

AVIRAT, LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

AVIRAT, LTD

COMPANY INFORMATION

Directors	P Khandelwal J Kissoon B Spero N VanWagner
Registered number	09469079
Registered office	New Penderel House 4th Floor 283-288 High Holborn London United Kingdom WC1V 7HP
Independent auditors	ZEDRA Corporate Reporting Services (UK) Limited

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BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	As restated 2019 £
Fixed assets			
Tangible assets	4	2,209	2,929
		<u>2,209</u>	<u>2,929</u>
Current assets			
Debtors: amounts falling due within one year	5	2,000	-
Bank and cash balances		52,033	51,836
		<u>54,033</u>	<u>51,836</u>
Creditors: amounts falling due within one year	6	(447,490)	(371,012)
Net current liabilities		<u>(393,457)</u>	<u>(319,176)</u>
Total assets less current liabilities		<u>(391,248)</u>	<u>(316,247)</u>
Net liabilities		<u><u>(391,248)</u></u>	<u><u>(316,247)</u></u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		(391,249)	(316,248)
		<u><u>(391,248)</u></u>	<u><u>(316,247)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

J Kissoon
Director

Date: 21 December 2021

The notes on pages 3 to 7 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2019	1	(114,988)	(114,987)
Loss for the year (as restated)	-	(201,260)	(201,260)
At 1 January 2020 (as previously stated)	1	(293,800)	(293,799)
Prior year adjustment (note 7)	-	(22,448)	(22,448)
At 1 January 2020 (as restated)	1	(316,248)	(316,247)
Loss for the year	-	(75,001)	(75,001)
At 31 December 2020	1	(391,249)	(391,248)

The notes on pages 3 to 7 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with 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:

1.2 Going concern

The directors have considered the working capital requirements of the Company for a period of 12 months from the signing of approval of these financial statements. The Company is in a net liability position as at the year end. This is mainly due to an intercompany balance due to the parent company, Avirat, Inc. As such, the Company has received written confirmation from its parent company, Avirat, Inc., that it will continue to provide financial support for a period of at least 12 months from the date of signing these financial statements. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

1.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)

1.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.5 Operating leases: the Company as lessee

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

1.6 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 profit or loss 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.

1.7 Tangible fixed assets

Tangible fixed assets under the cost model 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)

1.7 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:

Computer equipment	-	20%
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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 profit or loss.

1.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

1.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions.

1.10 Creditors

Short term creditors are measured at the transaction price. Amounts owed to group undertakings are intercompany loans measured at cost. No interest is charged on the loans, which are repayable on demand.

2. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2020 was unqualified. The Company did not require an audit in the previous period, as a result the comparatives have not been audited.

The audit report was signed on 21 December 2021 by Louise Morriss BFP ACA FCCA (Senior Statutory Auditor) on behalf of ZEDRA Corporate Reporting Services (UK) Limited.

3. Employees

The average monthly number of employees during the year was 1 (2019 - 1).

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

4. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 January 2020	3,529
At 31 December 2020	3,529
Depreciation	
At 1 January 2020	600
Charge for the year on owned assets	720
At 31 December 2020	1,320
Net book value	
At 31 December 2020	2,209
<i>At 31 December 2019</i>	<i>2,929</i>

5. Debtors

	2020 £	2019 £
Prepayments and accrued income	2,000	-
	<u>2,000</u>	<u>-</u>

6. Creditors: Amounts falling due within one year

	2020 £	As restated 2019 £
Amounts owed to group undertakings	353,951	341,723
Other taxation and social security	19,576	2,915
Accruals and deferred income	73,963	26,374
	<u>447,490</u>	<u>371,012</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Prior year adjustment

In the prior year, management identified that turnover had not been appropriately deferred in line with the Company's revenue recognition policy. As a result, an adjustment has been made to increase deferred income by £22,448 and decrease turnover by the same amount.

The net effect of the above adjustment was a decrease of £22,448 in the brought forward profit and loss reserve.

8. Financial commitments

At the end of the reporting period, the total amount of financial commitments, guarantees and contingencies that are not included in the balance sheet is £678 (2019: £658). This amount is due within the next 12 months.

9. Controlling party

Avirat, Inc. is the parent of the smallest group for which consolidated financial statements are drawn up of which the Company is a member. The registered office of the parent company is 230 13th Avenue NE, Minneapolis, MN 55413, USA.

10. Post balance sheet events

There were no adjusting or non-adjusting events occurring between the end of the reporting period and the date these financial statements were approved.

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.