

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 APRIL 2021

SILVER LINING CONVERGENCE
LTD

MENZIES

SILVER LINING CONVERGENCE LTD

COMPANY INFORMATION

Directors	Mr R D Dickinson Mr A S Packer
Registered number	06212357
Registered office	The Granary Whiteley Lane Fareham Hampshire PO15 6RQ
Accountants	Menzies LLP Chartered Accountants 3000a Parkway Whiteley Hampshire PO15 7FX

SILVER LINING CONVERGENCE LTD

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SILVER LINING CONVERGENCE LTD

REGISTERED NUMBER:06212357

STATEMENT OF FINANCIAL POSITION AS AT 30 APRIL 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	4	35,969	23,203
Tangible assets	5	145,393	77,456
		<u>181,362</u>	<u>100,659</u>
Current assets			
Stocks		124,968	102,640
Debtors: amounts falling due within one year	6	3,966,448	3,387,016
Cash at bank and in hand		828,549	894,476
		<u>4,919,965</u>	<u>4,384,132</u>
Creditors: amounts falling due within one year	7	(1,718,911)	(1,738,293)
Net current assets		<u>3,201,054</u>	<u>2,645,839</u>
Total assets less current liabilities		<u>3,382,416</u>	<u>2,746,498</u>
Creditors: amounts falling due after more than one year	8	(110,472)	(149,596)
Provisions for liabilities			
Deferred tax		(19,656)	(6,370)
		<u>(19,656)</u>	<u>(6,370)</u>
Net assets		<u><u>3,252,288</u></u>	<u><u>2,590,532</u></u>

SILVER LINING CONVERGENCE LTD

REGISTERED NUMBER:06212357

STATEMENT OF FINANCIAL POSITION (CONTINUED) AS AT 30 APRIL 2021

	Note	2021 £	2020 £
Capital and reserves			
Called up share capital		200	200
Profit and loss account		3,252,088	2,590,332
		<u>3,252,288</u>	<u>2,590,532</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 income and retained earnings 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 by:

Mr A S Packer
Director

Date: 20 January 2022

The notes on pages 3 to 11 form part of these financial statements.

SILVER LINING CONVERGENCE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

1. General information

Silver Lining Convergence Limited is a private company limited by shares, registered in England and Wales. The address of its registered office is disclosed on the company information page.

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 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 profit or loss 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 income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

SILVER LINING CONVERGENCE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

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 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss 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.

2.5 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 shall be 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 on a straight line basis over their useful economic lives, which range from 3 to 6 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.

SILVER LINING CONVERGENCE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

2. Accounting policies (continued)

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

SILVER LINING CONVERGENCE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

2. Accounting policies (continued)

2.11 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.

The estimated useful lives range as follows:

Development expenditure	-	5	years
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2.12 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 and reducing balance basis.

Depreciation is provided on the following basis:

Long-term leasehold property	-	20%	straight line basis
Plant and machinery	-	25%	reducing balance
Motor vehicles	-	25%	reducing balance
Fixtures and fittings	-	25%	reducing balance
Office equipment	-	33%	straight line basis

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 profit or loss.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.14 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.

SILVER LINING CONVERGENCE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

2. Accounting policies (continued)

2.15 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.

2.16 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.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.18 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 ordinary shares.

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 31 (2020 - 33).

SILVER LINING CONVERGENCE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

4. Intangible assets

	Development £	Website £	Total £
Cost			
At 1 May 2020	33,305	2,750	36,055
Additions	-	255	255
Additions - internal	37,084	-	37,084
Disposals	(33,305)	-	(33,305)
At 30 April 2021	37,084	3,005	40,089
Amortisation			
At 1 May 2020	12,852	-	12,852
Charge for the year on owned assets	10,781	-	10,781
On disposals	(19,513)	-	(19,513)
At 30 April 2021	4,120	-	4,120
Net book value			
At 30 April 2021	32,964	3,005	35,969
At 30 April 2020	20,453	2,750	23,203

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

5. Tangible fixed assets

	Leasehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 May 2020	33,364	1,595	67,360	35,268	147,393	284,980
Additions	3,240	-	99,808	665	13,724	117,437
Disposals	-	-	(19,350)	-	(13,015)	(32,365)
At 30 April 2021	36,604	1,595	147,818	35,933	148,102	370,052
Depreciation						
At 1 May 2020	21,684	1,061	33,134	21,980	129,664	207,523
Charge for the year on owned assets	5,994	119	19,556	4,317	12,710	42,696
Disposals	-	-	(12,545)	-	(13,015)	(25,560)
At 30 April 2021	27,678	1,180	40,145	26,297	129,359	224,659
Net book value						
At 30 April 2021	8,926	415	107,673	9,636	18,743	145,393
At 30 April 2020	11,679	534	34,226	13,288	17,729	77,456

SILVER LINING CONVERGENCE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

6. Debtors

	2021 £	2020 £
Trade debtors	1,062,780	972,852
Amounts owed by group undertakings	2,262,084	1,768,375
Other debtors	37,107	18,664
Prepayments and accrued income	604,477	627,125
	<u>3,966,448</u>	<u>3,387,016</u>

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	39,124	37,092
Trade creditors	467,329	588,048
Amounts owed to group undertakings	106,928	-
Corporation tax	130,117	89,352
Other taxation and social security	378,925	248,212
Other creditors	11,579	6,854
Accruals and deferred income	584,909	768,735
	<u>1,718,911</u>	<u>1,738,293</u>

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

	2021 £	2020 £
Bank loans	110,472	149,596
	<u>110,472</u>	<u>149,596</u>

9. Commitments under operating leases

At 30 April 2021 the company had future minimum lease payments due under non-cancellable operating leases follows £12,238 (2020 - £43,161).

10. Transactions with directors

At the year end £3,283 (2020 - £2,884) was owed to the company by one of the directors. The loan was interest free and therefore deemed to not be at market rate.

SILVER LINING CONVERGENCE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2021

11. Related party transactions

The companies assets are secured by way of a fixed and floating charge as a result of security provided for debts of another group company and a company with common directors. The total amount of creditors secured at the year end totals £517,685 (2020 - £554,701).

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