

SALUNDA LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021
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SALUNDA LIMITED

COMPANY INFORMATION

Directors
R Lyons
A Finlay
D Richardson (resigned 24.03.21)
R Walsh (appointed 24.03.2021)
J. Mallinson (appointed 01.09.2021)
Parkwalk Advisors Ltd

Secretary R Walsh

Company number 05230854

Registered office
6 Avonbury Business Park
Howes Lane
Bicester
Oxfordshire
OX26 2UA

Auditor
RSM UK Audit LLP
Chartered Accountants
Davidson House
Forbury Square
Reading
Berkshire
RG1 3EU

SALUNDA LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2021

The directors are responsible for preparing the Directors' 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 judgements and accounting estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

SALUNDA LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	7		560,488		616,303
Tangible assets	8		87,339		93,840
			<u>647,827</u>		<u>710,143</u>
Current assets					
Stocks		804,317		584,591	
Debtors	4,10	1,409,840		1,183,036	
Cash at bank and in hand		2,553,683		3,047,331	
		<u>4,767,840</u>		<u>4,814,958</u>	
Creditors: Amounts falling due within one year	11	<u>(1,601,460)</u>		<u>(1,026,775)</u>	
Net Current Assets			<u>3,166,380</u>		<u>3,788,183</u>
Total Assets less Current liabilities			<u>3,814,207</u>		<u>4,498,326</u>
Creditors: Amounts due in more than one year			(50,000)		
Provisions for liabilities	12		<u>(70,000)</u>		<u>(65,000)</u>
Net assets			<u>3,694,207</u>		<u>4,433,326</u>
Capital and reserves					
Called up share capital	14		529,591		526,534
Share premium account			9,594,036		9,594,036
Share option reserve			550,256		480,501
Profit and loss reserves			<u>(6,979,676)</u>		<u>(6,167,745)</u>
Total equity			<u>3,694,207</u>		<u>4,433,326</u>

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

1st July

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



A Finlay
Director

SALUNDA LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Share premium account £	Share option reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2020		526,534	9,594,036	369,380	(6,894,340)	3,595,610
Year ended 31 December 2020:						
Profit and total comprehensive income for the year		-	-	-	726,595	726,595
Issue of share capital		-	-	-	-	-
Credit to equity for equity settled share-based payments		-	-	111,121	-	111,121
Balance at 31 December 2020		526,534	9,594,036	480,501	(6,167,745)	4,433,326
Year ended 31 December 2021:						
Profit and total comprehensive income for the year		-	-	-	(811,931)	(811,931)
Credit to equity for equity settled share-based payments	5	-	-	69,754	-	69,754
Share issuance on exercise of share options		3,057	-	-	-	3,057
Balance at 31 December 2021		529,591	9,594,036	550,255	(6,979,676)	3,694,206

SALUNDA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Salunda Limited is a private company limited by shares incorporated in England and Wales. The registered office is 6 Avonbury Business Park, Howes Lane, Bicester, Oxfordshire, OX26 2UA.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies' regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

Going concern

The company recorded a loss after tax for the year of £ (811,931) (2020: £726,595) and had net assets totalling £3,694,207 (2020: £4,433,326). At the time of approving the financial statements the directors have considered the forecasts and projections for the company for the next 12 months from the date of this report and having sensitised the forecasts to take account of a reasonable downside scenario they have concluded that the company has adequate resources to continue for the foreseeable future and meet its liabilities as they fall due. The directors therefore consider it appropriate to prepare the financial statements on a going concern basis.

Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the provision of installation services is recognised with regard the stage of completion as at the balance sheet date and when the significant risks and rewards of ownership of the goods have passed to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Where multiple element arrangements are entered into, each separable element of the contract is identified and accounted for in line with the above policy.

SALUNDA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Patents are being written off evenly over their contractual life or useful economic life if shorter.

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.

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:

Leasehold land and buildings	Over the life of the lease
Plant and machinery	25% straight line
Fixtures and fittings	25% straight line
Computer equipment	50% 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 credited or charged to profit or loss.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

SALUNDA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held at call with banks.

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 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 debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of 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.

SALUNDA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss 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.

SALUNDA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

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.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 23 (2020 - 23).

3 Directors' remuneration

	2021 £	2020 £
Remuneration paid to directors	<u>383,876</u>	<u>346,777</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2020 - 2).

SALUNDA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Taxation

	2021	2020
	£	£
Deferred tax		
Origination and reversal of timing differences	-	-

The company had unutilised tax losses of approximately £3,148,384 (2020: £3,676,000) to carry forward and offset against future trading profits. The directors have recognised a deferred tax asset of £57,345 (2020: £57,345) as forecasts indicated this amount will be utilised in the foreseeable future. There is also an unrecognised deferred tax asset of approximately £540,848 (2020: £641,063).

5 Share-based payment transactions

During the year, the company recognised total share-based payment expenses of £69,754 (2020: £111,121) which related to equity settled share-based payment transactions.

6 Operating Profit / (Loss)

	2021	2020
	£	£
Operating Profit / (Loss) for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	25,000	19,950

7 Intangible fixed assets

	Patents £
Cost	
At 1 January 2021	827,797
Additions	116,820
Disposals	(109,260)
Impairment	(153,764)
At 31 December 2021	681,594
Amortisation and impairment	
At 1 January 2021	211,494
Amortisation charged for the year	47,367
Disposals	(28,499)
Impairment	(109,257)
At 31 December 2021	121,106
Carrying amount	
At 31 December 2021	560,488
At 31 December 2020	616,303

SALUNDA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

8 Tangible fixed assets

	Leasehold land and buildings	Plant and machinery	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 January 2021	49,989	277,945	12,909	210,434	551,277
Additions	-	17,846	-	32,337	50,183
Disposals	-	-	-	-	-
At 31 December 2021	49,989	295,791	12,909	242,771	601,460
Depreciation					
At 1 January 2021	48,442	204,115	10,082	194,798	457,437
Depreciation charged in the Disposals	1,398	38,332	1,234	15,720	56,684
At 31 December 2021	49,840	242,447	11,316	210,518	514,121
Carrying amount					
At 31 December 2021	149	53,344	1,592	32,254	87,339
At 31 December 2020	1,547	73,830	2,827	15,636	93,840

9 Subsidiary Undertakings

Name of undertaking	Members Interest	Nature of Business
Salunda USA LLC	100%	Sales & Marketing & Technology Services

The investment value is nil.

10 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	765,910	640,880
Corporation tax recoverable	389,385	85,765
Deferred tax	57,345	57,345
Accrued income	-	244,795
Prepayments	158,732	71,231
Other debtors	38,468	83,020
	<u>1,409,840</u>	<u>1,183,036</u>

The 2020 Other debtors include £22,295 in relation to forward contracts. No such contracts are in place in current period.

SALUNDA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

11 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	684,996	188,188
Amount owed to group undertakings	15,363	1,214
Other taxation and social security	50,895	63,733
Accruals	321,707	67,573
Deferred Income	517,468	706,067
Pension Liability	11,031	-
	<u>1,601,460</u>	<u>1,026,775</u>
Creditors: amounts falling due within more than one year		
Bank Loan	<u>50,000</u>	<u>-</u>

12 Provisions for liabilities

	Dilapidation £
Balance at 1 st January 2021	65,000
Charged to profit and loss in the year	<u>5,000</u>
Balance at 31 st December 2021	<u>70,000</u>

13 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>88,400</u>	<u>110,370</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

14 Called up share capital

	2021 £	2020 £
Ordinary share capital		
Issued and fully paid		
529,591,309 Ordinary shares of 0.1p each	<u>529,591</u>	<u>526,534</u>

SALUNDA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

During the year an equity settled share-based payment charge of £69,754 (2020: £111,121) has been recognised in the statement of comprehensive income.

Shareholders are entitled to one vote per share. Shares also hold the right to participate in a distribution of profits by way of a dividend. Upon a return of assets on a liquidation, reduction of capital or otherwise, the surplus assets of the company remaining after payment of its liabilities shall be distributed amongst the shareholders pro rata according to the number of ordinary shares held by each of them. Shares are however not redeemable.

15 Operating lease commitments

Lessee

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:

	2021	2020
	£	£
Within one year	27,121	53,805
Due within 2-5 years	286	30,962

16 Parent company

The ultimate controlling party is the directors.

17 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with S444(5B) of the Companies Act 2006:

The auditors' report was unqualified.

The senior statutory auditor was Neil Mellor FCA.

The auditor was RSM UK Audit LLP.