Company Registration No. 04668888 (England and Wales)

Propellernet Limited

Unaudited Financial Statements

For The Period Ended 30 June 2020

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Propellernet Limited

Contents

Propellernet Limited

Balance Sheet

As At 30 June 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Tangible assets	**4**		77,124		142,626
Current assets					
Debtors	**5**	1,109,049		1,772,727	
Cash at bank and in hand		794,161		554,457	
		1,903,210		2,327,184	
Creditors: amounts falling due within one year	**6**	(1,452,456)		(1,802,025)	
Net current assets			450,754		525,159
Total assets less current liabilities			527,878		667,785
Provisions for liabilities			(8,508)		(15,541)
Net assets			519,370		652,244
Capital and reserves					
Called up share capital	**8**		9,429		7,800
Capital redemption reserve			456		-
Profit and loss reserves			509,485		644,444
Total equity			519,370		652,244

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 period ended 30 June 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 members have not required the company to obtain an audit of its financial statements for the period 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 18 March 2021 and are signed on its behalf by:

Mr J A Louca-Jensen	Mr J Hubbard
Director	**Director**

Company Registration No. 04668888

Propellernet Limited

Statement Of Changes In Equity

For The Period Ended 30 June 2020

	Notes	Share capital	Capital redemption reserve	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 April 2018		7,600	-	949,832	957,432
Year ended 31 March 2019:					
Profit and total comprehensive income for the year		-	-	535,157	535,157
Issue of share capital	**8**	200	-	-	200
Dividends		-	-	(840,545)	(840,545)
Balance at 31 March 2019		7,800	-	644,444	652,244
Period ended 30 June 2020:					
Profit and total comprehensive income for the period		-	-	820,513	820,513
Issue of share capital	**8**	2,085	-	-	2,085
Dividends		-	-	(793,972)	(793,972)
Redemption of shares	**8**	-	456	(161,500)	(161,044)
Reduction of shares	**8**	(456)	-	-	(456)
Balance at 30 June 2020		9,429	456	509,485	519,370

1 Accounting policies

Company information

Propellernet Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Carriage House, Mill Street, Maidstone, Kent, ME15 6YE.

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 a mounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Reporting period

The company is reporting a period of longer than one year as this was extended to coincide with the date of the demerger and company reorganisation.

1.3 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. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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 professional 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.

1.4 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.

1 Accounting policies **(Continued)**

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:

Land and buildings Leasehold	20% straight-line
Fixtures, fittings & equipment	25% straight-line
Motor vehicles	25% 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.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.7 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.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

1 Accounting policies **(Continued)**

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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 fellow group companies and preference shares that are classified as debt, 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. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 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.

1.9 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.

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.

1.10 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

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

1.12 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.

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.

1.13 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.

2 Employees

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

	2020 Number	2019 Number
Total	45	61

3 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	154,023	117,075
Adjustments in respect of prior periods	-	(65,778)
Total current tax	154,023	51,297
Deferred tax		
Origination and reversal of timing differences	(7,033)	(4,414)
Total tax charge	146,990	46,883

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 April 2019	154,956	389,708	544,664
Additions	2,500	21,165	23,665
Disposals	-	(24,378)	(24,378)
At 30 June 2020	157,456	386,495	543,951
Depreciation and impairment			
At 1 April 2019	100,171	301,877	402,048
Depreciation charged in the period	28,499	46,405	74,904
Eliminated in respect of disposals	-	(10,125)	(10,125)
At 30 June 2020	128,670	338,157	466,827
Carrying amount			
At 30 June 2020	28,786	48,338	77,124
At 31 March 2019	54,785	87,841	142,626

5 Debtors

	2020	2019
Amounts falling due within one year:	**£**	**£**
Trade debtors	481,197	1,077,881
Corporation tax recoverable	-	129,135
Other debtors	627,852	565,711
	1,109,049	1,772,727

6 Creditors: amounts falling due within one year

	2020	2019
	£	**£**
Trade creditors	254,002	441,090
Corporation tax	154,023	117,075
Other taxation and social security	302,458	492,883
Other creditors	741,973	750,977
	1,452,456	1,802,025

7 Share-based payment transactions

On 9 November 2017 the reporting entity granted options under an Enterprise Management Incentive (EMI) scheme.

	Number of share options		Weighted average exercise price	
	2020	**2019**	**2020**	**2019**
	Number	**Number**	**£**	**£**
Outstanding at 1 April 2019	183,700	2,037	0.01	1.00
Granted	66,500	-	0.01	-
Forfeited	(41,700)	-	0.01	-
Exercised	(208,500)	(200)	0.01	1.00
Outstanding at 30 June 2020	-	1,837	-	1.00
Exercisable at 30 June 2020	-	1,837	-	1.00

8 Called up share capital

	2020	2019	2020	2019
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Founder shares of 1p each	-	760,000	-	7,600
Executive shares of 1p each	-	20,000	-	200
Founder ordinary A shares of 0.5p each	714,400	-	3,572	-
Founder ordinary B shares of 0.25p each	714,400	-	1,786	-
Founder ordinary C shares of 0.25p each	714,400	-	1,786	-
Executive ordinary A shares of 0.5p each	228,500	-	1,143	-
Executive ordinary B shares of 0.25p each	228,500	-	571	-
Executive ordinary C shares of 0.25p each	228,500	-	571	-
	2,828,700	780,000	9,429	7,800

On 20 December 2019 in a share buyback the company acquired 45,600 executive ordinary shares of 1p each for a cash consideration of £161,500.

On 8 June 2020 the company issued 208,500 executive ordinary shares of 1p each for a cash consideration of £2,085.

On 10 June 2020 in a demerger and share reorganisation the company subdivided its entire share capital into 942,900 ordinary shares of 0.5p each and 1,885,800 ordinary shares of 0.25p each.

9 Operating lease commitments

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

	2020	2019
	£	**£**
	770,000	945,000

10 Related party transactions

The following amounts were outstanding at the reporting end date:

	2020	2019
Amounts due from related parties	**£**	**£**
Other related parties	349,970	395,247

11 Directors' transactions

Dividends totalling £790,972 (2019 - £838,545) were paid in the period in respect of shares held by the company's directors.

12 Parent company

The parent company of Propellernet Limited is Propellernet Holdings Ltd and its registered office is The Carriage House, Mill Street, Maidstone ME15 6YE