

BA Technologies Holdings Limited
Annual Report and Consolidated Financial Statements
Year Ended 31 December 2020
Registration number: 08820071



BA Technologies Holdings Limited

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BA Technologies Holdings Limited

Company Information

Directors	Mr Jonathan Paul Wood Mr Christopher Paul Bake Sir Charles William Dunstone
Registered office	Towngate House 2 - 8 Parkstone Road Poole Dorset BH15 2PW
Bankers	HSBC Bank PLC 70 Pall Mall St James London SW19 5EZ
Auditors	PKF Francis Clark Chartered Accountants & Statutory Auditors Towngate House 2-8 Parkstone Road Poole Dorset BH15 2PW

BA Technologies Holdings Limited

Strategic Report

Year Ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

Principal activity

The principal activity of the company is to support the legacy America's Cup spin-off design consultancy business, BA Technologies Limited (trading as BAR Technologies) and to manage the Portsmouth property known as The Camber.

Fair review of the business

In April 2018 the company sold the America's Cup trading business, Athena Racing Limited (formerly Ben Ainslie Racing Limited) and restructured its operations to focus on the commercial success of BAR Technologies.

BA Technologies Limited (formerly Ben Ainslie Racing Technologies Limited), a marine design consultancy, was set up to utilise the intellectual property and knowledge acquired during the 35th America's Cup campaign in commercial applications. BA Technologies Limited is profit-making and in a cash-positive position. It has demonstrated continued growth and has a strong order book. In March 2021 there was a demerger of BA Technologies Holdings Limited and BA Technologies Limited.

Following the departure of Athena Racing Limited from The Camber building in 2021 the company has focussed on managing the property and ensuring the successful letting of this landmark building.

Financial Instruments

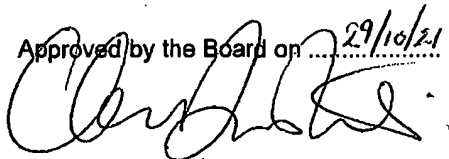
Objectives and policies

Key objectives are to grow the marine design consultancy, BAR Technologies and successfully let the high quality office space and marine engineering facilities at The Camber.

Principal risks and uncertainties

The major risks for the business are providing sufficient resources to the BAR Technologies business to cover the volume of workload secured (which is being addressed through the use of contractors and permanent staff hires) and letting the workshop and office space at The Camber in a timely manner (where negotiations are well progressed).

Approved by the Board on 29/10/21 and signed on its behalf by:



.....
Sir Charles William Dunstone
Director

BA Technologies Holdings Limited

Directors' Report

Year Ended 31 December 2020

The directors present their report and the consolidated financial statements for the year ended 31 December 2020.

Directors of the group

The directors who held office during the year were as follows:

Sir Charles Benedict Ainslie (Resigned 2 March 2021)

Mr Jonathan Paul Wood

Mr Christopher Paul Bake

Sir Charles William Dunstone

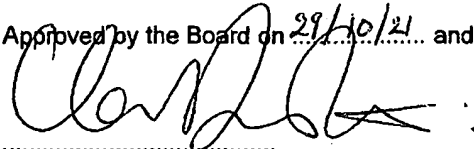
Financial instruments

The directors have chosen to include information on the group's financial risk management objectives and policies in their Strategic Report.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 29/10/21 and signed on its behalf by:



.....
Sir Charles William Dunstone
Director

BA Technologies Holdings Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

BA Technologies Holdings Limited

Independent Auditor's Report to the Members of BA Technologies Holdings Limited

Opinion

We have audited the financial statements of BA Technologies Holdings Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 31 December 2020, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2020 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

BA Technologies Holdings Limited

Independent Auditor's Report to the Members of BA Technologies Holdings Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

BA Technologies Holdings Limited

Independent Auditor's Report to the Members of BA Technologies Holdings Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning we obtained an understanding of the entity, its business operations, internal controls and the legal and regulatory framework that is applicable to BA Technologies Holdings Limited. As part of this assessment process we enquired with management, reviewed the company's website, policies and procedures.

The key laws and regulations we identified were health and safety regulations and those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006 and tax legislation.

Management enquiries covered any knowledge or evidence of actual and potential fraud, litigation and claims, which were followed up with corroborative audit review work. We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements. Little was identified in the way of incentives as director's remuneration is not directly linked to revenue or GP% targets.

Based on our understanding of the entity, we designed our audit procedures to identify non-compliance with relevant laws and regulations. Our procedures involved the following:

- The risk of management override of controls was audited, including through using data analytics to test journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.
- Review of legal and professional costs to identify any possible non-compliance or legal costs in respect of non-compliance.
- Reviewed estimates and judgements made in the accounts for any indication of bias and challenged assumptions used by management in making the estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

BA Technologies Holdings Limited

Independent Auditor's Report to the Members of BA Technologies Holdings Limited

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Chloe Mills

.....
Chloe Mills FCA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Towngate House
2-8 Parkstone Road
Poole
Dorset
BH15 2PW

Date: 8/11/2021
.....

BA Technologies Holdings Limited

Consolidated Profit and Loss Account

Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	3	3,590,343	2,409,082
Cost of sales		<u>(1,324,116)</u>	<u>(574,624)</u>
Gross profit		2,266,227	1,834,458
Administrative expenses		(2,271,372)	(1,840,867)
Other operating income		<u>11,127</u>	<u>-</u>
Operating profit/(loss)	4	<u>5,982</u>	<u>(6,409)</u>
Other interest receivable and similar income	7	-	64
Interest payable and similar charges		<u>(454,417)</u>	<u>(464,345)</u>
		<u>(454,417)</u>	<u>(464,281)</u>
Loss before tax		(448,435)	(470,690)
Taxation	9	<u>117,097</u>	<u>97,719</u>
Loss for the financial year		<u>(331,338)</u>	<u>(372,971)</u>
Profit/(loss) attributable to:			
Owners of the company		<u>(331,338)</u>	<u>(372,971)</u>

The notes on pages 16 to 29 form an integral part of these financial statements.

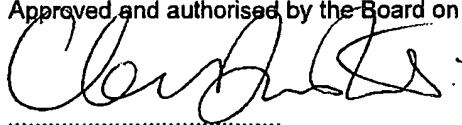
BA Technologies Holdings Limited

Consolidated Balance Sheet

31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	10	50,533	101,067
Tangible assets	11	<u>9,012,006</u>	<u>9,441,045</u>
		<u>9,062,539</u>	<u>9,542,112</u>
Current assets			
Debtors	13	391,706	410,700
Cash at bank and in hand	14	<u>1,103,903</u>	<u>647,023</u>
		1,495,609	1,057,723
Creditors: Amounts falling due within one year	15	<u>(14,016,158)</u>	<u>(748,870)</u>
Net current (liabilities)/assets		<u>(12,520,549)</u>	<u>308,853</u>
Total assets less current liabilities		(3,458,010)	9,850,965
Creditors: Amounts falling due after more than one year	15	-	(13,000,000)
Provisions for liabilities		<u>(38,146)</u>	<u>(15,783)</u>
Net liabilities		<u>(3,496,156)</u>	<u>(3,164,818)</u>
Capital and reserves			
Called up share capital	19	83	83
Share premium reserve	18	15,460	15,460
Profit and loss account	18	<u>(3,511,699)</u>	<u>(3,180,361)</u>
Equity attributable to owners of the company		<u>(3,496,156)</u>	<u>(3,164,818)</u>
Shareholders' deficit		<u>(3,496,156)</u>	<u>(3,164,818)</u>

Approved and authorised by the Board on 27/10/21 and signed on its behalf by:



.....
Sir Charles William Dunstone
Director

Company Registration Number: 08820071

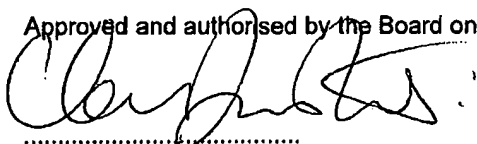
BA Technologies Holdings Limited

Balance Sheet

31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	11	9,710,606	10,212,879
Investments	12	<u>1</u>	<u>1</u>
		<u>9,710,607</u>	<u>10,212,880</u>
Current assets			
Debtors	13	77,212	216,200
Cash at bank and in hand	14	<u>489,243</u>	<u>281,601</u>
		566,455	497,801
Creditors: Amounts falling due within one year	15	<u>(13,629,471)</u>	<u>(485,352)</u>
Net current (liabilities)/assets		<u>(13,063,016)</u>	<u>12,449</u>
Total assets less current liabilities		(3,352,409)	10,225,329
Creditors: Amounts falling due after more than one year	15	<u>-</u>	<u>(13,000,000)</u>
Net liabilities		<u>(3,352,409)</u>	<u>(2,774,671)</u>
Capital and reserves			
Called up share capital	19	83	83
Share premium reserve		15,460	15,460
Profit and loss account		<u>(3,367,952)</u>	<u>(2,790,214)</u>
Shareholders' deficit		<u>(3,352,409)</u>	<u>(2,774,671)</u>

Approved and authorised by the Board on 29/10/21 and signed on its behalf by:



.....
Sir Charles William Dunstone
Director

Company Registration Number: 08820071

BA Technologies Holdings Limited

Consolidated Statement of Changes in Equity

Year Ended 31 December 2020

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 January 2020	83	15,460	(3,180,361)	(3,164,818)
Loss for the year	-	-	(331,338)	(331,338)
Total comprehensive income	-	-	(331,338)	(331,338)
At 31 December 2020	83	15,460	(3,511,699)	(3,496,156)

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 January 2019	37,854,910	15,460	(40,354,157)	(2,483,787)
Prior period adjustment	-	-	(308,060)	(308,060)
At 1 January 2019 (As restated)	37,854,910	15,460	(40,662,217)	(2,791,847)
Loss for the year	-	-	(372,971)	(372,971)
Total comprehensive income	-	-	(372,971)	(372,971)
Purchase of own share capital	-	-	37,854,827	37,854,827
Other share capital movements	(37,854,827)	-	-	(37,854,827)
At 31 December 2019	83	15,460	(3,180,361)	(3,164,818)

BA Technologies Holdings Limited

Statement of Changes in Equity

Year Ended 31 December 2020

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 January 2020	83	15,460	(2,790,214)	(2,774,671)
Loss for the year	-	-	(577,738)	(577,738)
Total comprehensive income	-	-	(577,738)	(577,738)
At 31 December 2020	83	15,460	(3,367,952)	(3,352,409)

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 January 2019	37,854,910	15,460	(40,112,278)	(2,241,908)
Loss for the year	-	-	(532,763)	(532,763)
Total comprehensive income	-	-	(532,763)	(532,763)
Purchase of own share capital	-	-	37,854,827	37,854,827
New redeemable 'B' share capital subscribed	(37,854,827)	-	-	(37,854,827)
At 31 December 2019	83	15,460	(2,790,214)	(2,774,671)

BA Technologies Holdings Limited

Consolidated Statement of Cash Flows

Year Ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Loss for the year		(331,338)	(372,971)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	554,478	531,763
Finance income	7	-	(64)
Finance costs	8	358,417	480,465
Tax expense		<u>(117,097)</u>	<u>(97,719)</u>
		464,460	541,474
Working capital adjustments			
Decrease in debtors	13	27,175	751,501
Increase/(decrease) in creditors	15	<u>267,288</u>	<u>(1,232,903)</u>
Cash generated from operations		758,923	60,072
Income taxes received/(paid)		<u>131,279</u>	<u>(8,937)</u>
Net cash flow from operating activities		<u>890,202</u>	<u>51,135</u>
Cash flows from investing activities			
Interest received		-	64
Acquisitions of tangible assets		<u>(74,905)</u>	<u>(93,461)</u>
Net cash flows from investing activities		(74,905)	(93,397)
Cash flows from financing activities			
Interest paid	8	<u>(358,417)</u>	<u>(480,465)</u>
Net increase/(decrease) in cash and cash equivalents		456,880	(522,727)
Cash and cash equivalents at 1 January		<u>647,023</u>	<u>1,169,750</u>
Cash and cash equivalents at 31 December		<u><u>1,103,903</u></u>	<u><u>647,023</u></u>

BA Technologies Holdings Limited

Statement of Cash Flows

Year Ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Loss for the year		(577,738)	(532,763)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	502,273	502,273
Finance costs	8	454,417	480,465
Income tax expense		-	8,937
		<u>378,952</u>	<u>458,912</u>
Working capital adjustments			
Decrease in trade debtors	13	138,988	7,158
Increase/(decrease) in trade creditors	15	<u>144,119</u>	<u>(24,935)</u>
Cash generated from operations		662,059	441,135
Income taxes paid		-	(8,937)
Net cash flow from operating activities		662,059	432,198
Cash flows from financing activities			
Interest paid	8	<u>(454,417)</u>	<u>(480,465)</u>
Net increase/(decrease) in cash and cash equivalents		207,642	(48,267)
Cash and cash equivalents at 1 January		<u>281,601</u>	<u>329,868</u>
Cash and cash equivalents at 31 December		<u>489,243</u>	<u>281,601</u>

BA Technologies Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2020

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Towngate House
2 - 8 Parkstone Road
Poole
Dorset
BH15 2PW

The principal place of business is:

The Camber
East Street
Portsmouth
Hampshire
PO1 2JJ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are presented in Pounds Sterling, rounded to the nearest whole pound.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the Company and its subsidiary undertaking drawn up to 31 December 2020.

As a consolidated profit and loss account is published, no profit and loss account is presented for the company as permitted by section 408 of the Companies Act 2006. Its loss for the financial period was £577,738 (2019: £532,763) .

BA Technologies Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2020

Going concern

The directors have continued to assess the ongoing impact of the coronavirus pandemic on the group and have concluded that there will be minimal impact to the group's going concern position. Following the sale of Athena Racing Limited (formerly Ben Ainslie Racing Limited) in 2018, the group is left with a profitable and growing marine consultancy business in BA Technologies Limited and a landmark building in Portsmouth which is seeing a good level of demand for high quality office space and marine engineering facilities. Furthermore, the group is forecast to have sufficient cash reserves to ensure that it can continue trading. The £13m loan (which is guaranteed by the company's shareholders) matures on 31 December 2021 and is currently in the process of being refinanced. Based on this, the directors of the group believe that the group will be able to meet the working capital demands of the business for the foreseeable future.

Key management judgements

Estimates and judgements are continually made and evaluated. Judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are management's best knowledge of the amount, events or actions, actual amounts ultimately differ from those estimates.

Revenue recognition

Turnover represents amounts chargeable, net of value added tax, in respect of the supply of design services to customers and rent receivable from tenants during the year.

Long-term contract revenue recognition

Long-term contract balances represent costs incurred on specific contracts, net of amounts transferred to cost of sales in respect of work recorded as turnover, less foreseeable losses and payments on account not matched with turnover. Contract work in progress is recorded as turnover on the following bases. On contracts which provide for delivery of own manufactured units or components, turnover is recorded when deliveries are made to customers. In respect of initial research and development contracts, turnover is determined by reference to the value of work carried out to date. No profit is recognised until the contract has advanced to a stage where the total profit can be assessed with reasonable certainty. Provision is made for the full amount of foreseeable losses on contracts.

Foreign currency transactions and balances

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating profit.

BA Technologies Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2020

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation 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 group operates and generates taxable income.

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the consolidated profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold Property	Straight line over 22 years
Office equipment	Straight line over 4 years
Computer equipment	Straight line over 3 years

Research and Development

Research and Development expenditure is written off as incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can be reasonably assured. Development expenditure is stated in the financial statements at cost less any subsequent accumulated amortisation.

Intangible assets

Separately acquired licences are shown at historical cost.

Licences have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Software license	Straight Line over 3 years

BA Technologies Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2020

Financial instruments

Classification

The company has elected to apply the provisions of sections 11 and 12 of FRS 102 in full.

Recognition and classification

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

Liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Categories of financial instrument

The company holds the following financial instruments, all of which meet the conditions to be classified as basic instruments:

- Short term trade debtors and creditors;
- Short term intra group debtors and creditors;
- Short term debtors and creditors with related parties;
- Bank Loans

Short term trade, intra group and related party balances

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

Bank loans

Bank loans are initially recorded at fair value, net of transactions costs and subsequently at amortised cost using the effective interest method.

Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress 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. At each reporting date, stocks are assessed for impairment. If stocks are 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.

BA Technologies Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2020

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Lessor accounting

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

BA Technologies Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2020

3 Turnover

The analysis of the group's revenue for the year from continuing operations is as follows:

	2020 £	2019 £
Sale of goods	3,161,610	1,890,162
Other revenue	428,733	518,920
	<u>3,590,343</u>	<u>2,409,082</u>

4 Operating profit/(loss)

Arrived at after charging/(crediting)

	2020 £	2019 £
Foreign exchange losses/(gains)	1,282	236
Depreciation expense	503,944	481,229
Amortisation expense	50,534	50,534
Research and development cost	<u>828,607</u>	<u>621,533</u>

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £	2019 £
Wages and salaries	1,424,112	892,080
Social security costs	161,151	95,637
Pension costs, defined contribution scheme	43,713	26,038
Redundancy costs	24,800	18,738
Other employee expense	18,852	25,414
	<u>1,672,628</u>	<u>1,057,907</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Administration and design	<u>19</u>	<u>14</u>

BA Technologies Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2020

6 Auditor's remuneration

	2020	2019
	£	£
Audit of these financial statements	<u>7,750</u>	<u>7,500</u>

7 Other interest receivable and similar income

	2020	2019
	£	£
Other finance income	<u>-</u>	<u>64</u>

8 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and borrowings	358,417	368,345
Interest expense on other finance liabilities	<u>96,000</u>	<u>96,000</u>
	<u>454,417</u>	<u>464,345</u>

BA Technologies Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2020

9 Taxation

Tax charged/(credited) in the profit and loss account

	2020 £	2019 £
Current taxation		
UK corporation tax	(139,921)	(119,290)
UK corporation tax adjustment to prior periods	461	8,937
	<u>(139,460)</u>	<u>(110,353)</u>
Deferred taxation		
Arising from origination and reversal of timing differences	22,363	12,634
Tax receipt in the income statement	<u>(117,097)</u>	<u>(97,719)</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2020 - the same as the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Loss before tax	<u>(448,435)</u>	<u>(470,690)</u>
Corporation tax at standard rate	(93,133)	(97,362)
Increase (decrease) from effect of different UK tax rates on some earnings	43,424	8,937
Effect of expense not deductible in determining taxable profit (tax loss)	2,248	1,351
Tax increase (decrease) from effect of capital allowances and depreciation	98,328	89,768
Tax increase (decrease) from other short-term timing differences	22,363	12,634
Tax increase (decrease) from effect of unrelieved tax losses carried forward	14,339	3,452
Enhanced research and development claim	<u>(204,666)</u>	<u>(116,499)</u>
Total tax credit	<u>(117,097)</u>	<u>(97,719)</u>

BA Technologies Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2020

10 Intangible assets

Group

	Software licenses £	Total £
Cost or valuation		
At 1 January 2020	<u>151,601</u>	<u>151,601</u>
At 31 December 2020	<u>151,601</u>	<u>151,601</u>
Amortisation		
At 1 January 2020	50,534	50,534
Amortisation charge	<u>50,534</u>	<u>50,534</u>
At 31 December 2020	<u>101,068</u>	<u>101,068</u>
Carrying amount		
At 31 December 2020	<u>50,533</u>	<u>50,533</u>
At 31 December 2019	<u>101,067</u>	<u>101,067</u>

The aggregate amount of research and development expenditure recognised as an expense during the period is £828,607 (2019 - £621,533).

BA Technologies Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2020

11 Tangible assets

Group

	Land and buildings £	Furniture, fittings and IT equipment £	Total £
Cost or valuation			
At 1 January 2020	11,471,434	112,805	11,584,239
Additions	-	74,905	74,905
At 31 December 2020	<u>11,471,434</u>	<u>187,710</u>	<u>11,659,144</u>
Depreciation			
At 1 January 2020	2,121,679	21,515	2,143,194
Charge for the year	<u>460,532</u>	<u>43,412</u>	<u>503,944</u>
At 31 December 2020	<u>2,582,211</u>	<u>64,927</u>	<u>2,647,138</u>
Carrying amount			
At 31 December 2020	<u>8,889,223</u>	<u>122,783</u>	<u>9,012,006</u>
At 31 December 2019	<u>9,349,755</u>	<u>91,290</u>	<u>9,441,045</u>

Company

	Land and buildings £	Total £
Cost or valuation		
At 1 January 2020	<u>11,050,000</u>	<u>11,050,000</u>
At 31 December 2020	<u>11,050,000</u>	<u>11,050,000</u>
Depreciation		
At 1 January 2020	837,121	837,121
Charge for the year	<u>502,273</u>	<u>502,273</u>
At 31 December 2020	<u>1,339,394</u>	<u>1,339,394</u>
Carrying amount		
At 31 December 2020	<u>9,710,606</u>	<u>9,710,606</u>
At 31 December 2019	<u>10,212,879</u>	<u>10,212,879</u>

BA Technologies Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2020

12 Investments

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2020	2019
Subsidiary undertakings				
BA Technologies Limited Towngate House, 2-8 Parkstone Rd, Poole, Dorset, BH15 2PW	United Kingdom	Ordinary Shares	100%	100%

Subsidiary undertakings

BA Technologies Limited

The principal activity of BA Technologies Limited is that of marine design consultancy.

Company

	2020 £	2019 £
Investments in subsidiaries	<u>1</u>	<u>1</u>
Subsidiaries		£
Cost or valuation		
At 1 January 2020		<u>1</u>
Provision		
Carrying amount		
At 31 December 2020		<u>1</u>
At 31 December 2019		<u>1</u>

BA Technologies Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2020

13 Debtors

	2020 £	Group 2019 £	2020 £	Company 2019 £
Trade debtors	154,820	160,374	-	115,200
Other debtors	55,291	55,000	55,000	55,000
Prepayments	41,674	63,586	22,212	46,000
Corporation tax receivable	139,921	131,740	-	-
	<u>391,706</u>	<u>410,700</u>	<u>77,212</u>	<u>216,200</u>

14 Cash and cash equivalents

	2020 £	Group 2019 £	2020 £	Company 2019 £
Cash at bank	<u>1,103,903</u>	<u>647,023</u>	<u>489,243</u>	<u>281,601</u>

15 Creditors

	Note	2020 £	Group 2019 £	2020 £	Company 2019 £
Due within one year					
Loans and borrowings	16	13,544,000	448,000	13,544,000	448,000
Trade creditors		104,697	52,974	-	-
Amounts due to group undertakings	21	-	-	-	37,352
Social security and other taxes		230,613	122,676	38,921	-
Outstanding defined contribution pension costs		13,255	7,898	-	-
Accrued expenses and deferred income		123,593	61,507	46,550	-
Deferred income		-	55,815	-	-
		<u>14,016,158</u>	<u>748,870</u>	<u>13,629,471</u>	<u>485,352</u>
Due after one year					
Loans and borrowings	16	-	13,000,000	-	13,000,000

The Bank Loan is secured by way of fixed and floating charge over the leasehold property with the address of The Camber, East Street, Portsmouth, Hampshire, PO1 2JJ.

BA Technologies Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2020

16 Loans and borrowings

Creditors amounts falling due within one year and over one year have been secured over the assets of the company for the below finance leases:

	2020 £	Group 2019 £	2020 £	Company 2019 £
Non-current loans and borrowings				
Bank borrowings	-	13,000,000	-	13,000,000

	2020 £	Group 2019 £	2020 £	Company 2019 £
Current loans and borrowings				
Bank borrowings	13,000,000	-	13,000,000	-
Other borrowings	544,000	448,000	544,000	448,000
	<u>13,544,000</u>	<u>448,000</u>	<u>13,544,000</u>	<u>448,000</u>

Group

Bank borrowings

The bank loan is denominated in GBP, has an interest rate of LIBOR +2.0% and matures on 31 December 2021. The carrying amount at year end is £13,000,000 (2019 - £13,000,000).

The leasehold property known as The Camber, East Street, Portsmouth, Hampshire, PO1 2JJ, has been given as security. The carrying amount of the leasehold property (based on depreciated cost) in the financial statements as at 31 December 2020 was £8,889,223 (2019: £9,349,755).

The loan matures on 31 December 2021 and is in the process of being refinanced.

17 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £43,713 (2019 - £26,038).

Contributions totalling £13,255 (2019 - £7,898) were payable to the scheme at the end of the year and are included in creditors.

BA Technologies Holdings Limited

Notes to the Financial Statements

Year Ended 31 December 2020

18 Reserves

Group

Profit and loss reserves

The profit and loss reserve represents cumulative profits or losses and other adjustments.

Share premium

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

19 Share capital

Allotted, called up and fully paid shares

	No.	2020 £	No.	2019 £
Ordinary C shares issued of £0.01 each	8,338	83	8,338	83

20 Non adjusting events after the financial period

On 2 March 2021 there was a demerger of BA Technologies Holdings Limited and BA Technologies Limited. As part of this transaction Camber Property Limited purchased 100% of the shareholding in BA Technologies Holdings Limited.

21 Related party transactions

Group

Summary of transactions with entities with joint control or significant interest

The group has the following transactions with entities with joint control or significant influence.

During the period to 31 December 2020 the company made sales of £nil (2019: £47,400) to, rental charges of £477,834 (2019: £477,082) and purchases of £nil (2019: £166,526) from entities with joint control or significant influence. As at the balance sheet date £nil (2019: £115,200) was payable from entities with joint control or significant influence.

Sales and purchases between the related parties were made at normal market prices and repayment terms.