

**DRIFT INNOVATION LTD
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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Drift Innovation Ltd
Financial Statements
For The Year Ended 31 March 2018

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Drift Innovation Ltd
Balance Sheet
As at 31 March 2018

Registered number: 05785546

		2018		2017	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible Assets	3		116,747		132,218
Tangible Assets	4		5,628		12,259
			<u>122,375</u>		<u>144,477</u>
CURRENT ASSETS					
Stocks	5	-		173,297	
Debtors	6	429,299		360,934	
Cash at bank and in hand		18,100		21,670	
		<u>447,399</u>		<u>555,901</u>	
Creditors: Amounts Falling Due Within One Year	7	(1,502,811)		(1,504,417)	
		<u>(1,502,811)</u>		<u>(1,504,417)</u>	
NET CURRENT ASSETS (LIABILITIES)			<u>(1,055,412)</u>		<u>(948,516)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(933,037)</u>		<u>(804,039)</u>
Creditors: Amounts Falling Due After More Than One Year	8		(1,329,336)		(1,329,336)
			<u>(1,329,336)</u>		<u>(1,329,336)</u>
NET ASSETS			<u>(2,262,373)</u>		<u>(2,133,375)</u>
CAPITAL AND RESERVES					
Called up share capital	9		1		1
Profit and Loss Account			<u>(2,262,374)</u>		<u>(2,133,376)</u>
SHAREHOLDERS' FUNDS			<u>(2,262,373)</u>		<u>(2,133,375)</u>

Drift Innovation Ltd
Balance Sheet (continued)
As at 31 March 2018

For the year ending 31 March 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's responsibilities

- The member has not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.
- The company has taken advantage of section 444(1) of the Companies Act 2006 and opted not to deliver to the registrar a copy of the company's Profit and Loss Account.

On behalf of the board

Mr Chengqin Li

26/10/2018

The notes on pages 3 to 6 form part of these financial statements.

Drift Innovation Ltd
Notes to the Financial Statements
For The Year Ended 31 March 2018

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

1.2. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has signed for the delivery of the goods.

1.3. Intangible Fixed Assets and Amortisation - Other Intangible

Other intangible assets are

- 1) Development Cost. Amortised over 10 years
- 2) Patent. Amortised over 5 years
- 3) Trademark. Amortised over 7 years

1.4. Research and Development

Expenditure on research and development is written off in the year it is incurred.

1.5. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & Fittings	50%
Computer Equipment	33%

1.6. Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads. Work-in-progress is reflected in the accounts on a contract by contract basis by recording turnover and related costs as contract activity progresses.

1.7. Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Drift Innovation Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2018

1.8. Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and 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 end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

2. Average Number of Employees

Average number of employees, including directors, during the year was as follows:

	2018	2017
Office and administration	-	2
Sales, marketing and distribution	-	4
	-	6

3. Intangible Assets

	Patents	Trademarks	Development Costs	Total
	£	£	£	£
Cost				
As at 1 April 2017	34,106	30,230	508,047	572,383
As at 31 March 2018	34,106	30,230	508,047	572,383
Amortisation				
As at 1 April 2017	30,205	21,313	388,647	440,165
Provided during the period	3,900	4,815	6,756	15,471
As at 31 March 2018	34,105	26,128	395,403	455,636
Net Book Value				
As at 31 March 2018	1	4,102	112,644	116,747
As at 1 April 2017	3,901	8,917	119,400	132,218

Drift Innovation Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2018

4. Tangible Assets

	Website development costs	Fixtures & Fittings	Computer Equipment	Total
	£	£	£	£
Cost				
As at 1 April 2017	46,048	53,579	155,702	255,329
Additions	-	-	-	-
As at 31 March 2018	46,048	53,579	155,702	255,329
Depreciation				
As at 1 April 2017	34,797	53,579	154,694	243,070
Provided during the period	5,624	-	1,007	6,631
As at 31 March 2018	40,421	53,579	155,701	249,701
Net Book Value				
As at 31 March 2018	5,627	-	1	5,628
As at 1 April 2017	11,251	-	1,008	12,259

5. Stocks

	2018	2017
	£	£
Stock - materials and work in progress	-	173,297
	-	173,297

6. Debtors

	2018	2017
	£	£
Due within one year		
Trade debtors	-	37,759
Prepayments and accrued income	-	148
Other debtors	415	-
Deferred tax current asset	428,086	320,309
VAT	798	2,718
	429,299	360,934

Drift Innovation Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2018

7. Creditors: Amounts Falling Due Within One Year

	2018	2017
	£	£
Trade creditors	1,148,540	822,984
Bank loans and overdrafts	-	1,676
Corporation tax	37,268	-
Other taxes and social security	24,894	37,544
Other creditors	-	350,794
Other loans	289,640	289,709
Accruals and deferred income	733	1,710
Director's loan account	1,736	-
	<u>1,502,811</u>	<u>1,504,417</u>

8. Creditors: Amounts Falling Due After More Than One Year

	2018	2017
	£	£
Other creditors	<u>1,329,336</u>	<u>1,329,336</u>

9. Share Capital

	2018	2017
Allotted, Called up and fully paid	<u>1</u>	<u>1</u>

10. Related Party Transactions

As at balance sheet date company owed to Action Equity Ltd £1,329,336. Action Equity Ltd is the parent company of Drift innovation Ltd by virtue of 100% shareholding in Drift Innovation Ltd.

As at balance sheet date company owed to Foream Network Technology £175,290. Foream Network Technology is the parent company of Action Equity Ltd by virtue of 100% shareholding in Action Equity Ltd.

As at balance sheet date company owed to Foream Network Technology Frederik Loan is £114,349.

11. Ultimate Controlling Party

The immediate parent undertaking is Action Equity Ltd. The ultimate controlling parties are considered to be Foream Network Technology by virtue of her controlling interest in Action Equity Ltd.

12. General Information

Drift Innovation Ltd Registered number 05785546 is a limited by shares company incorporated in England & Wales. The Registered Office is 228a High Street, Bromley, Kent, BR1 1PQ.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.