

Valueworks Limited

Directors' Report and Financial Statements

Period Ended

30 June 2018

Company Number 03910513



Valueworks Limited

Company Information

Directors	P A Kennedy M Reason L Lynch
Registered number	03910513
Registered office	2 Olympic Way Birchwood Warrington WA2 0YL
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT

Valueworks Limited

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Valueworks Limited

Directors' Report For the Period Ended 30 June 2018

The directors present their report together with the audited financial statements for the 15 month period ended 30 June 2018. The comparative figures are for the year ended 31 March 2017.

Principal activity

The principal activities of the company in the period were the provision of cloud-based contract management software and procurement consulting.

Ownership

On 21 July 2017 the entire issued share capital of the company was acquired by Inprova Limited, a subsidiary of Inprova Group Limited. Subsequent to the 30 June 2018 there has been a change in the ultimate parent undertaking to Inprova Procurement Limited following a management buy out.

Going Concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The expectation is formed on the basis that the directors of Inprova Group Limited have indicated in writing their intention to support the company for a period of at least 12 months from the date of these financial statements to allow the company to settle its liabilities as they fall due. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors who served during the period were:

P A Kennedy (appointed 21 July 2017)
M Reason (appointed 31 December 2018)
M Ramzan (appointed 21 July 2017, resigned 31 December 2018)
N Southwell (resigned 21 July 2017)
R Earnshaw (resigned 21 July 2017)
D Issott (resigned 21 July 2017)
M Trimming (resigned 21 July 2017)

L Lynch was appointed to the board on 15 March 2019.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, BDO LLP who were appointed in the period, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Valueworks Limited

Directors' Report (continued) For the Period Ended 30 June 2018

This report was approved by the board on 28 March 2019 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'M Reason', is positioned above the printed name and title.

M Reason
Director

Valueworks Limited

Directors' Responsibilities Statement For the Period Ended 30 June 2018

The directors are responsible for preparing the directors' 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

Valueworks Limited

Independent Auditor's Report to the Members of Valueworks Limited

Opinion

We have audited the financial statements of Valueworks Limited ("the company") for the period ended 30 June 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 company's affairs as at 30 June 2018 and of its loss for the period 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 company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Valueworks Limited

Independent Auditor's Report to the Members of Valueworks Limited (continued)

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.

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.

Opinions on other matters 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 directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Valueworks Limited

Independent Auditor's Report to the Members of Valueworks Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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 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 company or to cease operations, or have no realistic alternative but to do so.

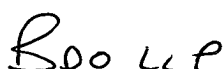
Auditor's responsibilities for the audit of the financial statements

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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.



Steven Roberts (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom

29 March 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Valueworks Limited

Statement of Comprehensive Income For the Period Ended 30 June 2018

		15 month period ended 30 June 2018 £	(Re- presented) Year ended 31 March 2017 £
	Note		
Turnover		460,705	738,302
Administrative expenses		(1,243,051)	(1,279,473)
Operating loss		(782,346)	(541,171)
Interest payable and similar expenses		(99,400)	(385,391)
Loss before tax		(881,746)	(926,562)
Tax on loss	5	87,686	135,950
Loss for the financial period/year		(794,060)	(790,612)
Other comprehensive income		-	-
Total comprehensive income for the period/year		(794,060)	(790,612)

The notes on pages 10 to 18 form part of these financial statements.

The Statement of Comprehensive Income for the year ended 31 March 2017 has been represented to reclassify £15,939 of cost previously presented as cost of sales as administrative expenses, which the directors believe more adequately reflects the nature of these costs.

Valueworks Limited
Registered number: 03910513

Balance Sheet
As at 30 June 2018

	Note	30 June 2018 £	30 June 2018 £	31 March 2017 £	31 March 2017 £
Current assets					
Debtors: amounts falling due after more than one year	7	-		195,694	
Debtors: amounts falling due within one year	7	55,315		108,968	
Cash at bank and in hand		15,762		88,723	
		<u>71,077</u>		<u>393,385</u>	
Creditors: amounts falling due within one year	8	(534,455)		(231,044)	
Net current (liabilities)/assets			(463,378)		162,341
Total assets less current liabilities			(463,378)		162,341
Creditors: amounts falling due after more than one year	9		-		(4,260,669)
Net liabilities			(463,378)		(4,098,328)
Capital and reserves					
Called up share capital	10		180		180
Profit and loss account	11		(463,558)		(4,098,508)
Total equity			(463,378)		(4,098,328)

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 were approved and authorised for issue by the board and were signed on its behalf on 28 March 2019.



M Reason
Director

The notes on pages 10 to 18 form part of these financial statements.

Valueworks Limited

Statement of Changes in Equity For the Period Ended 30 June 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2017	180	(4,098,508)	(4,098,328)
Comprehensive income for the period			
Loss for the period	-	(794,060)	(794,060)
Total comprehensive income for the period	-	(794,060)	(794,060)
Capital contribution - waiver of intergroup debt	-	4,429,010	4,429,010
At 30 June 2018	180	(463,558)	(463,378)

Statement of Changes in Equity For the Year Ended 31 March 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2016	180	(3,307,896)	(3,307,716)
Comprehensive income for the year			
Loss for the year	-	(790,612)	(790,612)
Total comprehensive income for the year	-	(790,612)	(790,612)
At 31 March 2017	180	(4,098,508)	(4,098,328)

The notes on pages 10 to 18 form part of these financial statements.

Valueworks Limited

Notes to the Financial Statements For the Period Ended 30 June 2018

1. General information

Valueworks Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activities are set out in the directors' report.

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 following principal accounting policies have been applied:

2.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The expectation is formed on the basis that the directors of Inprova Group Limited have indicated in writing their intention to support the company for a period of at least 12 months from the date of these financial statements to allow the company to settle its liabilities as they fall due. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

2.3 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.

Valueworks Limited

Notes to the Financial Statements For the Period Ended 30 June 2018

2. Accounting policies (continued)

2.4 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.

Depreciation is provided on the following basis:

Fixtures and fittings	-	25% per annum
Computer equipment	-	25% per annum

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.

2.5 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.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Valueworks Limited

Notes to the Financial Statements For the Period Ended 30 June 2018

2. Accounting policies (continued)

2.7 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 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.

2.9 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.

2.10 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

Valueworks Limited

Notes to the Financial Statements For the Period Ended 30 June 2018

2. Accounting policies (continued)

2.11 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 balance sheet 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 balance sheet 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 balance sheet date.

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

In preparing these financial statements, the directors have had to consider various judgements and estimates however given the straight forward nature of the company's operations they have not identified any significant areas requiring further disclosure.

4. Employees

The average monthly number of employees, including directors, during the period was 12 (year ended 31 March 2017 - 18).

Valueworks Limited

Notes to the Financial Statements For the Period Ended 30 June 2018

5. Taxation

	15 month period ended 30 June 2018 £	Year ended 31 March 2017 £
Corporation tax		
Current tax on profits for the period/year	(87,686)	(135,950)
Total current tax	<u>(87,686)</u>	<u>(135,950)</u>

Factors affecting tax charge for the period/year

The tax assessed for the period/year varies from the standard rate of corporation tax in the UK of 19% (year ended 31 March 2017 - 20%). The differences are explained below:

	15 month period ended 30 June 2018 £	Year ended 31 March 2017 £
Loss on ordinary activities before tax	<u>(881,746)</u>	<u>(926,562)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (year ended 31 March 2017 - 20%)	(167,532)	(185,312)
Effects of:		
Research & development tax credit received	(87,686)	(135,950)
Change in unrecognised deferred tax assets relating to losses	167,532	185,312
Total tax charge for the period/year	<u>(87,686)</u>	<u>(135,950)</u>

Valueworks Limited

Notes to the Financial Statements For the Period Ended 30 June 2018

6. Tangible fixed assets

	Fixtures and fittings £	Computer equipment £	Total £
At 1 April 2017	256,414	205,506	461,920
Disposals	(256,414)	(205,506)	(461,920)
At 30 June 2018	-	-	-
At 1 April 2017	256,414	205,506	461,920
Disposals	(256,414)	(205,506)	(461,920)
At 30 June 2018	-	-	-
Net book value			
At 30 June 2018	-	-	-
At 31 March 2017	-	-	-

Valueworks Limited

Notes to the Financial Statements For the Period Ended 30 June 2018

7. Debtors

	30 June 2018 £	31 March 2017 £
Due after more than one year		
Amounts owed by group undertakings	-	195,694
	<u>-</u>	<u>195,694</u>
Due within one year		
Trade debtors	41,560	69,058
Other debtors	5,382	12,593
Prepayments and accrued income	8,373	27,317
	<u>55,315</u>	<u>108,968</u>

8. Creditors: amounts falling due within one year

	30 June 2018 £	31 March 2017 £
Trade creditors	20,845	43,980
Amounts owed to group undertakings	450,599	-
Other taxation and social security	70	41,474
Other creditors	13,396	-
Accruals and deferred income	49,545	145,590
	<u>534,455</u>	<u>231,044</u>

Amounts owed to group undertakings are interest free and repayable on demand.

Valueworks Limited

Notes to the Financial Statements For the Period Ended 30 June 2018

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

	30 June 2018 £	31 March 2017 £
Shareholder loan notes	-	5,966
Amounts owed to group undertakings	-	4,254,703
	<u>-</u>	<u>4,260,669</u>

All shareholder loan notes and amounts owed to group undertakings that were outstanding as at 20 July 2017, prior to the acquisition of the company by Inprova Limited on 21 July 2017, were waived by the respective parties to the agreements.

10. Share capital

	30 June 2018 £	31 March 2017 £
Allotted, called up and fully paid		
180 ordinary shares of £1 each	<u>180</u>	<u>180</u>

11. 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.

Profit and loss account

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

12. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

Valueworks Limited

Notes to the Financial Statements For the Period Ended 30 June 2018

13. Ultimate parent undertaking and controlling party

At the start of the financial period the company was a wholly-owned subsidiary of Valueworks Finco Limited, a company incorporated in England and Wales. The ultimate holding Company of Valueworks Limited was Valueworks Holdings Limited.

On 21 July 2017, Valueworks Limited was acquired by Inprova Limited. From this date and as at 30 June 2018 the immediate parent company was Inprova Limited and the ultimate parent company was Inprova Group Limited. The registered address of Inprova Group Limited is 2 Olympic Way, Birchwood, Warrington, WA2 OYL.

Subsequent to the 30 June 2018 there has been a change in the ultimate parent undertaking to Inprova Procurement Limited following a management buy out. The registered address of Inprova Procurement Limited is 2 Olympic Way, Birchwood, Warrington, WA2 OYL.