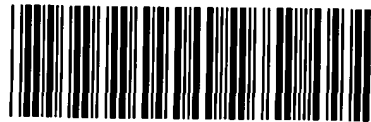


Registration number: 05885061

PURPLE FACTORS LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 APRIL 2020 TO 28 FEBRUARY 2021

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COMPANIES HOUSE

PURPLE FACTORS LIMITED

COMPANY INFORMATION

Director D S Thornhill

Company secretary D S Thornhill

Registered office The Aspen Building
Vantage Point Business Village
Mitcheldean
Gloucestershire
GL17 0DD

Accountants Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

PURPLE FACTORS LIMITED

**(REGISTRATION NUMBER: 05885061)
BALANCE SHEET AS AT 28 FEBRUARY 2021**

	Note	28 February 2021 £	31 March 2020 £
Fixed assets			
Investments	5	20,300	20,300
Current assets			
Debtors	6	1,026,756	817,867
Cash at bank and in hand		<u>246,628</u>	<u>462,128</u>
		1,273,384	1,279,995
Creditors: Amounts falling due within one year	7	<u>(535,267)</u>	<u>(682,285)</u>
Net current assets		<u>738,117</u>	<u>597,710</u>
Total assets less current liabilities		758,417	618,010
Creditors: Amounts falling due after more than one year	7	<u>(44,483)</u>	<u>-</u>
Net assets		<u>713,934</u>	<u>618,010</u>
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account		<u>713,834</u>	<u>617,910</u>
Total equity		<u>713,934</u>	<u>618,010</u>

For the financial period ending 28 February 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

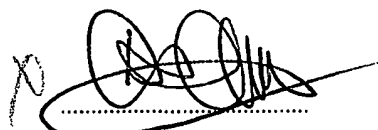
Director's responsibilities:

- The members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476; and
- The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 11/11/21


D S Thornhill
Company secretary and director

The notes on pages 3 to 9 form an integral part of these financial statements.

PURPLE FACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2020 TO 28 FEBRUARY 2021

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

The Aspen Building
Vantage Point Business Village
Mitcheldean
Gloucestershire
GL17 0DD

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Group accounts not prepared

The Company is part of a small group. The Company has taken advantage of the exemption provided by Section 398 of the Companies Act 2006 and has not prepared group accounts..

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continued in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements

No significant judgements have been made by management in preparing these financial statements.

PURPLE FACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2020 TO 28 FEBRUARY 2021

Key sources of estimation uncertainty

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	25% straight line

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Dividends on equity securities are recognised in income when receivable.

Trade debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

PURPLE FACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2020 TO 28 FEBRUARY 2021

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

PURPLE FACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2020 TO 28 FEBRUARY 2021

3 Staff numbers

The average number of persons employed by the company (including the director) during the period, was 7 (2020 - 7).

4 Tangible assets

	Furniture, fittings and equipment £
Cost	
At 1 April 2020 and at 28 February 2021	10,626
Depreciation	
At 1 April 2020 and at 28 February 2021	<u>10,626</u>
Carrying amount	
At 1 April 2020 and 28 February 2021	<u><u>-</u></u>

5 Investments

	28 February 2021 £	31 March 2020 £
Investments in subsidiaries	200	200
Investments in associates	<u>20,100</u>	<u>20,100</u>
	<u><u>20,300</u></u>	<u><u>20,300</u></u>

Subsidiaries	£
Cost	
At 1 April 2020 and at 28 February 2021	<u>200</u>
Carrying amount	
At 31 March 2020 and 28 February 2021	<u><u>200</u></u>

Associates	£
Cost	
At 1 April 2020 and at 28 February 2021	<u>20,100</u>
Carrying amount	
At 31 March 2020 and 28 February 2021	<u><u>20,100</u></u>

PURPLE FACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2020 TO 28 FEBRUARY 2021

5 Investments (continued)

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2021	2020
Subsidiary undertakings				
Partner Together Limited	England and Wales	Ordinary	100%	100%
Simplicity Contracting Limited	England and Wales	Ordinary	100%	100%
Associates				
Pulse Centric Limited	England and Wales	Ordinary	40%	40%

6 Debtors

	Note	28 February 2021 £	31 March 2020 £
Trade debtors		58,991	90,731
Amounts owed by related parties	10	692,073	696,435
Other debtors		269,112	12,000
Prepayments		6,580	-
Corporation tax asset		-	18,701
		<u>1,026,756</u>	<u>817,867</u>

PURPLE FACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2020 TO 28 FEBRUARY 2021

7 Creditors

	Note	28 February 2021 £	31 March 2020 £
Due within one year			
Loans and borrowings	8	5,517	-
Trade creditors		52,720	65,998
Social security and other taxes		13,279	39,827
Other creditors		442,040	528,449
Accrued expenses		3,000	48,011
Corporation tax liability		18,711	-
		<u>535,267</u>	<u>682,285</u>

	Note	28 February 2021 £	31 March 2020 £
Due after one year			
Loans and borrowings	8	<u>44,483</u>	<u>-</u>

8 Loans and borrowings

	28 February 2021 £	31 March 2020 £
Current loans and borrowings		
Bank borrowings	<u>5,517</u>	<u>-</u>

	28 February 2021 £	31 March 2020 £
Non-current loans and borrowings		
Bank borrowings	<u>44,483</u>	<u>-</u>

Included in loan and borrowings is £50,000 (2020: £nil) in relation to the Coronavirus Bounce Back Loan Scheme. The amount due in over five years is £4,409.

9 Share capital

Allotted, called up and fully paid shares

	28 February 2021		31 March 2020	
	No.	£	No.	£
A Ordinary shares of £1 each	51	51	51	51
B Ordinary shares of £1 each	49	49	49	49
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

All ordinary shares in issue rank pari-passu in all respects, other than dividend rights.

PURPLE FACTORS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 APRIL 2020 TO 28 FEBRUARY 2021

10 Related party transactions

Other transactions with directors

During the period the company advanced and at the period end was owed £nil (2020: £241,929) by D S Thornhill in the form of a director's loan account. No interest was charged on this balance and there are no fixed repayment terms.

Summary of transactions with other related parties

During the period the company advanced £10,000 and was repaid £26,082 by subsidiary and associate companies. At the period end the company was owed £69,403 (2020: £85,485). No interest was charged on this balance and there are no fixed repayment terms.

During the period the company advanced and at the period end was owed £622,670 (2020: £nil) by Keen Thinking Limited, a company under common control. No interest was charged on this balance and there are no fixed repayment terms.

11 Non adjusting events after the financial period

On 2 March 2021, as part of a management buy out, the immediate and ultimate parent company became Simplicity Tech Group Limited, a company registered in England and Wales. The financial statements of Simplicity Tech Group Limited are available from Companies House.