

REGISTERED NUMBER: 08172165 (England and Wales)

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2018

FOR

PADDLE.COM MARKET LIMITED

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FOR THE YEAR ENDED 31 AUGUST 2018

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DIRECTORS:

H Grimston
C Owens
O Kosovan
C Chrysanthou
T S Rea
S C Chandler

REGISTERED OFFICE:

15 Briery Close
Great Oakley
Corby
Northamptonshire
NN18 8JG

REGISTERED NUMBER:

08172165 (England and Wales)

ACCOUNTANTS:

Horizon Accounts Ltd
Stapleton House Second Floor
110 Clifton Street
London
EC2A 4HT

STATEMENT OF FINANCIAL POSITION
31 AUGUST 2018

		31.8.18		31.8.17 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	5		94,261		142,121
Tangible assets	6		333,162		143,310
Investments	7		3,985		1,176,661
			<u>431,408</u>		<u>1,462,092</u>
CURRENT ASSETS					
Debtors	8	1,300,792		608,282	
Cash at bank		<u>9,964,326</u>		<u>2,769,304</u>	
		11,265,118		3,377,586	
CREDITORS					
Amounts falling due within one year	9	<u>5,748,041</u>		<u>2,267,141</u>	
NET CURRENT ASSETS			<u>5,517,077</u>		<u>1,110,445</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,948,485</u>		<u>2,572,537</u>
CAPITAL AND RESERVES					
Called up share capital	11		3,314		2,471
Share premium			12,820,748		4,847,897
Retained earnings			<u>(6,875,577)</u>		<u>(2,277,831)</u>
SHAREHOLDERS' FUNDS			<u>5,948,485</u>		<u>2,572,537</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 August 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 August 2018 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 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.
- (b)

STATEMENT OF FINANCIAL POSITION - continued
31 AUGUST 2018

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

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

The financial statements were approved by the Board of Directors on 30 May 2019 and were signed on its behalf by:

H Grimston - Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. STATUTORY INFORMATION

Paddle.com Market 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 the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" 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

There are no significant judgements or estimates applied to the numbers contained within these financial statements.

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 fixed 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.

IP & trademark are being amortised evenly over their estimated useful life of five years.

Website development is being amortised evenly over its estimated useful life of five years.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Computer equipment - 33.33% on straight line

Fixtures and fittings - 33.33% on straight line

The cost of the office fit out has been recognised as a tangible fixed asset. The cost is cumulative and improvement work is being carried out in the office space at 15 Bermondsey Square and depreciated on a straight-line basis over the life of the lease.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less accumulated impairment.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2018

3. ACCOUNTING POLICIES - continued

Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Income Statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the Income Statement.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the Income Statement, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, loans from fellow Group companies 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 the future payments discounted at a market rate of interest.

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

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

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2018

3. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises of current 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 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 date of the statement of financial position.

Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the assets, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

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.

Going concern

The financial statements have been prepared on a going concern basis. The company incurred losses during the year, however the directors have been successful in attracting further investment since the end of the accounting period and will continue to support the company to meet its obligations, if and when, they become due. The directors are therefore of the opinion that they should continue to adopt the going concern basis of accounting in preparing the financial statements.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk to changes in value.

Share based payments

The company operates an equity-settled, cash-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision to original estimates, if any, in the income statement. The credit entry is taken to reserves because the share options are equity-settled.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 57 (2017 - 24) .

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2018

5. INTANGIBLE FIXED ASSETS

	IP & trademark £	Website development £	Totals £
COST			
At 1 September 2017	246,577	6,684	253,261
Additions	<u>1,704</u>	<u>-</u>	<u>1,704</u>
At 31 August 2018	<u>248,281</u>	<u>6,684</u>	<u>254,965</u>
AMORTISATION			
At 1 September 2017	104,456	6,684	111,140
Amortisation for year	<u>49,564</u>	<u>-</u>	<u>49,564</u>
At 31 August 2018	<u>154,020</u>	<u>6,684</u>	<u>160,704</u>
NET BOOK VALUE			
At 31 August 2018	<u>94,261</u>	<u>-</u>	<u>94,261</u>
At 31 August 2017	<u>142,121</u>	<u>-</u>	<u>142,121</u>

6. TANGIBLE FIXED ASSETS

	Computer equipment £	Fixtures and fittings £	Office fitout £	Totals £
COST				
At 1 September 2017	54,548	32,630	98,907	186,085
Additions	205,922	25,639	175,312	406,873
Disposals	<u>-</u>	<u>(287)</u>	<u>-</u>	<u>(287)</u>
At 31 August 2018	<u>260,470</u>	<u>57,982</u>	<u>274,219</u>	<u>592,671</u>
DEPRECIATION				
At 1 September 2017	17,724	8,589	16,462	42,775
Charge for year	<u>42,258</u>	<u>27,599</u>	<u>146,877</u>	<u>216,734</u>
At 31 August 2018	<u>59,982</u>	<u>36,188</u>	<u>163,339</u>	<u>259,509</u>
NET BOOK VALUE				
At 31 August 2018	<u>200,488</u>	<u>21,794</u>	<u>110,880</u>	<u>333,162</u>
At 31 August 2017	<u>36,824</u>	<u>24,041</u>	<u>82,445</u>	<u>143,310</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2018

7. FIXED ASSET INVESTMENTS

	Shares in group undertaking £
COST	
At 1 September 2017	1,176,661
Impairments	(1,172,676)
At 31 August 2018	<u>3,985</u>
NET BOOK VALUE	
At 31 August 2018	<u>3,985</u>
At 31 August 2017	<u>1,176,661</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.18	31.8.17 as restated
	£	£
Amounts owed by group undertakings	193,988	94,645
Other debtors	<u>1,106,804</u>	<u>513,637</u>
	<u>1,300,792</u>	<u>608,282</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.8.18	31.8.17 as restated
	£	£
Trade creditors	277,237	70,643
Amounts owed to group undertakings	713,535	-
Taxation and social security	700,148	400,819
Other creditors	<u>4,057,121</u>	<u>1,795,679</u>
	<u>5,748,041</u>	<u>2,267,141</u>

10. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.8.18	31.8.17 as restated
	£	£
Within one year	1,193,050	179,934
Between one and five years	1,573,867	962,560
In more than five years	<u>-</u>	<u>777,850</u>
	<u>2,766,917</u>	<u>1,920,344</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 AUGUST 2018

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.8.18	31.8.17
144,327	Ordinary shares	0.01	1,444	1,443
45,328	Ordinary A shares	0.01	453	453
59,928	Ordinary A2 shares	0.01	599	575
81,817	Ordinary A3 shares	0.01	818	-
			3,314	2,471

During the year 81,817 Ordinary A3 shares of £0.01 were issued.

All share classes are entitled to one vote in any circumstances and dividend payments or any other distribution. Each share is entitled to participate in a distribution arising from a winding up of the company. In any liquidation event the A3 Ordinary shares shall be paid first in any asset distribution, followed by A2 Ordinary shares, A Ordinary shares and then Ordinary shares. The shares are not to be redeemed nor are they liable to be redeemed at the option of the company or the shareholder.

12. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Companies under common control

At the year end, £527,002 was owed to the companies under control of one of the directors.

13. POST BALANCE SHEET EVENTS

On 28 September 2018 the company issued 34,925 A3 Ordinary shares of £0.01 each for a total consideration of £6,000,115.

14. ULTIMATE CONTROLLING PARTY

During the year there is no ultimate controlling party.

15. SHARE-BASED PAYMENT TRANSACTIONS

The company operates an EMI qualifying share option scheme. As at the date of the Statement of Financial Position, the company had granted 23,985 EMI qualifying share options with exercise prices of £0.01, £1.42, and £2.01 per share. During the year, 4,803 options had been exercised, 8,789 shares had vested and 2,954 options had lapsed at the year-end. Share options vest over a 4 year period from the date of grant.

Details of the number and weighted average exercise prices (WAEP) of share options during the year are as follows:

Company	2018 No.	WAEP
Outstanding as at 1st September 2017	17,401	0.01
Granted during the year	17,221	0.01
Forfeited during the year	2,954	0.01
Exercised during the year	4,803	0.01
Expired during the year	-	0.01
Outstanding as at 31st August 2018	3,134	0.01

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.