

Registered number: 05997039

THE INNOVATION UNIT LIMITED
(A Company Limited by Guarantee)

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2019



THE INNOVATION UNIT LIMITED
(A Company Limited by Guarantee)
REGISTERED NUMBER: 05997039

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	3	12,853	21,837
Tangible assets	4	9,298	6,674
		<u>22,151</u>	<u>28,511</u>
Current assets			
Debtors: amounts falling due within one year	5	667,026	691,674
Cash at bank and in hand	6	944,282	446,536
		<u>1,611,308</u>	<u>1,138,210</u>
Creditors: amounts falling due within one year	7	(1,068,873)	(841,491)
Net current assets		<u>542,435</u>	<u>296,719</u>
Total assets less current liabilities		<u>564,586</u>	<u>325,230</u>
Net assets		<u><u>564,586</u></u>	<u><u>325,230</u></u>
Capital and reserves			
Profit and loss account		<u>564,586</u>	<u>325,230</u>
		<u><u>564,586</u></u>	<u><u>325,230</u></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 31 October 2019.


Paul Roberts
 Director

The notes on pages 4 to 10 form part of these financial statements.

THE INNOVATION UNIT LIMITED
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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Profit and loss account £	Total equity £
At 1 April 2017	389,601	389,601
Loss for the year	(64,371)	(64,371)
At 1 April 2018	325,230	325,230
Profit for the year	239,356	239,356
At 31 March 2019	564,586	564,586

The notes on pages 4 to 10 form part of these financial statements.

THE INNOVATION UNIT LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

1. General information

The Innovation Unit Limited is a company limited by guarantee, incorporated in England and Wales. The registered company number is 05997039. The registered office and place of principal activity is Unit 520 Highgate Studios, Highgate Road, London, NW5 1TL.

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 company is considered a going concern and the financial statements have been prepared on a going concern basis. The directors have reviewed in detail the expected performance and pipeline for the forthcoming twelve months and consider the use of the going concern basis appropriate for the year ended 31 March 2019.

2.3 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 except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

Turnover 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 turnover 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.

2.5 Operating leases

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

2.6 Interest income

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

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.8 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 reporting date in the countries where the Company operates and generates income.

2.9 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Website	-	% 33.3% straight line
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2.10 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.

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:

Plant and machinery	- 33.3% straight line
Fixtures and fittings	- 33.3% straight line

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.

2.11 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.12 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.

2.13 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.

2.14 Financial instruments

The Company only enters into basic financial instrument 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.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

3. Intangible assets

	Website £
Cost	
At 1 April 2018	26,995
At 31 March 2019	<u>26,995</u>
Amortisation	
At 1 April 2018	5,158
Charge for the year	8,984
At 31 March 2019	<u>14,142</u>
Net book value	
At 31 March 2019	<u>12,853</u>
At 31 March 2018	<u>21,837</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

4. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2018	17,621	7,286	24,907
Additions	8,278	1,661	9,939
Disposals	(13,340)	(6,635)	(19,975)
At 31 March 2019	12,559	2,312	14,871
Depreciation			
At 1 April 2018	10,977	7,256	18,233
Charge for the year on owned assets	4,225	593	4,818
Disposals	(10,843)	(6,635)	(17,478)
At 31 March 2019	4,359	1,214	5,573
Net book value			
At 31 March 2019	8,200	1,098	9,298
At 31 March 2018	6,644	30	6,674

5. Auditors' information

The auditors' report on the financial statements for the year ended 31 March 2019 was unqualified.

The audit report was signed on 31 October 2019 by Andrew Broome (Senior Statutory Auditor) on behalf of .

6. Debtors

	2019 £	2018 £
Trade debtors	602,275	614,017
Other debtors	4,160	23,081
Prepayments and accrued income	60,591	54,576
	667,026	691,674

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

7. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	944,282	446,536

8. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	227,932	217,926
Corporation tax	106,605	7,894
Other taxation and social security	169,513	158,685
Other creditors	-	7,378
Accruals and deferred income	564,823	449,606
	1,068,873	841,489

9. Company status

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £10 towards the assets of the company in the event of liquidation.

10. Pension commitments

The Innovation Unit Limited operates a defined contribution pension scheme. The pension cost charge represents contributions payable by the company and amounted to £31,343 (2018: £29,503).

11. Controlling party

The directors do not consider there to be one controlling party.

12. Auditors' information

The auditors' report on the financial statements for the year ended 31 March 2019 was unqualified.

The audit report was signed on 31 October 2019 by Andrew Broome (Senior Statutory Auditor) on behalf of Haysmacintyre LLP.