

**XQ DIGITAL RESILIENCE LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIOD 1 DECEMBER 2016 TO 31 DECEMBER 2017**

XQ Digital Resilience Ltd
Unaudited Financial Statements
For the Period 1 December 2016 to 31 December 2017

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XQ Digital Resilience Ltd
Balance Sheet
As at 31 December 2017

Registered number: 09184608

| | | Period to 31 December 2017 | | Period to 30 November 2016 | |
|--|-------|-------------------------------|-------------------|-------------------------------|-------------------|
| | Notes | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Intangible Assets | 3 | | 396,463 | | 44,404 |
| Tangible Assets | 4 | | 39,174 | | 24,718 |
| | | | <u>435,637</u> | | <u>69,122</u> |
| CURRENT ASSETS | | | | | |
| Debtors | 5 | 315,227 | | 60,920 | |
| Cash at bank and in hand | | <u>49,823</u> | | <u>78,445</u> | |
| | | 365,050 | | 139,365 | |
| Creditors: Amounts Falling Due Within One Year | 6 | <u>(218,831)</u> | | <u>(69,532)</u> | |
| NET CURRENT ASSETS (LIABILITIES) | | | <u>146,219</u> | | <u>69,833</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>581,856</u> | | <u>138,955</u> |
| Creditors: Amounts Falling Due After More Than One Year | 7 | | <u>(210,000)</u> | | <u>(210,000)</u> |
| NET ASSETS | | | <u>371,856</u> | | <u>(71,045)</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 8 | | 579 | | 400 |
| Share premium account | | | 1,063,641 | | - |
| Profit and Loss Account | | | <u>(692,364)</u> | | <u>(71,445)</u> |
| SHAREHOLDERS' FUNDS | | | <u>371,856</u> | | <u>(71,045)</u> |

XQ Digital Resilience Ltd
Balance Sheet (continued)
As at 31 December 2017

For the period ending 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.
- The company has taken advantage of section 444(1) of the Companies Act 2006 and opted not to deliver to the registrar a copy of the company's Profit and Loss Account.

On behalf of the board

Mr David Carroll

21/08/2018

The notes on pages 3 to 6 form part of these financial statements.

XQ Digital Resilience Ltd
Notes to the Financial Statements
For the Period 1 December 2016 to 31 December 2017

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 10 for an explanation of the transition.

1.2. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

1.3. Intangible Fixed Assets and Amortisation - Other Intangible

Other intangible assets recognised in respect of website costs are amortised to the profit and loss account over their estimated economic life of 5 years.

1.4. Research and Development

Capitalised expenditure on development is written off to the profit and loss account over a period of 5 years.

1.5. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|---------------------|----------------------------------|
| Fixtures & Fittings | Straight line basis over 4 years |
| Computer Equipment | Straight line basis over 4 years |

1.6. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

XQ Digital Resilience Ltd
Notes to the Financial Statements (continued)
For the Period 1 December 2016 to 31 December 2017

1.7. Pensions

The company operates a defined contribution pension contribution scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

2. Average Number of Employees

Average number of employees, including directors, during the year was 12 (2016: 4).

3. Intangible Assets

| | Other | Development | Total |
|----------------------------|--------------|--------------------|--------------|
| | £ | Costs | £ |
| Cost | | | |
| As at 1 December 2016 | - | 55,505 | 55,505 |
| Additions | 27,040 | 430,003 | 457,043 |
| As at 31 December 2017 | 27,040 | 485,508 | 512,548 |
| Amortisation | | | |
| As at 1 December 2016 | - | 11,101 | 11,101 |
| Provided during the period | 5,500 | 99,484 | 104,984 |
| As at 31 December 2017 | 5,500 | 110,585 | 116,085 |
| Net Book Value | | | |
| As at 31 December 2017 | 21,540 | 374,923 | 396,463 |
| As at 1 December 2016 | - | 44,404 | 44,404 |

4. Tangible Assets

| | Fixtures & | Computer | Total |
|----------------------------|-----------------------|------------------|--------------|
| | Fittings | Equipment | £ |
| Cost | | | |
| As at 1 December 2016 | 3,060 | 31,507 | 34,567 |
| Additions | 9,922 | 18,274 | 28,196 |
| As at 31 December 2017 | 12,982 | 49,781 | 62,763 |
| Depreciation | | | |
| As at 1 December 2016 | 765 | 9,084 | 9,849 |
| Provided during the period | 2,100 | 11,640 | 13,740 |
| As at 31 December 2017 | 2,865 | 20,724 | 23,589 |
| Net Book Value | | | |
| As at 31 December 2017 | 10,117 | 29,057 | 39,174 |
| As at 1 December 2016 | 2,295 | 22,423 | 24,718 |

XQ Digital Resilience Ltd
Notes to the Financial Statements (continued)
For the Period 1 December 2016 to 31 December 2017

5. Debtors

| | Period to 31 December 2017 | Period to 30 November 2016 |
|------------------------------------|---|---|
| | £ | £ |
| Due within one year | | |
| Trade debtors | 44,139 | - |
| Prepayments and accrued income | 35,134 | - |
| Corporation tax recoverable assets | 191,343 | 1,363 |
| VAT | - | 9,170 |
| Directors' loan accounts | 44,611 | 50,387 |
| | <u>315,227</u> | <u>60,920</u> |

6. Creditors: Amounts Falling Due Within One Year

| | Period to 31 December 2017 | Period to 30 November 2016 |
|---------------------------------|---|---|
| | £ | £ |
| Trade creditors | 79,352 | 35,928 |
| Other taxes and social security | 68,107 | 19,499 |
| Net wages | 8 | - |
| Other creditors | 608 | 785 |
| Shareholder G Wilde | - | 9,820 |
| Accruals and deferred income | 70,756 | 3,500 |
| | <u>218,831</u> | <u>69,532</u> |

7. Creditors: Amounts Falling Due After More Than One Year

| | Period to 31 December 2017 | Period to 30 November 2016 |
|------------------------|---|---|
| | £ | £ |
| Directors loan account | 210,000 | 210,000 |

8. Share Capital

| | Period to 31 December 2017 | Period to 30 November 2016 |
|------------------------------------|---|---|
| Allotted, Called up and fully paid | 579 | 400 |

XQ Digital Resilience Ltd
Notes to the Financial Statements (continued)
For the Period 1 December 2016 to 31 December 2017

9. Related Party Transactions

D Carroll, a director and shareholder of the company, received remuneration of £88,764 during the period. At the period end, D Carroll owed £12,560 (£2016: £18,798) to the company. This loan was unsecured, interest free and repayable on demand.

M Blades, a director and shareholder of the company, received remuneration of £88,764 during the period. At the period end, M Blades owed £5,366 (£2016: £4,903) to the company. This loan was unsecured, interest free and repayable on demand.

A Rees, a director and shareholder of the company, received remuneration of £88,764 during the period. At the period end, A Rees owed £26,586 (£2016: £26,586) to the company. This loan was unsecured, interest free and repayable on demand.

R Bach, a director and shareholder of the company, received remuneration of £88,764 during the period. At the period end, R Bach owed £99 (£2016: £99) to the company. This loan was unsecured, interest free and repayable on demand.

T Follis, a director and shareholder of the company, received remuneration of £7,583 during the period.

Sequitur Ltd provided consultancy services during the period totalling £21,543 (2016: £15,097). At the period end £95 (2016: £nil) remained unpaid and held within trade creditors. Sequitur Ltd is a company wholly owned by director T Follis.

G Wilde, a shareholder of the company, was owed £nil (2016: £9,820) by the company at the period end.

J Thomas, director and shareholder of the company, had an outstanding loan to the company totalling £210,000 (2016: £210,000). The loan is repayable either on J Thomas' exit from the company or on the written demand of the lender at any time following 26 June 2020. The loan is unsecured and interest free.

Hartham Park Investments Ltd provided consultancy and monitoring services during the period totalling £20,000 (2016: £nil). At the period end £20,000 (2016: £nil) had not been invoiced and is therefore held within accruals. Hartham Park Investments Ltd is a company wholly owned by director J Thomas.

10. Transition to FRS 102

These financial statements for the period ended 31 December 2017 are the first financial statements to comply with FRS 102. The transition date is 16 December 2015. The transition to FRS102 has not resulted in any changes to accounting policies adopted in prior years.

11. General Information

XQ Digital Resilience Ltd is a private company, limited by shares, incorporated in England & Wales, registered number 09184608. The registered office is Unit H The Courtyard, Tewkesbury Business Park, Tewkesbury, GL20 8GD.

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.