 1 April 2020. Subsequent to the reporting date, on 3 March 2021, it was announced that the main rate of corporation tax would increase to 25% with effect from 1 April 2023.

Deferred taxes at the reporting date have been measured and reflected in these financial statements using the substantively enacted tax rate at the year end of 19%.

There were no other factors that may affect future tax charges.

10. Tangible fixed assets

	Software £	Equipment £	Total £
Cost			
At 1 January 2020	35,636	81,196	116,832
Additions	-	28,700	28,700
At 31 December 2020	35,636	109,896	145,532
Depreciation			
At 1 January 2020	34,939	58,090	93,029
Charge for the year	697	10,610	11,307
At 31 December 2020	35,636	68,700	104,336
Net book value			
At 31 December 2020	-	41,196	41,196
At 31 December 2019	697	23,106	23,803

Axon Digital Design Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

11. Stocks

	2020 £	2019 £
Finished goods and goods for resale	401,177	531,953

The difference between the purchase price or production cost of stocks and their replacement cost is not material.

12. Debtors: amounts falling due within one year

	2020 £	2019 £
Trade debtors	1,095,139	1,101,772
Other debtors	17,986	19,493
Corporation tax recoverable	106,606	65,012
	<u>1,219,731</u>	<u>1,186,277</u>

Included within other debtors is an amount of £8,010 relating to security deposits (2019: £8,010).

The impairment loss recognised in profit or loss for the year in respect of bad and doubtful trade debtors was £19,800 (2019: £nil).

13. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	85,459	8,041
Amounts owed to group undertakings	547,117	380,297
Other creditors	-	15,030
Other taxation and social security	223,246	271,476
Accruals and deferred income	105,160	124,709
	<u>960,982</u>	<u>799,553</u>

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

Axon Digital Design Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

14. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loans	-	483,022

As part of the acquisition of the group headed by AXON Investments B.V. by EVS Broadcast Equipment SA on 1 May 2020, the long term Rabobank loans were fully repaid on 30 April 2020. Prior to the acquisition the company was jointly and severally liable for all the present and future obligations with other group companies who were party to the agreement with Rabobank for the group bank loan, which was denominated in Euros, and was passed down to the company.

The total AXON Investment B.V. Group loan outstanding from Rabobank at 31 December 2020 amounted to €nil (2019: €4,762,000) of which £nil (2019: £483,022) has been passed down to the company. The interest was based on EURIBOR which increased with a margin, depending on the net debt / EBITDA ratio. The average interest rate during the period of the loan from 1 January to 30 April 2020 was 3.53% (year ended 31 December 2019: 4.4%).

The maturity of sources of debt finance are as follows:

	2020 £	2019 £
In more than one year but not more than two years	-	208,710
In more than two years but not more than five years	-	274,312
	-	483,022

Securities provided by the group included pledges of receivables, movables, shares of investments and intellectual property rights. Following the repayment of all amounts during the year none of the company's assets are pledged as securities at the year end.

Axon Digital Design Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

15. Deferred taxation

The deferred tax liability is made up as follows:

	2020 £	2019 £
At beginning of year	(1,877)	8,756
Charged to profit or loss	(5,574)	(10,633)
At end of year	(7,451)	(1,877)

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Short term timing differences	(7,451)	1,759
Fixed asset timing differences	-	(3,636)
	(7,451)	(1,877)

The net reversal of deferred tax liabilities expected in 2021 is £778. This is expected to arise because of movement in fixed asset timing differences while partly offset by the change in future tax rates.

16. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company. The amount recognised in profit or loss as an expense in relation to the company's defined contribution scheme is £80,139 (2019: £75,271). There were outstanding contributions at the year end of £nil (2019: £10,347).

17. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2

The shares have attached to them full voting, dividend and capital distribution (including winding up) rights. They do not confer any rights of redemption.

Axon Digital Design Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

18. Capital and reserves

The company's capital and reserves are made up as follows:

Called up share capital

Called up share capital represents the issued and full paid up equity share capital of the company.

Profit and loss account

The profit and loss account represents the cumulative profits, losses and total other comprehensive income made by the company, including distributions to and contributions from, the owner.

19. Operating lease commitments

The company had minimum lease payments under non-cancellable operating leases as set out below:

	Land and buildings 2020 £	Land and buildings 2019 £
Within 1 year	23,500	23,500
Later than 1 year and not later than 5 years	3,216	26,716
Total	26,716	50,216

20. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Axon Digital Design B.V. For the prior year and the period to 30 April 2020 the company's ultimate parent undertaking and controlling party was AXON Investments B.V., a company incorporated and domiciled in the Netherlands. From 1 May 2020 and at the year end, the company's ultimate parent undertaking and controlling party is EVS Broadcast Equipment S.A., a company incorporated and domiciled in Belgium with its registered office at 13 Rue Bois St Jean, Seraing 4102, Belgium.

The smallest group in which the company's results are consolidated is that headed by AXON Investments B.V., an intermediate parent company. Copies of its group financial statements are available from Hercules 28, NL-5126 RK. Gilze, The Netherlands.

The largest group for which consolidated financial statements are drawn up is headed by EVS Broadcast Equipment S.A.