

LUXDECO LTD
Unaudited Financial Statements
For the financial year ended 31 March 2022
Pages for filing with the registrar

LUXDECO LTD
UNAUDITED FINANCIAL STATEMENTS
For the financial year ended 31 March 2022

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LUXDECO LTD
COMPANY INFORMATION
For the financial year ended 31 March 2022

DIRECTORS

J R Holmes
B E Sinclair

SECRETARY

J R Holmes

REGISTERED OFFICE

Holmes House
Lea Road
Waltham Abbey
EN9 1AT
United Kingdom

COMPANY NUMBER

08067602 (England and Wales)

CHARTERED ACCOUNTANTS

Berg Kaprow Lewis LLP
35 Ballards Lane
London
N3 1XW

LUXDECO LTD
STATEMENT OF FINANCIAL POSITION
As at 31 March 2022

	Note	2022	2021
		£	£
Fixed assets			
Intangible assets	3	608,369	568,023
Tangible assets	4	68,219	65,658
		676,588	633,681
Current assets			
Stocks		219,050	175,451
Debtors	5	1,824,749	1,638,252
Cash at bank and in hand		155,331	513,628
		2,199,130	2,327,331
Creditors			
Amounts falling due within one year	6	(4,880,964)	(7,738,016)
Net current liabilities		(2,681,834)	(5,410,685)
Total assets less current liabilities		(2,005,246)	(4,777,004)
Creditors			
Amounts falling due after more than one year	7	(9,187,386)	(2,294,587)
Net liabilities		(11,192,632)	(7,071,591)
Capital and reserves			
Called-up share capital	9	4	4
Share premium account		9,513,919	9,513,919
Other reserves		341,848	0
Profit and loss account		(21,048,403)	(16,585,514)
Total shareholders' deficit		(11,192,632)	(7,071,591)

LUXDECO LTD
STATEMENT OF FINANCIAL POSITION (CONTINUED)
As at 31 March 2022

For the financial year ending 31 March 2022 the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the Company to obtain an audit of its financial statements for the financial year in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Statement of Comprehensive Income has not been delivered.

The financial statements of LuxDeco Ltd (registered number: 08067602) were approved and authorised for issue by the Board of Directors. They were signed on its behalf by:

J R Holmes
Director

30 November 2022

LUXDECO LTD
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2022

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

LuxDeco Ltd (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is Holmes House, Lea Road, Waltham Abbey, EN9 1AT, United Kingdom.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the company and rounded to the nearest £.

Going concern

The company incurred trading losses for the year and the directors are aware that the company's balance sheet reflects net liabilities. However, they have reasonable expectations that the company will begin to trade profitably once the research and development stage has advanced further. The investors continue to support LuxDeco Ltd and the Company have been actively seeking further new investment to ensure the business can meet its obligations, if and when, they become due. LuxDeco secured post year end funding of £2.5m which has helped with ongoing cashflow.

Management has considered the consequences of COVID-19 and other events and conditions, and it has determined that they do not create a material uncertainty that casts significant doubt upon the entity's ability to continue as a going concern.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in the Statement of Comprehensive Income in the period in which they arise except for exchange differences arising on gains or losses on non-monetary items which are recognised in the Statement of Comprehensive Income.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover is recognised when the significant risks and rewards are considered to have been transferred to the customer.

Employee benefits

Defined contribution schemes

The Company operates a defined contribution scheme. The amount charged to the Statement of Comprehensive Income in respect of pension costs and other post-retirement benefits is the contributions payable in the financial year.

Differences between contributions payable in the financial year and contributions actually paid are included as either accruals or prepayments in the Statement of Financial Position.

LUXDECO LTD
NOTES TO THE FINANCIAL STATEMENTS
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Taxation

Current tax

Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Statement of Financial Position date.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax assets and liabilities are not discounted.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Intangible assets

Intangible assets are stated at cost or valuation, net of amortisation and any provision for impairment. Amortisation is provided on all intangible assets at rates to write off the cost or valuation of each asset over its expected useful life as follows:

Other intangible assets	3 years straight line
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Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Plant and machinery etc.	3 years straight line
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Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

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.

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

LUXDECO LTD
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2022

Financial instruments

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

(i) Financial assets

Basic financial assets, including trade and other debtors, are initially recognised at transaction price.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's regional effective interest rate. The impairment loss is recognised in the Statement of Comprehensive Income.

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) 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.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and accruals, are initially recognised at transaction price.

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

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

Convertible loan notes

The component parts of compound instruments issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. On initial recognition, the financial liability component is recorded at its fair value. At the date of issue, in the case of a convertible bond denominated in the functional currency of the issuer that may be converted into a fixed number of equity shares, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in the equity reserve within equity and is not subsequently remeasured.

Transaction costs are apportioned between the liability and equity components of the convertible instrument based on their relative fair values at the date of issue. The portion relating to the equity component is charged directly against equity.

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NOTES TO THE FINANCIAL STATEMENTS
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Provisions

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

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. Employees

	2022	2021
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	68	55

3. Intangible assets

	Other intangible assets	Total
	£	£
Cost		
At 01 April 2021	1,760,445	1,760,445
Additions	392,344	392,344
At 31 March 2022	2,152,789	2,152,789
Accumulated amortisation		
At 01 April 2021	1,192,422	1,192,422
Charge for the financial year	351,998	351,998
At 31 March 2022	1,544,420	1,544,420
Net book value		
At 31 March 2022	608,369	608,369
At 31 March 2021	568,023	568,023

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4. Tangible assets

	Plant and machinery etc.	Total
	£	£
Cost		
At 01 April 2021	162,221	162,221
Additions	45,690	45,690
At 31 March 2022	207,911	207,911
Accumulated depreciation		
At 01 April 2021	96,563	96,563
Charge for the financial year	43,129	43,129
At 31 March 2022	139,692	139,692
Net book value		
At 31 March 2022	68,219	68,219
At 31 March 2021	65,658	65,658

5. Debtors

	2022	2021
	£	£
Trade debtors	501,971	420,690
Deferred tax asset	1,329	1,329
Other debtors	1,321,449	1,216,233
	1,824,749	1,638,252

6. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	382,521	864,529
Trade creditors	1,085,444	901,196
Other taxation and social security	369,960	1,427,575
Other creditors	3,043,039	4,544,716
	4,880,964	7,738,016

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NOTES TO THE FINANCIAL STATEMENTS
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7. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Convertible loan notes	5,116,310	0
Other creditors	4,071,076	2,294,587
	9,187,386	2,294,587

The convertible loan will convert by 5 April 2024.

8. Deferred tax

	2022	2021
	£	£
At the beginning of financial year	1,329	1,329
At the end of financial year	1,329	1,329

9. Called-up share capital

	2022	2021
	£	£
Allotted, called-up and fully-paid		
37,723,820 Ordinary shares of £ 0.0000001 each	4	4

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10. Financial commitments

Commitments

Capital commitments are as follows:

	2022	2021
	£	£
Contracted for but not provided for:		
	24,609	0

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
- within one year	218,593	147,972
- between one and five years	154,429	95,400
	373,022	243,372

Pensions

The Company operates a defined contribution pension scheme for the directors and employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

	2022	2021
	£	£
Unpaid contributions due to the fund (inc. in other creditors)	9,629	9,853

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.