

Suponor Limited

Financial Statements

Year Ended

30 June 2021

Company Number 07517715

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Supponor Limited.
Registered number: 07517715

Statement of Financial Position
As at 30 June 2021


	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	6		292,075		-
Tangible assets	7		1,368,617		1,347,054
Current assets					
Debtors: amounts falling due within one year	8	5,774,146		3,744,343	
Cash at bank and in hand		1,621,808		545,416	
		<u>7,395,954</u>		<u>4,289,759</u>	
Creditors: amounts falling due within one year	9	<u>(36,778,911)</u>		<u>(34,700,805)</u>	
Net current liabilities			(29,382,957)		(30,411,046)
Total assets less current liabilities			(27,722,265)		(29,063,992)
Creditors: amounts falling due after more than one year	10		(1,692,000)		(58,425)
Net liabilities			(29,414,265)		(29,122,417)
Capital and reserves					
Called up share capital	13		200		200
Share based payment reserve	14		1,150,687		693,287
Profit and loss account	14		(30,565,152)		(29,815,904)
Total equity			(29,414,265)		(29,122,417)

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 on *MARCH 25, 2022*


J B Gambrell
Director

The notes on pages 9 to 18 form part of these financial statements.

Supponor Limited

Statement of Changes in Equity For the Year Ended 30 June 2021

	Called up share capital	Share based payment reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2020	200	693,287	(29,815,904)	(29,122,417)
Comprehensive loss for the year				
Loss for the year	-	-	(749,248)	(749,248)
Total comprehensive loss for the year	-	-	(749,248)	(749,248)
Capital contribution for share options	-	457,400	-	457,400
At 30 June 2021	200	1,150,687	(30,565,152)	(29,414,265)

Statement of Changes in Equity For the Year Ended 30 June 2020

	Called up share capital	Share based payment reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2019	200	613,861	(27,089,991)	(26,475,930)
Comprehensive loss for the year				
Loss for the year	-	-	(2,725,913)	(2,725,913)
Total comprehensive loss for the year	-	-	(2,725,913)	(2,725,913)
Capital contribution for share options	-	79,426	-	79,426
At 30 June 2020	200	693,287	(29,815,904)	(29,122,417)

The notes on pages 3 to 12 form part of these financial statements.

Suppor Limited

Notes to the Financial Statements For the Year Ended 30 June 2021

1. General information

Suppor Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act. The address of the registered office is given on the Company Information page.

2. Accounting policies

2.1 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 preparation of financial statements in compliance with Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis, which assumes that the Company will have sufficient working capital facilities to enable it to continue in business for the foreseeable future. In reaching this conclusion the directors have considered the financial forecasts of the Company and the availability of support from the ultimate Parent Company for any future funds required by the Company and have confirmed that amounts due to the Parent Company totalling £33,995,971 (2020 -£33,322,614) will not be called upon for a period of at least 12 months from approval of these financial statements unless the Company has the facility within its cash flow to do so.

The group has prepared forecasts to March 2023, which indicate that it will not require additional investment funding during that period to continue to operate, however this is based on the conversion of large contract on expected terms in line with expected timescale's and further pipeline conversions in line with expectations. Should this contract not be converted as expected, the group may be required to obtain additional external financing or reduce operating costs in order to continue to operate.

However, as is the nature of financial forecasts there is a degree of uncertainty in their delivery which may lead to the group requiring additional investment to support its operations, based on this there is an uncertainty that the ultimate Parent Company will be able to continue to support the Company and therefore a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Nevertheless, after making enquiries and considering the uncertainties described above, the directors have concluded that they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and are satisfied that there is sufficient strength of interest from customers and potential investors in the business. For these reasons, and the group's long history of successfully raising significant amounts of capital over the years, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The financial statements do not reflect the adjustments that would be required if the Company ceased to operate as a going concern.

Supponor Limited

Notes to the Financial Statements For the Year Ended 30 June 2021

2. Accounting policies (continued)

2.3 Revenue

The Company principally obtains its revenues through the provision of its technology solutions under licence to rights holders, broadcasters, agencies and brands. In addition revenues are also generated from services supporting the Company's technology solutions.

Revenue obtained under licence agreements is recognised on a straight line basis over the term of the licence. Revenue generated through support services is recognised when the service is provided to the customer. All revenue is stated exclusive of Value Added Tax.

2.4 Foreign currency translation

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the Statement of Financial Position dates. Any differences are taken to the Statement of Comprehensive Income.

2.5 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.6 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.

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.

Over the last 4 years the group has expensed software development costs, including costs to research and develop software products or the software component of products to be deployed, as technological and commercial feasibility is typically reached shortly before the release of such products. The board considers this to have been the most appropriate approach over the last 4 years whilst it has been developing its software for deployment. However, the board continues to review the policy to assess whether the capitalisation of costs in the future is appropriate.

Supponor Limited

Notes to the Financial Statements For the Year Ended 30 June 2021

2. Accounting policies (continued)

2.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software development costs	-	4 years
Finance system	-	3 years

2.8 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.

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.

The estimated useful lives range as follows:

Motor vehicles	-	3 years
Digital Billboard equipment	-	4 years

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 Statement of Comprehensive Income.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand.

Supponor Limited

Notes to the Financial Statements For the Year Ended 30 June 2021

2. Accounting policies (continued)

2.11 Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The Company's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.14 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

2.16 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Supponor Limited

Notes to the Financial Statements For the Year Ended 30 June 2021

2. Accounting policies (continued)

2.17 Current and deferred taxation

Tax is recognised in the Statement of Comprehensive Income, 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 reporting 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 Statement of Financial Position 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 except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.18 Government grants

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the Company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- As more fully explained in note 2.2 the preparation of these financial statements on a going concern basis is a judgement by the directors.

Other key sources of estimation uncertainty:

- Tangible fixed assets (see note 8)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Supponor Limited

Notes to the Financial Statements For the Year Ended 30 June 2021

4. Employees

The average monthly number of employees, including directors, during the year was 13 (2020 - 12).

5. Taxation

There was a £359,126 R & D claim for 2021 (2020 - £Nil).

Factors that may affect future tax charge

The Company has tax losses of £36.1m (2020 - £35.5m) available to carry forward and utilise against future profits. No deferred tax asset has been recognised in respect of these losses as timing of their use is uncertain.

6. Intangible assets

	Software development projects £	Finance systems £	Total £
Cost			
At 1 July 2020	330,158	-	330,158
Additions	-	309,256	309,256
At 30 June 2021	<u>330,158</u>	<u>309,256</u>	<u>639,414</u>
Amortisation			
At 1 July 2020	330,158	-	330,158
Charge for the year	-	17,181	17,181
At 30 June 2021	<u>330,158</u>	<u>17,181</u>	<u>347,339</u>
Net book value			
At 30 June 2021	<u>-</u>	<u>292,075</u>	<u>292,075</u>
At 30 June 2020	<u>-</u>	<u>-</u>	<u>-</u>

Supponor Limited

Notes to the Financial Statements For the Year Ended 30 June 2021

7. Tangible fixed assets

	Motor vehicles £	Digital billboard equipment £	Total £
Cost			
At 1 July 2020	198,445	2,287,964	2,486,409
Additions	-	422,608	422,608
Disposals	-	(194,480)	(194,480)
At 30 June 2021	<u>198,445</u>	<u>2,516,092</u>	<u>2,714,537</u>
Depreciation			
At 1 July 2020	93,945	1,045,410	1,139,355
Charge for the year	62,208	155,853	218,061
Disposals	-	(11,496)	(11,496)
At 30 June 2021	<u>156,153</u>	<u>1,189,767</u>	<u>1,345,920</u>
Net book value			
At 30 June 2021	<u>42,292</u>	<u>1,326,325</u>	<u>1,368,617</u>
At 30 June 2020	<u>104,500</u>	<u>1,242,554</u>	<u>1,347,054</u>

The net book value of assets under finance leases is £42,292 (2020 - £104,500).

Included within Digital billboard equipment are assets with a value of £941,534 (2020 - £848,142) for which no depreciation has been recorded as the assets are not yet in use.

8. Debtors: amounts falling due within one year

	2021 £	2020 £
Trade debtors	238,153	218,462
Amounts owed by group undertakings	5,132,696	3,071,462
Other debtors	128,057	92,107
Prepayments and accrued income	98,861	362,312
Tax recoverable	176,379	-
	<u>5,774,146</u>	<u>3,744,343</u>

Supponor Limited

Notes to the Financial Statements For the Year Ended 30 June 2021

9. Creditors: amounts falling due within one year

	2021 £	2020 £
Other loans	108,000	-
Trade creditors	908,796	572,457
Amounts owed to group undertakings	33,995,971	33,322,614
Other taxation and social security	102,352	165,896
Obligations under finance lease and hire purchase contracts	55,208	66,042
Other creditors	424,072	261,743
Accruals and deferred income	1,184,512	312,053
	36,778,911	34,700,805

Amounts owed to group undertakings are interest free and repayable on demand. No security has been provided on this amount.

10. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other loans	1,692,000	-
Net obligations under finance leases and hire purchase contracts	-	58,425
	-	58,425

11. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due		
Within 1 year	108,000	-
Between 1-2 years	423,000	-
Between 2-5 years	1,269,000	-
	1,800,000	-

Other loans comprises a facility under the CBILS scheme. Interest is payable monthly at the higher of 10.5% and SONIA + 8.5%, however interest for the first 12 months of the loan is paid by HM Government. This amount is accounted for as a government grant receivable. Repayments of capital commenced in December 2021 with the first 6 monthly installments being £18,000. From June 2022 repayments are 48 equal monthly installments of £35,250. The loan is secured by all present and future patents, trademarks, services marks, trade names, designs, copyrights, inventions, topographical or similar rights, confidential information and know-how.

Supponor Limited

Notes to the Financial Statements For the Year Ended 30 June 2021

12. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	55,208	66,042
Between 1-5 years	-	58,425
	<u>55,208</u>	<u>124,467</u>

Finance leases are secured on the assets to which they relate.

13. Share capital

	2021 £	2020 £
Allotted, called up and fully paid 200 ordinary shares of £1 each	200	200

14. Reserves

The Company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Share based payment reserve

The share based payment reserve represents fair value at the date of grant of share options issued to employees. On exercise of these options the distributable amount is transferred to the profit and loss reserve.

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

15. Share based payments

The Company participates in the group share based payment plan of its ultimate parent company, Supponor Holding Limited. A share based remuneration charge of £457,400 (2020 - £79,426) has been recognised during the year. The allocation of the group share-based remuneration charge attributable to the Company has been identified on the basis of the number of share options granted to the employees of the Company.

Supponor Limited

Notes to the Financial Statements For the Year Ended 30 June 2021

16. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £59,598 (2020 - £54,346). Contributions totalling £5,270 (2020 - £4,291) were payable to the fund at the reporting date and are included in creditors.

17. Related party transactions

The Company is a wholly owned subsidiary of Supponor Holding Limited and has taken advantage of the available exemption conferred by section 33.1A of FRS 102 not to disclose transactions with group members due to consolidated accounts being publicly available.

During the year the the Company made purchases of £7,180 (2020 - £71,707) from Jamus Business Group Limited, a company controlled by J B Gambrell. At the year end a creditor of £Nil (2020 - £6,777) was payable.

18. Ultimate parent undertaking and controlling party

At the Statement of Financial Position date the Company's immediate parent is Supponor Oy, incorporated in Finland. The ultimate parent company was Supponor Holding Limited whose registered office is 1 Lyric Square, Office 9.04, London, England, W6 0NB. The smallest and largest group in which these accounts are consolidated is Supponor Holding Limited. In the opinion of the directors there is no ultimate controlling party.

19. Auditor's information

The auditor's report on the financial statements for the year ended 30 June 2021 was unqualified.

In their report, the auditor emphasised the following matter without qualifying their report:

Material uncertainty related to going concern

We draw attention to note 2.2 to the financial statements, which indicates the directors' considerations regarding the going concern of the Company, including the fact that there is a uncertainty about the ultimate parent Company's ability to continue to support the Company. As stated in note 2.2, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The audit report was signed on 29/03/2022 by Neil Dimes (Senior Statutory Auditor) on behalf of BDO LLP.