

**DRIFT INNOVATION LTD  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023**

**Drift Innovation Ltd**  
**Financial Statements**  
**For The Year Ended 31 March 2023**

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**Drift Innovation Ltd**  
**Balance Sheet**  
**As At 31 March 2023**

Registered number: 05785546

		<b>2023</b>		<b>2022</b>	
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>					
Intangible Assets	<b>4</b>		78,864		85,620
			<u>78,864</u>		<u>85,620</u>
<b>CURRENT ASSETS</b>					
Stocks	<b>6</b>	116,109		308,173	
Debtors	<b>7</b>	1,862,064		1,563,599	
Cash at bank and in hand		1,735		13,670	
		<u>1,979,908</u>		<u>1,885,442</u>	
<b>Creditors: Amounts Falling Due Within One Year</b>	<b>8</b>	(1,797,360 )		(1,892,904 )	
		<u>(1,797,360 )</u>		<u>(1,892,904 )</u>	
<b>NET CURRENT ASSETS (LIABILITIES)</b>			182,548		(7,462 )
			<u>182,548</u>		<u>(7,462 )</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			261,412		78,158
			<u>261,412</u>		<u>78,158</u>
<b>Creditors: Amounts Falling Due After More Than One Year</b>	<b>9</b>		(1,329,336 )		(1,329,336 )
			<u>(1,329,336 )</u>		<u>(1,329,336 )</u>
<b>NET LIABILITIES</b>			(1,067,924 )		(1,251,178 )
			<u>(1,067,924 )</u>		<u>(1,251,178 )</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	<b>10</b>		1		1
Profit and Loss Account			(1,067,925 )		(1,251,179 )
			<u>(1,067,925 )</u>		<u>(1,251,179 )</u>
<b>SHAREHOLDERS' FUNDS</b>			(1,067,924)		(1,251,178)
			<u>(1,067,924)</u>		<u>(1,251,178)</u>

**Drift Innovation Ltd**  
**Balance Sheet (continued)**  
**As At 31 March 2023**

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For the year ending 31 March 2023 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

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Mr Chengqin Li

Director

11/09/2023

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 2023**

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**1. General Information**

Drift Innovation Ltd is a private company, limited by shares, incorporated in England & Wales, registered number 05785546 . The registered office is 36 Scotts Road, Bromley, England, BR1 3QD.

**2. Accounting Policies**

**2.1. Basis of Preparation of Financial Statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 section 1A Small Entities "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

**2.2. Going Concern Disclosure**

As at balance sheet date, the company's net liabilities are £1,067,924, the director believes that the company will be going concern in the foreseeable future and the accounts were prepared on that basis.

**2.3. 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 and from the rendering of services. 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.

**2.4. 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

**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 is 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 to ... on a straight line basis over their expected useful economic lives, which range from [x to x] 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.

**2.6. 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	30%

**2.7. 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.

**2.8. 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 2023**

**2.9. 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.

**3. Average Number of Employees**

Average number of employees, including directors, during the year was: 3 (2022: 3)

**4. Intangible Assets**

	Patents	Trademarks	Development Costs	Total
	£	£	£	£
<b>Cost</b>				
As at 1 April 2022	34,106	30,230	508,047	572,383
As at 31 March 2023	34,106	30,230	508,047	572,383
<b>Amortisation</b>				
As at 1 April 2022	34,106	30,230	422,427	486,763
Provided during the period	-	-	6,756	6,756
As at 31 March 2023	34,106	30,230	429,183	493,519
<b>Net Book Value</b>				
As at 31 March 2023	-	-	78,864	78,864
As at 1 April 2022	-	-	85,620	85,620

**Drift Innovation Ltd**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 31 March 2023**

**5. Tangible Assets**

	Website development costs	Fixtures & Fittings	Computer Equipment	Total
	£	£	£	£
<b>Cost</b>				
As at 1 April 2022	46,048	53,579	156,076	255,703
As at 31 March 2023	46,048	53,579	156,076	255,703
<b>Depreciation</b>				
As at 1 April 2022	46,048	53,579	156,076	255,703
As at 31 March 2023	46,048	53,579	156,076	255,703
<b>Net Book Value</b>				
As at 31 March 2023	-	-	-	-
As at 1 April 2022	-	-	-	-

**6. Stocks**

	2023	2022
	£	£
Stock	116,109	308,173
	116,109	308,173

**7. Debtors**

	2023	2022
	£	£
<b>Due within one year</b>		
Trade debtors	1,584,822	1,362,927
Other debtors	128,988	4,922
Deferred tax current asset	148,254	192,824
Director's loan account	-	2,926
	1,862,064	1,563,599

**8. Creditors: Amounts Falling Due Within One Year**

	2023	2022
	£	£
Trade creditors	1,608,956	1,572,141
Bank loans and overdrafts	-	263
Other taxes and social security	33,429	31,123
VAT	39,469	28,177
Other creditors	424	232
Other loans	114,349	260,235
Accruals and deferred income	733	733
	1,797,360	1,892,904

**Drift Innovation Ltd**  
**Notes to the Financial Statements (continued)**  
**For The Year Ended 31 March 2023**

**9. Creditors: Amounts Falling Due After More Than One Year**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Other creditors	1,329,336	1,329,336
	<u>1,329,336</u>	<u>1,329,336</u>

**10. Share Capital**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Allotted, Called up and fully paid	1	1
	<u>1</u>	<u>1</u>

**11. Directors Advances, Credits and Guarantees**

Included within Debtors are the following loans to directors:

	<b>As at 1 April 2022</b>	<b>Amounts advanced</b>	<b>Amounts repaid</b>	<b>Amounts written off</b>	<b>As at 31 March 2023</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Mr Chengqin Li	2,926	-	2,926	-	-
	<u>2,926</u>	<u>-</u>	<u>2,926</u>	<u>-</u>	<u>-</u>

The above loan is unsecured, interest free and repayable on demand.

**12. Related Party Transactions**

As at the balance sheet date, the company owed to Action Equity Ltd £1,329,336.36 Action Equity Ltd is the parent company of Drift innovation Ltd by virtue of 100% shareholding in Drift Innovation Ltd.

As at the balance sheet date the company owed from the Foream Network Technology £120,650.69. Foream Network Technology is the parent company of Action Equity Ltd by virtue of 64% shareholding in the Action Equity Ltd.

As at the balance sheet date the company owed to the Foream Network Technology Frederik Loan of £114,349.48.

**13. 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.



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.