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**WHITE SPRING COMPANY LIMITED**

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**UNAUDITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE YEAR ENDED 30 JUNE 2018**



**WHITE SPRING COMPANY LIMITED**  
**REGISTERED NUMBER: 04524814**

**BALANCE SHEET**  
**AS AT 30 JUNE 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	4	493,338	1,302,501
Tangible assets	5	63,649	52,172
		<u>556,987</u>	<u>1,354,673</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	731,057	769,478
Cash at bank and in hand	7	5,261	11,631
		<u>736,318</u>	<u>781,109</u>
Creditors: amounts falling due within one year	8	(1,695,116)	(1,550,737)
<b>Net current liabilities</b>		<u>(958,798)</u>	<u>(769,628)</u>
<b>Total assets less current liabilities</b>		<u>(401,811)</u>	<u>585,045</u>
Creditors: amounts falling due after more than one year	9	(44,710)	(395,000)
<b>Provisions for liabilities</b>			
Deferred tax	12	(92,290)	-
		<u>(92,290)</u>	<u>-</u>
<b>Net (liabilities)/assets</b>		<u><u>(538,811)</u></u>	<u><u>190,045</u></u>
<b>Capital and reserves</b>			
Called up share capital	13	10,273	10,273
Share premium account		920,691	920,691
Capital redemption reserve		100	100
Profit and loss account		(1,469,875)	(741,019)
		<u><u>(538,811)</u></u>	<u><u>190,045</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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 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

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**WHITE SPRING COMPANY LIMITED**  
**REGISTERED NUMBER: 04524814**

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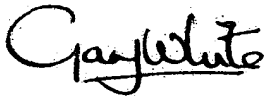
**BALANCE SHEET (CONTINUED)**  
**AS AT 30 JUNE 2018**

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to the small companies regime.

The Company has opted not to file the profit and loss account 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



**G White**  
Director

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## WHITE SPRING COMPANY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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#### 1. General information

White Spring Company Limited is a members limited liability company incorporated in England and Wales and its registration number is 04524814. Its registered office is 39 North Bar Street, Banbury, Oxfordshire, OX16 0TH.

#### 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 FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

##### 2.2 Revenue recognition

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue arising from subscription service contracts is recognised in the period in which the service is delivered. Sales of licences, other than perpetual licences, are recognised over the period to which they relate. Sales of perpetual licences are recognised in the period in which they are issued. Hosted technology revenue is recognised over the period to which hosted services are provided. Professional services are recognised in the period in which the services are performed.

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## WHITE SPRING COMPANY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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#### 2. Accounting policies (continued)

##### 2.3 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and loss account within 'other operating income'.

##### 2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

##### 2.5 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. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

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.

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## WHITE SPRING COMPANY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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#### 2. Accounting policies (continued)

##### 2.6 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

##### 2.7 Finance costs

Finance costs are charged to the Profit and loss account 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.

##### 2.8 Borrowing costs

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

##### 2.9 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 the Profit and loss account 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.

##### 2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, 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.

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## WHITE SPRING COMPANY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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#### 2. Accounting policies (continued)

##### 2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

##### 2.12 Intangible assets

Development costs relating to the company's research and development projects have been capitalised where the outcome has been assessed, the project deemed commercially viable and future recovery of costs regarded as assured. These costs will be amortised when projects are completed and begin generating revenue streams for the company. When the future of a project is not assured, costs are deemed impaired and treated as revenue expenses.

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:

Development expenditure	-	5	years
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##### 2.13 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, on a reducing balance basis.

Depreciation is provided on the following basis:

Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 20% reducing balance
Office equipment	- 25% reducing balance

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 Profit and loss account.

##### 2.14 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.

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## WHITE SPRING COMPANY LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

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#### 2. Accounting policies (continued)

##### 2.15 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.

##### 2.16 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.

##### 2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and loss account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

##### 2.18 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.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Profit and loss account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 Profit and loss account.



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**WHITE SPRING COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**2. Accounting policies (continued)**

**2.18 Financial instruments (continued)**

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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**3. Employees**

The average monthly number of employees, including directors, during the year was 12 (2017 - 15).

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WHITE SPRING COMPANY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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4. Intangible assets

	Develop- ment £
<b>Cost</b>	
At 1 July 2017	1,628,126
Additions	1,043,766
At 30 June 2018	<u>2,671,892</u>
<b>Amortisation</b>	
At 1 July 2017	325,625
Charge for the year	325,625
Impairment losses written back	1,527,304
At 30 June 2018	<u>2,178,554</u>
<b>Net book value</b>	
At 30 June 2018	<u>493,338</u>
At 30 June 2017	<u>1,302,501</u>

**WHITE SPRING COMPANY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

**5. Tangible fixed assets**

	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
<b>Cost or valuation</b>				
At 1 July 2017	-	56,551	133,895	190,446
Additions	29,990	-	1,614	31,604
At 30 June 2018	29,990	56,551	135,509	222,050
<b>Depreciation</b>				
At 1 July 2017	-	39,951	98,326	138,277
Charge for the year on owned assets	7,497	3,320	9,296	20,113
At 30 June 2018	7,497	43,271	107,622	158,390
<b>Net book value</b>				
At 30 June 2018	22,493	13,280	27,887	63,660
At 30 June 2017	-	16,599	35,569	52,168

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Motor vehicles	22,493	-
	22,493	-

**6. Debtors**

	2018 £	2017 £
Trade debtors	270,286	396,258
Other debtors	375,123	297,127
Prepayments and accrued income	85,648	76,093
	731,057	769,478

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**WHITE SPRING COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**6. Debtors (continued)**

**7. Cash and cash equivalents**

	2018 £	2017 £
Cash at bank and in hand	5,261	11,631
	<u>5,261</u>	<u>11,631</u>

**8. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Bank loans	505,000	-
Trade creditors	71,469	409,944
Other taxation and social security	97,468	172,501
Obligations under finance lease and hire purchase contracts	5,182	-
Other creditors	39,213	279,259
Accruals and deferred income	976,784	689,033
	<u>1,695,116</u>	<u>1,550,737</u>

**9. Creditors: Amounts falling due after more than one year**

	2018 £	2017 £
Loans	19,607	395,000
Net obligations under finance leases and hire purchase contracts	25,103	-
	<u>44,710</u>	<u>395,000</u>

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WHITE SPRING COMPANY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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10. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
<b>Amounts falling due within one year</b>		
Loans	505,000	-
	<u>505,000</u>	<u>-</u>
<b>Amounts falling due 1-2 years</b>		
Loans	19,607	395,000
	<u>19,607</u>	<u>395,000</u>
	<u>524,607</u>	<u>395,000</u>

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

12. Deferred taxation

	2018 £
Charged to profit or loss	(92,290)
<b>At end of year</b>	<u>(92,290)</u>

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WHITE SPRING COMPANY LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018

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**12. Deferred taxation (continued)**

The deferred taxation balance is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(8,423)	-
Capitalised development costs	(83,867)	-
	<u>(92,290)</u>	<u>-</u>

**13. Share capital**

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
1,027,344 (2017 - 1,027,344) Ordinary shares of £0.01 each	<u>10,273</u>	<u>10,273</u>

**14. 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 £9,201 (2017 - £3,026). Contributions totalling £9,861 (2017 - £3,632) were payable to the fund at the balance sheet date and are included in creditors.

**15. Related party transactions**

In 2008, the company made a loan to a director, at the time the controlling shareholder. The amount outstanding at 30 June 2018 is £118,289 (2017: £137,130). During the year, interest of £3,445 has been charged on amounts owed to the company. The loan has since been fully repaid.

As of 30 June 2018 a connected company was owed a loan of £Nil (2017: £41,550). The connected company is controlled by the wife of the director.

A company connected with another director participated in the company's loan note transaction in 2015. The amount outstanding at 30 June 2018 was £10,000 (2017: £10,000).

**16. Post balance sheet events**

After the balance sheet date, loans totalling £395,000 classified as repayable within one year have been refinanced and are now long term liabilities of the company.

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**WHITE SPRING COMPANY LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2018**

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**17. Exceptional item**

Due to changes in product development since the year end, the directors have assessed that, as components of previously capitalised products are no longer used in current products under development, that the intangible asset value as at 30 June 2018 is impaired and should be written down by £1,527,304.