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Registered number: 05573793

GLASSWALL SOLUTIONS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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COMPANIES HOUSE

Barnes Roffe LLP, Chartered Accountants
Charles Lake House, Claire Causeway, Crossways Business Park, Dartford, Kent, DA2 6QA
17 July 2017

GLASSWALL SOLUTIONS LIMITED
REGISTERED NUMBER: 05573793

BALANCE SHEET
AS AT 31 MARCH 2017

	Note	2017 £	As restated 2016 £
Fixed assets			
Tangible assets	4	10,235	17,418
Current assets			
Debtors	5	2,302,857	1,876,761
Cash at bank and in hand	6	1,614,888	1,131,094
		<u>3,917,745</u>	<u>3,007,855</u>
Creditors: amounts falling due within one year	7	(554,111)	(787,650)
Net current assets		<u>3,363,634</u>	<u>2,220,205</u>
Total assets less current liabilities		<u>3,373,869</u>	<u>2,237,623</u>
Creditors: amounts falling due after more than one year	8	(17,710,933)	(13,579,745)
Net liabilities		<u>(14,337,064)</u>	<u>(11,342,122)</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		(14,337,065)	(11,342,123)
		<u>(14,337,064)</u>	<u>(11,342,122)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


G C Sim Esq
 Director

The notes on pages 2 to 9 form part of these financial statements.

GLASSWALL SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

1. General information

Glasswall Solutions Limited is a private limited company limited by shares, incorporated in England and Wales. The address of the registered office is 18a St James's Place, London, SW1A 1NH.

The company's principal activity continued to be the design, production and marketing of computer software.

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 following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis, which is dependent on the continuing provision of financial support by the parent company while the company develops and markets new products. The parent company is currently in the process of securing equity finance in order to finance the next stage of the groups business plan. The parent company is confident it will secure the required finance and therefore the directors expect the parent company's financial support to continue for the foreseeable future.

GLASSWALL SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue 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 revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue 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 revenue 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.

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.

GLASSWALL SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

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:

Computer equipment	- 33% on cost
Office equipment	- 33% on cost

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 instruments 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 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.

GLASSWALL SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

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 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 Statement of comprehensive income.

2.10 Operating leases: the company as lessee

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

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.

2.11 Interest income

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

2.12 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.

GLASSWALL SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

2. Accounting policies (continued)

2.13 Research and development

Research and development expenditure is written off in the year in which it is incurred. The company also claims research and development tax credits in respect of this expenditure and any refunds received are recognised on receipt of the funds.

3. Employees

The average monthly number of employees, including directors, during the year was 27 (2016 - 26).

4. Tangible fixed assets

	Computer Equipment £	Office equipment £	Total £
Cost or valuation			
At 1 April 2016	58,015	3,825	61,840
Additions	2,891	-	2,891
At 31 March 2017	60,906	3,825	64,731
Depreciation			
At 1 April 2016	42,026	2,396	44,422
Charge for the year on owned assets	9,153	921	10,074
At 31 March 2017	51,179	3,317	54,496
Net book value			
At 31 March 2017	9,727	508	10,235
At 31 March 2016	15,989	1,429	17,418

GLASSWALL SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

5. Debtors

	2017 £	As restated 2016 £
Due after more than one year		
Amounts owed by group undertakings	1,503,811	852,413
Other debtors	166,150	166,003
	<u>1,669,961</u>	<u>1,018,416</u>
Due within one year		
Trade debtors	428,343	266,667
Other debtors	141,923	463,533
Prepayments and accrued income	62,630	128,145
	<u>2,302,857</u>	<u>1,876,761</u>

6. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	1,614,888	1,131,094
	<u>1,614,888</u>	<u>1,131,094</u>

7. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	31,681	307,008
Other taxation and social security	70,608	59,925
Other creditors	10,981	8,049
Accruals and deferred income	440,841	412,668
	<u>554,111</u>	<u>787,650</u>

GLASSWALL SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

8. Creditors: Amounts falling due after more than one year

	2017 £	<i>As restated</i> 2016 £
Amounts owed to group undertakings	17,710,933	13,579,745

9. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

10. Related party transactions

At the year end the company had a loan balance due to the parent company, Glasswall Holdings Limited, of £17,710,933 (2016: £13,579,745), which is included in creditors falling due after more than one year.

At the year end the company was due £1,144,734 (2016: £863,472) from its fellow subsidiary Glasswall (IP) Limited. However £280,390 has been provided against this balance in previous years, so the net balance disclosed in debtors due after more than one year is £864,344 (2016: £583,082).

At the year end the company was due £639,467 (2016: £269,331) from a related party, Glasswall Inc, which is included in debtors due after more than one year.

Included within other debtors is a balance owed by G Sims, a director of the company, amounting to £8,988 (2016: £Nil). This is an interest free loan and is repayable on demand.

11. Controlling party

Glasswall Holdings Limited is the parent company and controlling party.

12. First time adoption of FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 April 2015. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 April 2015

	£
Equity at 1 April 2015 under previous UK GAAP	(8,075,372)
Capital Contribution - parent company loan present value adjustment	481,538
Distribution - fellow subsidiary loan present value adjustment	(37,103)

GLASSWALL SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

12. First time adoption of FRS 102 (continued)

Equity shareholders funds at 1 April 2015 under FRS 102	<u>(7,630,937)</u>
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Reconciliation of equity at 31 March 2016

	£
Equity at 31 March 2016 under previous UK GAAP	(11,997,067)
Adjustment from above	444,436
Capital Contribution - parent company loan present value adjustment	233,028
Distribution - fellow subsidiary loan present value adjustment	(22,519)

Equity shareholders funds at 31 March 2016 under FRS 102	<u>(11,342,122)</u>
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Reconciliation of profit and loss account for the year ended 31 March 2016

	£
Profit for the year under previous UK GAAP	(3,921,695)

Loss for the year ended 31 March 2016 under FRS 102	<u>(3,921,695)</u>
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The following were changes in accounting policies arising from the transition to FRS 102:

- 1 In accordance with the company's accounting policy as stated at note 2.7, intercompany loans due in more than one year have been measured at present value discounted at a market rate of interest. Intercompany loans due from fellow subsidiaries have been reduced accordingly and the present value adjustment treated as a distribution. Intercompany loans due to the parent company have been reduced accordingly and the present value adjustment treated as a capital contribution.

13. Auditors' information

The financial statements have been audited by Barnes Roffe LLP and an unqualified report has been issued. An emphasis matter was raised as follows:

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

The report was signed by Duncan Stannett as the senior statutory auditor.