

Company Registration No. 10189159 (England and Wales)

**GALACTIC HQ LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**5 APRIL 2019**  
**PAGES FOR FILING WITH REGISTRAR**



**GALACTIC HQ LIMITED****BALANCE SHEET****AS AT 5 APRIL 2019**

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Investments	5	6,837,497		3,805,315	
<b>Current assets</b>					
Debtors	6	1,147,093		483,641	
Cash at bank and in hand		508		6	
		<u>1,147,601</u>		<u>483,647</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>(44,333)</u>		<u>(750)</u>	
<b>Net current assets</b>		<u>1,103,268</u>		<u>482,897</u>	
<b>Total assets less current liabilities</b>		<u>7,940,765</u>		<u>4,288,212</u>	
<b>Creditors: amounts falling due after more than one year</b>	8	<u>(1,890,497)</u>		<u>(1,110,225)</u>	
<b>Net assets</b>		<u><u>6,050,268</u></u>		<u><u>3,177,987</u></u>	
<b>Capital and reserves</b>					
Called up share capital	9	2,222		2,222	
Other reserves		4,295,570		1,263,391	
Profit and loss reserves		<u>1,752,476</u>		<u>1,912,374</u>	
<b>Total equity</b>		<u><u>6,050,268</u></u>		<u><u>3,177,987</u></u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 5 April 2019 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.

**GALACTIC HQ LIMITED**

**BALANCE SHEET (CONTINUED)**

**AS AT 5 APRIL 2019**

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The financial statements were approved by the board of directors and authorised for issue on 3 FEBRUARY 2020  
and are signed on its behalf by:



.....  
A J Davidson  
Director

# **GALACTIC HQ LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 5 APRIL 2019**

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### **1 Accounting policies**

#### **Company information**

Galactic HQ Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 17 Boundary Street, Liverpool, England, L5 9UB.

#### **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 £.

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

#### **Group accounts**

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

#### **Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company is currently dependent on support from both its shareholders and directors, with outstanding loans at 5 April 2019 of £1,890,497. Support from these parties has been confirmed for the period covering 12 months from the date of signing these accounts. In the period post year end the company has generated further funds from existing investors and new investors of circa £600,000, confirming the ability to generate further capital when required. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Reporting period**

In the prior period the company extended its accounting period and prepared accounts for a 15 month period, being from 01 January 2017 to 05 April 2018. The current period of accounts have been prepared for the year ending 05 April 2019. Therefore the financial statements may not be entirely comparable with the comparative period.

#### **Turnover**

Turnover relates to the fair value movements on the valuation of equity investments, in line with prescribed practice.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

# **GALACTIC HQ LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 5 APRIL 2019**

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#### **1 Accounting policies (Continued)**

##### **Fixed asset investments**

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

The Company also holds unquoted ordinary equity shares in investee companies. Investment in ordinary equity shares are initially recognised at the transaction cost and subsequently measured at fair value by the Company. The fair value of investments held for less than one year is deemed to be cost, less any provision for permanent impairment.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand, and deposits held at call with banks.

##### **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 other debtors, amounts owed by group undertakings, 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### **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, and amounts owed to related parties, 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.

##### **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.

# GALACTIC HQ LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 5 APRIL 2019

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#### 1 Accounting policies (Continued)

##### 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 and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

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.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

##### Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 1 (2018 - 5).

#### 3 Directors' remuneration

	2019 £	2018 £
Remuneration paid to directors	72,615	-

# **GALACTIC HQ LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 5 APRIL 2019**

### **4 Share based payments**

On 4 January 2019 the company granted 188,149 options over shares of the company to certain employees under an Enterprise Management Incentive scheme. The options were granted with an exercise price of £0.1 per share and will only vest if an exit event occurs, either a sale or flotation of the company. The options come with a hurdle of £25m, in that the options will not vest unless the value achieved in an exit event exceeds this amount.

The options carry a maximum life of 10 years and will lapse if they have not been exercised at this point.

The directors consider the potential charge in relation to the options is not material, so it has not been recognised in these financial statements.

### **5 Fixed asset investments**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Investments	6,837,497	3,805,315

#### **Movements in fixed asset investments**

	<b>Shares in group undertakings</b>	<b>Other investments other than loans</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or valuation</b>			
At 6 April 2018	2,224	3,803,091	3,805,315
Additions	3	-	3
Valuation changes	-	3,032,179	3,032,179
At 5 April 2019	2,227	6,835,270	6,837,497
<b>Carrying amount</b>			
At 5 April 2019	2,227	6,835,270	6,837,497
At 5 April 2018	2,224	3,803,091	3,805,315

### **6 Debtors**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings and undertakings in which the company has a participating interest	1,147,093	483,641

# **GALACTIC HQ LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 5 APRIL 2019**

### **7 Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	1,068	-
Amounts owed to group undertakings	2	-
Other creditors	43,263	750
	<u>44,333</u>	<u>750</u>

### **8 Creditors: amounts falling due after more than one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Other creditors	1,890,497	1,110,225
	<u>1,890,497</u>	<u>1,110,225</u>

### **9 Called up share capital**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Ordinary share capital Issued and fully paid 2,222,200 Ordinary shares of 0.1p each	2,222	2,222
	<u>2,222</u>	<u>2,222</u>

On 21 January the share capital of 22,222 10p ordinary shares was subdivided into 2,222,200 ordinary shares of 0.1p each.

### **10 Events after the reporting date**

The company undertook a fund raising exercise between September 2019 and January 2020. As part of this there was a share split whereby the nominal value of the shares of the Company were split into £0.0001 shares from the previous £0.001 value per share and 3,143,229 shares were issued for a total of £1,131,360 raised. Furthermore £100,000 of shareholder debt was converted to equity for 119,452 shares.

### **11 Related party transactions**

#### **Transactions with related parties**

During the year the company received loans from directors of £333,139 (2018: £545,502) and repaid £60,000 (2018: £55,000). Interest charged on the loans during the year was £20,524 (2018: £Nil).

During the year the company also received loans from shareholders of £507,133 (2018: £620,223) Interest charged on the loans during the year was £23,133 (2018: £28,217).



## **GALACTIC HQ LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 5 APRIL 2019**

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#### **11 Related party transactions (Continued)**

The following amounts were outstanding at the reporting end date:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Amounts due to related parties</b>		
Shareholders	1,127,356	620,223
Key management personnel	763,141	490,002
	<u>          </u>	<u>          </u>

The following amounts were outstanding at the reporting end date:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Amounts due from related parties</b>		
Other related parties	53,860	32,800
	<u>          </u>	<u>          </u>