

ADVANCED CHEMISTRY DEVELOPMENT UK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

ADVANCED CHEMISTRY DEVELOPMENT UK LIMITED

CONTENTS

	Page
Company information	1
Balance sheet	2
Notes to the financial statements	3 - 10

ADVANCED CHEMISTRY DEVELOPMENT UK LIMITED

COMPANY INFORMATION

Director	C A Commins
Company secretary	Taylor Wessing Secretaries Limited
Registered number	05681062
Registered office	5 New Street Square London EC4A 3TW
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

ADVANCED CHEMISTRY DEVELOPMENT UK LIMITED**BALANCE SHEET
AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	18,699	9,838
Current assets			
Debtors: amounts falling due within one year	5	1,098,876	1,228,771
Cash at bank and in hand		1,452,697	1,410,090
		<u>2,551,573</u>	<u>2,638,861</u>
Creditors: amounts falling due within one year	6	(2,347,659)	(2,692,400)
Net current assets/(liabilities)		203,914	(53,539)
Net assets/(liabilities)		<u>222,613</u>	<u>(43,701)</u>
Capital and reserves			
Called up share capital	7	1,000	1,000
Profit and loss account		221,613	(44,701)
Total equity		<u>222,613</u>	<u>(43,701)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime within Part 15 of the Companies Act 2006 and in accordance with Section 1A of Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime. The profit and loss account and directors' report have not been filed.

The financial statements were approved, authorised for issue and signed by the sole director.

C A Commins

Director

Date: 24 August 2021

ADVANCED CHEMISTRY DEVELOPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

Advanced Chemistry Development UK Limited is a private company limited by shares incorporated in England. The address of its registered office is 5 New Street Square, London, United Kingdom, EC4A 3TW.

The financial statements are presented in Sterling (£).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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

After making enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, she continues to adopt the going concern basis in preparing the financial statements.

2.3 Revenue

The company derives revenue from the licensing of its software and related services, which include implementation and integration services, technical services, training and consulting.

The licence fee revenues are recognised when there is persuasive evidence of an arrangement with a fixed and determinable fee, when delivery has occurred and collection of the sale proceeds is probable.

Revenue from maintenance services, which include services, such as technical product support and product updates and upgrades, is recognised rateably over the term of the maintenance agreement.

Professional services revenue is generally recognised as the services are performed. Revenue from consulting services, which are typically performed under separate service agreements, is recognised as services are performed. Such services consist primarily of services related to the installation, testing and deployment of products and do not include significant customisation or development of the underlying software code.

The company sells term-based licences, which range in duration but are invoiced on an annual basis. The subscription and maintenance fees are both recognised rateably over the contract term.

Deferred revenue represents revenue from product and service elements received in advance that does not yet qualify for revenue recognition under the company's revenue recognition policy. Deferred revenue is stated net of deferred cost of sales.

2.4 Tangible fixed assets

Tangible fixed assets 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.

ADVANCED CHEMISTRY DEVELOPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.4 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:

Office equipment	-
	3 years straight line

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 the profit and loss account.

2.5 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

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.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

ADVANCED CHEMISTRY DEVELOPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.5 Financial instruments (continued)

Impairment of financial assets

Financial assets 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 the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet 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.

2.6 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.

2.7 Share capital

Ordinary shares are classified as equity.

ADVANCED CHEMISTRY DEVELOPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.8 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'administrative expenses'.

2.9 Finance costs

Finance costs are charged to the profit and loss account 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Operating leases

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

2.11 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

ADVANCED CHEMISTRY DEVELOPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.12 Taxation

Tax is recognised in the profit and loss account, 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 balance sheet 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 balance sheet 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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 15 (2019 - 13).

ADVANCED CHEMISTRY DEVELOPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

4. Tangible fixed assets

	Computer equipment £
Cost	
At 1 September 2019	30,334
Additions	18,973
	<hr/>
At 31 August 2020	49,307
	<hr/>
Depreciation	
At 1 September 2019	20,496
Charge for the year	10,112
	<hr/>
At 31 August 2020	30,608
	<hr/>
Net book value	
At 31 August 2020	18,699
	<hr/>
At 31 August 2019	9,838
	<hr/>

5. Debtors

	2020 £	2019 £
Trade debtors	1,087,377	1,217,395
Other debtors	1,584	1,584
Prepayments and accrued income	9,915	9,792
	<hr/>	<hr/>
	1,098,876	1,228,771
	<hr/>	<hr/>

ADVANCED CHEMISTRY DEVELOPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

6. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	78,503	73,665
Amounts owed to group undertakings	995,401	1,391,084
Corporation tax	68,798	7,911
Other taxation and social security	126,630	112,900
Accruals and deferred income	1,078,327	1,106,840
	<u>2,347,659</u>	<u>2,692,400</u>

7. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1,000 (2019 - 1,000) Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

8. Commitments under operating leases

At 31 August 2020 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	12,844	12,844
Later than 1 year and not later than 5 years	3,811	16,655
	<u>16,655</u>	<u>29,499</u>

9. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

ADVANCED CHEMISTRY DEVELOPMENT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

10. Parent undertaking

The immediate and ultimate parent undertaking is Advanced Chemistry Development, Inc., a company incorporated in Canada. The parent undertaking of the smallest and largest group of undertakings for which group financial statements are drawn up and of which the company is a member is Advanced Chemistry Development, Inc., whose registered office is 8 King Street East, Suite 107, Toronto, Ontario, M5C 1B5, Canada. Copies of these group financial statements are not available to the public.

In the opinion of the director the immediate controlling party is Advanced Chemistry Development, Inc.

11. Auditor's information

The auditor's report on the company's full financial statements for the year ended 31 August 2020 was unqualified.

The audit report was signed on 25 August 2021 by Simon Mayston (senior statutory auditor) on behalf of Blick Rothenberg Audit LLP.

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.