

BUILT-ID LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2022

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

		2022	As restated
	Note	£	2021
			£
Fixed assets			
Intangible assets	5	17,573	21,628
Tangible assets	6	4,518	3,644
		<u>22,091</u>	<u>25,272</u>
Current assets			
Debtors: amounts falling due within one year	7	381,387	462,516
Cash at bank and in hand		794,484	1,498,086
		<u>1,175,871</u>	<u>1,960,602</u>
Creditors: amounts falling due within one year	8	(171,898)	(284,840)
Net current assets		<u>1,003,973</u>	<u>1,675,762</u>
Total assets less current liabilities		<u>1,026,064</u>	<u>1,701,034</u>
Net assets		<u><u>1,026,064</u></u>	<u><u>1,701,034</u></u>
Capital and reserves			
Called up share capital	10	54,730	54,730
Share premium account	11	3,630,270	3,630,270
Other reserves	11	7,707	-
Profit and loss account	11	(2,666,643)	(1,983,966)
		<u>1,026,064</u>	<u>1,701,034</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

SHN De Savary
Director

Date: 16 December 2022

The notes on pages 3 to 12 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Share premium account	Share-based payment reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2020	54,730	3,080,270	-	(1,711,144)	1,423,856
Loss for the year	-	-	-	(272,822)	(272,822)
Transfer between other reserves	-	550,000	-	-	550,000
At 1 April 2021 (as previously stated)	54,730	3,630,270	-	(2,006,966)	1,678,034
Prior year adjustment	-	-	-	23,000	23,000
At 1 April 2021 (as restated)	54,730	3,630,270	-	(1,983,966)	1,701,034
Loss for the year	-	-	-	(682,677)	(682,677)
Share based payment charge	-	-	7,707	-	7,707
At 31 March 2022	54,730	3,630,270	7,707	(2,666,643)	1,026,064

The notes on pages 3 to 12 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. GENERAL INFORMATION

Built-ID Limited is a private company limited by shares, registered in England and Wales. The address of the registered office is 10 Temple Back, Bristol, United Kingdom, BS1 6FL.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 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. Thus, the directors continue to adopt the going concern basis of account in preparing the financial statements.

At the year end, the company had a loss of £682,677 and net assets of £1,026,064. The company is debt free and other creditors and third party liabilities are not significant.

In making this assessment the directors have prepared and reviewed financial forecasts for the next 5 years. These forecasts demonstrate an increasing level of sales and profitability as the company develops its product offering and client base. The directors expect to fund these sales through internal profit generation however external funding is also required. The company has a strong track record of raising investment funding to date and the directors have a strong expectation that adequate funding will be obtained in the very near term. In addition, as a contingency plan, the directors would be able to manage the cost base of the company appropriately to alleviate any delays in investment being forthcoming. As such the directors consider it appropriate to prepare these financial statements on a going concern basis.

2.3 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (continued)

2.4 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

2.5 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.6 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.7 SHARE BASED PAYMENTS

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (continued)

2.8 TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 INTANGIBLE ASSETS

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.10 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	20%	Straight-line
Office equipment	-	20%	
			Straight-line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (continued)

2.11 DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.12 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 CREDITORS

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.14 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (continued)

2.15 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these judgments and estimates have been made include:

Deferred tax asset

Management consider the future profitability of the company to be sufficiently certain for a deferred tax asset to be recognised. See note 10 for the carrying amount of the asset.

Impairment of intangible assets

Intangible assets are reviewed for any signs of impairment. Management consider the future profitability of the company alongside market data to assess whether an impairment is required. See note 6 for the carrying amount of the asset.

4. EMPLOYEES

	2022 £	2021 £
Wages and salaries	528,184	432,518
Social security costs	39,867	37,866
Cost of defined contribution scheme	8,248	2,041
	<u>576,299</u>	<u>472,425</u>

The average monthly number of employees, including directors, during the year was 12 (2021: 13).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

5. INTANGIBLE ASSETS

	Intellectual Property Rights £
COST	
At 1 April 2021	40,552
At 31 March 2022	40,552
AMORTISATION	
At 1 April 2021	18,924
Charge for the year on owned assets	4,055
At 31 March 2022	22,979
NET BOOK VALUE	
At 31 March 2022	17,573
At 31 March 2021	21,628

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation			
At 1 April 2021	5,017	3,021	8,038
Additions	-	2,537	2,537
At 31 March 2022	5,017	5,558	10,575
DEPRECIATION			
At 1 April 2021	2,796	1,598	4,394
Charge for the year on owned assets	1,003	660	1,663
At 31 March 2022	3,799	2,258	6,057
NET BOOK VALUE			
At 31 March 2022	1,218	3,300	4,518
At 31 March 2021	2,221	1,423	3,644

7. DEBTORS

	2022 £	As restated 2021 £
Trade debtors	31,500	33,990
Prepayments and accrued income	14,585	13,599
Tax recoverable	73,558	82,701
Deferred taxation	261,744	332,226
	381,387	462,516

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	As restated 2021 £
Trade creditors	9,911	43,226
Other taxation and social security	30,043	35,829
Other creditors	16,215	69,009
Accruals and deferred income	115,729	136,776
	<u>171,898</u>	<u>284,840</u>

9. DEFERRED TAXATION

	2022 £
At beginning of year	332,226
Charged to profit or loss	(70,482)
AT END OF YEAR	<u>261,744</u>

The deferred tax asset is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	-	(369)
Tax losses carried forward	261,744	332,595
	<u>261,744</u>	<u>332,226</u>

10. SHARE CAPITAL

	2022 £	2021 £
ALLOTTED, CALLED UP AND FULLY PAID		
5,472,981 (2021: 5,472,981) Ordinary shares of £0.01 each	<u>54,730</u>	<u>54,730</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. Reserves**Share premium account**

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Other reserves

Other reserves include the share-based payment reserve, which represents the cumulative share based payment charge recognised in the profit and loss account on the grant of share options to employees.

Profit and loss account

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12. SHARE BASED PAYMENTS

The company operates share option schemes for certain employees. The movement in share options that have been granted, forfeited and exercised during the year have been summarised in the table below. A share based payment charge of £7,707 has been recognised in respect of the share options at year end. In the current year 4,941 shares were forfeited.

	Weighted average exercise price (pence) 2022	Number 2022	Weighted average exercise price (pence) 2021	Number 2021
Outstanding at the beginning of the year	166	10,658	166	350,238
Forfeited during the year		(4,941)		(339,580)
OUTSTANDING AT THE END OF THE YEAR		5,717		10,658

	2022 Black-Scholes	2021 Black-Scholes
Option pricing model used		
Weighted average share price (pence)	3.4	3.4
Exercise price (pence)	1.36	1.36
Weighted average contractual life (days)	730	1095
Expected volatility	50%	50%
Expected dividend growth rate	0%	0%
Risk-free interest rate	0.03%	0.03%

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. PRIOR YEAR ADJUSTMENT

Management noted that an adjustment was required due to a duplication of an accounting entry caused by a software issue affecting the prior year. As a result the comparative revenue has been reduced by £23,000, comparative cash at bank by £27,600 and comparative creditors by £4,600.

14. RELATED PARTY TRANSACTIONS

At the period end Built-ID Limited owed £Nil (2021: £40,552) to a family member of a director. The balance was written off in the year on the basis that the amount was waived by the concerned party.

15. AUDITORS' INFORMATION

The auditors' report on the financial statements for the year ended 31 March 2022 was unqualified.

The audit report was signed on 16 December 2022 by Simon Morrison FCA (Senior statutory auditor) on behalf of Bishop Fleming Bath Limited.

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.