

**REGISTERED NUMBER: 07675871 (England and Wales)**

**Unaudited Financial Statements for the Year Ended 31 December 2020**

**for**

**The New Craftsmen Limited**

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for the year ended 31 December 2020**

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# **The New Craftsmen Limited**

## **Company Information for the year ended 31 December 2020**

### **DIRECTORS:**

Mr M Henderson  
Mr D Shafranik  
Mr Q Zhang  
Ms Y J Ford  
Mr C F Mackinnon  
Mr J H Thorpe

### **REGISTERED OFFICE:**

12 Clapham Mansions Nightingale Lane  
London  
SW4 9AQ

### **REGISTERED NUMBER:**

07675871 (England and Wales)

### **ACCOUNTANTS:**

flinder effect limited  
Certified Chartered Accountants (ACCA)  
94 West Street  
Crawley  
West Sussex  
RH11 8AW

**The New Craftsmen Limited (Registered number: 07675871)**

**Statement of Financial Position  
31 December 2020**

	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Intangible assets	5	66,817	47,147
Tangible assets	6	<u>7,357</u>	<u>30,009</u>
		<u>74,174</u>	<u>77,156</u>
<b>CURRENT ASSETS</b>			
Stocks		77,144	74,130
Debtors	7	68,218	88,588
Cash at bank		<u>832,738</u>	<u>1,063,835</u>
		978,100	1,226,553
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>(185,140)</u>	<u>(239,204)</u>
<b>NET CURRENT ASSETS</b>		<u>792,960</u>	<u>987,349</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		867,134	1,064,505
<b>CREDITORS</b>			
Amounts falling due after more than one year (including convertible debt)	9	<u>(567,772)</u>	<u>-</u>
<b>NET ASSETS</b>		<u>299,362</u>	<u>1,064,505</u>

The notes form part of these financial statements

**The New Craftsmen Limited (Registered number: 07675871)**

**Statement of Financial Position - continued**  
**31 December 2020**

	Notes	2020 £	2019 £
<b>CAPITAL AND RESERVES</b>			
Called up share capital		4,783	4,783
Share premium		4,567,145	4,567,145
Retained earnings		(4,272,566)	(3,507,423)
<b>SHAREHOLDERS' FUNDS</b>		<u>299,362</u>	<u>1,064,505</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 30 September 2021 and were signed on its behalf by:

Mr M Henderson - Director

The notes form part of these financial statements

# **The New Craftsmen Limited (Registered number: 07675871)**

## **Notes to the Financial Statements for the year ended 31 December 2020**

### **1. STATUTORY INFORMATION**

The New Craftsmen Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

### **2. STATEMENT OF COMPLIANCE**

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

### **3. ACCOUNTING POLICIES**

#### **Basis of preparing the financial statements**

The financial statements have been prepared under the historical cost convention.

#### **Significant judgements and estimates**

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates if necessary. It also requires management to exercise judgement in applying the company accounting policies.

#### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

#### **Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs are being amortised evenly over their estimated useful life of three years.

#### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- Straight line over 3 years
Computer equipment	- Straight line over 3 years

#### **Government grants**

Government grants in relation to tangible fixed asset are credited to profit and loss account over the useful lives of the related assets, whereas those in relation to expenditure are credited on an accruals basis, when the expenditure is charged to profit and loss.

#### **Inventories**

Inventories have been valued at the lower of cost and estimated selling price less costs to complete and sell. In respect of work in progress and finished goods, cost includes a relevant proportion of overheads according to the stage of manufacturing/completion.

**Notes to the Financial Statements - continued  
for the year ended 31 December 2020**

**3. ACCOUNTING POLICIES - continued**

**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 in the company's balance sheet 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 debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value if the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Classification of financial instruments**

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 creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditor are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently at amortised cost using the effective interest method.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Notes to the Financial Statements - continued  
for the year ended 31 December 2020**

**3. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Hire purchase and leasing commitments**

Assets acquired under hire purchase contracts are included in tangible fixed assets are depreciated over their estimated useful lives. The obligations net of future charges are included in creditors.

Lease payments are apportioned between finance charges and reduction of the lease obligation using the effective rate of interest method. So as to achieve a constant rate of interest on the remaining balance of the liabilities. Finance charges are deducted and charged to the profit and loss when they are incurred.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**4. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 17 (2019 - 16 ) .

**5. INTANGIBLE FIXED ASSETS**

	<b>Development costs £</b>
<b>COST</b>	
At 1 January 2020	<b>98,251</b>
Additions	<b>68,089</b>
At 31 December 2020	<b><u>166,340</u></b>
<b>AMORTISATION</b>	
At 1 January 2020	<b>51,104</b>
Amortisation for year	<b>48,419</b>
At 31 December 2020	<b><u>99,523</u></b>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<b><u>66,817</u></b>
At 31 December 2019	<b><u>47,147</u></b>



**The New Craftsmen Limited (Registered number: 07675871)**

**Notes to the Financial Statements - continued  
for the year ended 31 December 2020**

**6. TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2020	197,976	20,407	218,383
Additions	-	916	916
At 31 December 2020	<u>197,976</u>	<u>21,323</u>	<u>219,299</u>
<b>DEPRECIATION</b>			
At 1 January 2020	173,524	14,850	188,374
Charge for year	20,261	3,307	23,568
At 31 December 2020	<u>193,785</u>	<u>18,157</u>	<u>211,942</u>
<b>NET BOOK VALUE</b>			
At 31 December 2020	<u>4,191</u>	<u>3,166</u>	<u>7,357</u>
At 31 December 2019	<u>24,452</u>	<u>5,557</u>	<u>30,009</u>

**7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade debtors	25,183	37,299
Other debtors	<u>43,035</u>	<u>51,289</u>
	<u>68,218</u>	<u>88,588</u>

**8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade creditors	79,091	118,580
Taxation and social security	24,795	39,780
Other creditors	<u>81,254</u>	<u>80,844</u>
	<u>185,140</u>	<u>239,204</u>

**9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020 £	2019 £
Bank loans	50,000	-
Other creditors	<u>517,772</u>	<u>-</u>
	<u>567,772</u>	<u>-</u>

**Notes to the Financial Statements - continued  
for the year ended 31 December 2020**

**9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR - continued**

	2020 £	2019 £
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	<u>50,000</u>	<u>-</u>

The other creditors balance is a convertible loan note which is measured at fair value through profit or loss using the effective interest rate method. The effective rate of interest used is 9% per annum and the coupon interest rate is 8%. On recognition this resulted in a Fair Value gain of £22,309 which has been recognised in the profit and loss account.

**10. RELATED PARTY DISCLOSURES**

At the year end the company owed the director M Henderson who made interest free loans to the company of £NIL (2019: £13,870).

**11. SHARE-BASED PAYMENT TRANSACTIONS**

The Company operates an Approved EMI Share Option Plan where certain employees are granted options to purchase shares in the company. On exercise of the options by the employees, the Company issues new shares. In 2019, 340,000 exit only options were granted which vest as follows: 50% on 31/12/2019 and 50% on 31/12/2020.

All options issued are over Ordinary Shares and have an exercise price of £0.50.

As at 31 December 2020, all options have fully vested, with 180,000 options exercisable on exit.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year under the Approved EMI Share Option Plan.

	2020		2019	
	No.	WAEP	No.	WAEP
Outstanding at 1 January	300,000	£0.50	179,266	£2.00
Granted	-	£0.50	340,000	£0.50
Forfeited	-	£2.00	(179,266)	£2
Forfeited	(120,000)	£0.50	(40,000)	£0.50
Outstanding at 31 December	180,000	£0.50	300,000	£0.50
Exercisable at 31 December	180,000	£0.50	150,000	£0.50

The Company is unable to directly measure the fair value of employee services received. Instead the fair value of the share options granted during the year is determined using the Black-Scholes model. The model is internationally recognised as being appropriate to value employee share schemes similar to the scheme the Company have in place.

The total charge for the year was £11,133 (2019: £18,927).

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.