

Company Registration No. 07193672 (England and Wales)

INCLARITY COMMUNICATIONS LIMITED

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2020**

PAGES FOR FILING WITH REGISTRAR

FRIDAY



AA9T8IEY

A18

30/07/2021

#232

COMPANIES HOUSE

INCLARITY COMMUNICATIONS LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 JULY 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	4		455,600		260,701
Tangible assets	5		178,050		307,426
			<u>633,650</u>		<u>568,127</u>
Current assets					
Stocks		68,248		25,200	
Debtors	6	379,935		431,908	
Cash at bank and in hand		630,353		147,305	
		<u>1,078,536</u>		<u>604,413</u>	
Creditors: amounts falling due within one year	7	<u>(1,141,662)</u>		<u>(1,003,339)</u>	
Net current liabilities			<u>(63,126)</u>		<u>(398,926)</u>
Total assets less current liabilities			<u>570,524</u>		<u>169,201</u>
Creditors: amounts falling due after more than one year	8		(258,906)		(290,649)
Provisions for liabilities	9		<u>(26,602)</u>		<u>-</u>
Net assets/(liabilities)			<u><u>285,016</u></u>		<u><u>(121,448)</u></u>
Capital and reserves					
Called up share capital			10,523		10,523
Share premium account			9,317,710		9,317,710
Revaluation reserve			-		298,000
Profit and loss reserves			<u>(9,043,217)</u>		<u>(9,747,681)</u>
Total equity			<u><u>285,016</u></u>		<u><u>(121,448)</u></u>

INCLARITY COMMUNICATIONS LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 JULY 2020

The directors of the company have elected not to include a copy of the income statement within the financial statements

For the financial year ended 31 July 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

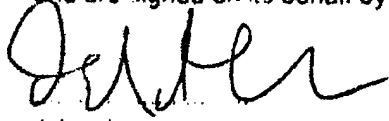
The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476

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

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime

The financial statements were approved by the board of directors and authorised for issue on
and are signed on its behalf by

30 July '21



J Jacobs
Director

INCLARITY COMMUNICATIONS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2020

	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 August 2018	10,523	9,317,710	298,000	(9,909,019)	(282,786)
Year ended 31 July 2019:					
Profit and total comprehensive income for the year	-	-	-	161,338	161,338
Balance at 31 July 2019	10,523	9,317,710	298,000	(9,747,681)	(121,448)
Year ended 31 July 2020:					
Profit and total comprehensive income for the year	-	-	-	406,464	406,464
Other movements	-	-	(298,000)	298,000	-
Balance at 31 July 2020	10,523	9,317,710	-	(9,043,217)	285,016

INCLARITY COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

Company information

Inclarity Communications Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 1 Lyric Square, London, United Kingdom, W6 0NB.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

Directors consider the company a going concern given that over £1.2million has been invested in the I.T. Infrastructure and churn levels remain low regarding customers. The launch of the new portal will allow for SME to be targeted and encourage printable growth. The company has invested in senior and experienced staff, with the recruitment of a CTO and Product Manager.

The directors believe it is appropriate to prepare the accounts on a going concern basis, as there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern. The directors have also considered the impact of COVID-19 on the economy and do not believe this will affect the future trading of the company.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable at stages of the contract completion for services provided in the normal course of business, and is shown net of VAT and discounts.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is now fully amortised.

INCLARITY COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies (Continued)

Intangible fixed assets - development costs

The Company capitalises development expenditure as an intangible asset when it is able to demonstrate all of the following:

- (a) The technical feasibility of completing the development so the intangible asset will be available for use or sale.
- (b) Its intention to complete the development and to use or sell the intangible asset.
- (c) Its ability to use or sell the intangible asset.
- (d) How the intangible asset will generate probable future economic benefits.
- (e) The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- (f) Its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Capitalised development expenditure is initially recognised at cost and subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Capitalised development expenditure is amortised on a straight-line basis over its useful life, which is estimated to be 4 years. The directors consider this useful life to be appropriate because in the opinion of the directors this represents the period over which the asset will bring economic benefit to the company.

All research expenditure and development expenditure that does not meet the above conditions is expensed as incurred.

Intangible fixed assets other than goodwill and development costs

Intangible assets are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Intellectual property	33.3% straight line
-----------------------	---------------------

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	over the remaining life of the lease
Fixtures and fittings	25-33.3% straight line
Computers	25-33.3% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

INCLARITY COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies (Continued)

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price and are subsequently measured at amortised cost, being transaction price less amounts settled.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

INCLARITY COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies (Continued)

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2020 Number	2019 Number
Total	16	18

3 Directors' remuneration

	2020 £	2019 £
Remuneration paid to directors	112,438	224,959

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 1).

INCLARITY COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

4 Intangible fixed assets

	Goodwill	Intellectual property and development costs	Total
	£	£	£
Cost			
At 1 August 2019	500,469	2,946,541	3,447,010
Additions	-	324,595	324,595
Disposals	(500,469)	-	(500,469)
At 31 July 2020	-	3,271,136	3,271,136
Amortisation			
At 1 August 2019	500,469	2,685,840	3,186,309
Amortisation charged for the year	-	129,696	129,696
Disposals	(500,469)	-	(500,469)
At 31 July 2020	-	2,815,536	2,815,536
Carrying amount			
At 31 July 2020	-	455,600	455,600
At 31 July 2019	-	260,701	260,701

The amortisation charge for the year is recognised within administrative expenses.

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 August 2019	134,230	1,552,376	1,686,606
Additions	-	69,442	69,442
Disposals	(134,230)	-	(134,230)
At 31 July 2020	-	1,621,818	1,621,818
Depreciation			
At 1 August 2019	134,230	1,244,950	1,379,180
Depreciation charged in the year	-	198,818	198,818
Eliminated in respect of disposals	(134,230)	-	(134,230)
At 31 July 2020	-	1,443,768	1,443,768
Carrying amount			
At 31 July 2020	-	178,050	178,050
At 31 July 2019	-	307,426	307,426

INCLARITY COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

6 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	86,689	121,593
Corporation tax recoverable	96,373	63,463
Other debtors	196,873	246,852
	<u>379,935</u>	<u>431,908</u>

7 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	282,173	362,486
Taxation and social security	437,564	176,543
Other creditors	421,925	464,310
	<u>1,141,662</u>	<u>1,003,339</u>

8 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Trade creditors	177,453	129,854
Other creditors	81,453	160,795
	<u>258,906</u>	<u>290,649</u>

9 Provisions for liabilities

	2020 £	2019 £
Deferred tax liabilities	26,602	-
	<u>26,602</u>	<u>-</u>

10 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	-	46,089
	<u>-</u>	<u>46,089</u>

INCLARITY COMMUNICATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

11 Parent company

The parent company of Inclarity Communications Limited is Mercury Services Limited and its registered office is 57/63 Linewall Road, Gibraltar, GX11 1AA.