

ALERON LIMITED
(FORMERLY ALERON SUBSEA LIMITED)
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
PAGES FOR FILING WITH REGISTRAR



COMPANIES HOUSE

30 SEP 2021

EDINBURGH MAILBOX

**ALERON LIMITED
(FORMERLY ALERON SUBSEA LIMITED)
CONTENTS**

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

ALERON LIMITED
(FORMERLY ALERON SUBSEA LIMITED)
BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020		2019 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3		806,368		288,333
Tangible assets	4		600,533		1,243,889
			<u>1,406,901</u>		<u>1,532,222</u>
Current assets					
Stocks		395,047		412,293	
Debtors	5	918,549		314,316	
Cash at bank and in hand		158,240		193,978	
			<u>1,471,836</u>	<u>920,587</u>	
Creditors: amounts falling due within one year	6	<u>(861,012)</u>		<u>(546,165)</u>	
Net current assets			<u>610,824</u>		<u>374,422</u>
Total assets less current liabilities			<u>2,017,725</u>		<u>1,906,644</u>
Creditors: amounts falling due after more than one year	7		(44,124)		-
Provisions for liabilities			<u>(261,868)</u>		<u>(136,299)</u>
Net assets			<u>1,711,733</u>		<u>1,770,345</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss reserves			1,711,633		1,770,245
Total equity			<u>1,711,733</u>		<u>1,770,345</u>

**ALERON LIMITED
(FORMERLY ALERON SUBSEA LIMITED)
BALANCE SHEET (CONTINUED)**

AS AT 31 DECEMBER 2020

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

The financial statements were approved by the board of directors and authorised for issue on 29/09/21 and are signed on its behalf by:

Gary McConnell

.....
Mr G McConnell
Director

Company Registration No. SC370057

ALERON LIMITED (FORMERLY ALERON SUBSEA LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Aleron Limited is a private company limited by shares incorporated in Scotland. The registered office is 28 Albyn Place, Aberdeen, United Kingdom, AB10 1YL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Prior period error

In the prior year, costs of £153,037 included in work in progress should have been transferred to development costs in intangible fixed assets. Instead, the adjustment came from tangible fixed assets. This restatement has been done to increase tangible fixed assets brought forward and reduce work in progress. There has been no impact on the profit and loss for the comparative year or on retained earnings brought forward.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

In arriving at this conclusion, the directors have considered the impact of COVID-19 on the business and have implemented the appropriate policies and procedures to protect both staff and the business overall. Also, the directors have considered the period of trade for a twelve month period from signing the financial statements and based on management accounts and cash flows to date, are comfortable that the company will have appropriate funds to continue as a going concern.

Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

ALERON LIMITED
(FORMERLY ALERON SUBSEA LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Revenue from rental is recognised according to the terms of the rental contract. Generally, this is on a straight-line basis over the life of the rental agreement, when a customer has the right to use the specified asset for a specified period of time.

Deferred income arises when the goods or services have been paid for, but have not been delivered and become property of the customer until after the year end.

1.5 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	3 Years straight line
-------------------	-----------------------

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	3 Years, 7 Years & 15 Years straight line
Office equipment	3 Years straight line
Motor vehicles	3 Years straight line

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.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include deposits held at call with banks.

**ALERON LIMITED
(FORMERLY ALERON SUBSEA LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

1 Accounting policies

(Continued)

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Basic financial assets, which include debtors and bank balances, are measured at transaction price including transaction costs.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from connected, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less.

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

ALERON LIMITED
(FORMERLY ALERON SUBSEA LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.17 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants are recognised in accordance with the performance model. A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

ALERON LIMITED
(FORMERLY ALERON SUBSEA LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020	2019
	Number	Number
Total	15	15

3 Intangible fixed assets

	Development costs
	£
Cost	
At 1 January 2020	294,438
Additions	554,741
Disposals	(6,692)
At 31 December 2020	842,487
Amortisation and impairment	
At 1 January 2020	6,105
Amortisation charged for the year	30,814
Disposals	(800)
At 31 December 2020	36,119
Carrying amount	
At 31 December 2020	806,368
At 31 December 2019	288,333

ALERON LIMITED
(FORMERLY ALERON SUBSEA LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

4 Tangible fixed assets

	Plant and equipment £	Office equipment £	Motor vehicles £	Total £
Cost				
At 1 January 2020 (as restated)	2,043,990	18,579	-	2,062,569
Additions	7,600	48,245	4,700	60,545
Disposals	(553,652)	-	-	(553,652)
At 31 December 2020	<u>1,497,938</u>	<u>66,824</u>	<u>4,700</u>	<u>1,569,462</u>
Depreciation and impairment				
At 1 January 2020	803,949	14,731	-	818,680
Depreciation charged in the year	315,188	3,169	131	318,488
Eliminated in respect of disposals	(168,239)	-	-	(168,239)
At 31 December 2020	<u>950,898</u>	<u>17,900</u>	<u>131</u>	<u>968,929</u>
Carrying amount				
At 31 December 2020	<u>547,040</u>	<u>48,924</u>	<u>4,569</u>	<u>600,533</u>
At 31 December 2019 (as restated)	<u>1,240,041</u>	<u>3,848</u>	<u>-</u>	<u>1,243,889</u>

5 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	720,497	214,810
Corporation tax recoverable	80,545	-
Other debtors	117,507	99,506
	<u>918,549</u>	<u>314,316</u>

6 Creditors: amounts falling due within one year

	2020 £	2019 £
Bank loans	5,876	-
Trade creditors	96,500	133,228
Taxation and social security	79,088	(27,114)
Other creditors	679,548	440,051
	<u>861,012</u>	<u>546,165</u>

The bank loans are secured by a Government backed guarantee.

ALERON LIMITED
(FORMERLY ALERON SUBSEA LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

7 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	44,124	-
	<u>44,124</u>	<u>-</u>

The long term loans are secured by a Government backed guarantee.

Creditors which fall due after five years are as follows:

	2020	2019
	£	£
Payable by instalments	6,737	-
	<u>6,737</u>	<u>-</u>

8 Called up share capital

	2020	2019	2020	2019
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

9 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for its property.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2020	2019
	£	£
	340,000	-
	<u>340,000</u>	<u>-</u>

10 Events after the reporting date

Post 31 December 2020, the company merged with ROVQuip Limited (a fellow subsidiary of Aleron Technology Limited). The aim of the merger is to build on the financial synergies between the companies which cannot be measured at this point.

11 Related party transactions

	2020	2019
	£	£
Amounts due to related parties		
Key management personnel	202,046	133,046
Other related parties	100,394	254,052
	<u>302,440</u>	<u>387,100</u>

ALERON LIMITED
(FORMERLY ALERON SUBSEA LIMITED)
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

11 Related party transactions

(Continued)

Included in amounts owed to key management personnel is a loan due to one of the company's directors. No interest is charged and there are no fixed terms of repayment.

Included in amounts owed to other related parties are balances owed to a company which operates under the control of one of the company's directors. No interest is charged and there are no fixed terms of repayment.

Other information

The company has taken advantage of the exemptions included in FRS 102 33.1A not to disclose transactions with wholly owned group companies.

12 Prior period adjustment

Transfer between WIP and Tangible Fixed Assets

In the prior year, costs of £153,037 included in work in progress should have been transferred to development costs in intangible fixed assets. Instead, the adjustment came from tangible fixed assets. This restatement has been done to increase tangible fixed assets brought forward and reduce work in progress. There has been no impact on the profit and loss for the comparative year or on retained earnings brought forward.