

Financial Statements for the Year Ended 31 December 2022

for

Docs24 Ltd

**Contents of the Financial Statements
for the Year Ended 31 December 2022**

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

**Company Information
for the Year Ended 31 December 2022**

DIRECTORS:

I J Paterson Brown
J Rae

REGISTERED OFFICE:

20-22 Torphichen Street
Edinburgh
EH3 8JB

REGISTERED NUMBER:

SC453182 (Scotland)

AUDITORS:

Douglas Home & Co Ltd
Statutory Auditor
47-49 The Square
Kelso
Roxburghshire
TD5 7HW

Balance Sheet
31 December 2022

	Notes	31.12.22 £	£	31.12.21 £	£
FIXED ASSETS					
Intangible assets	4		450,963		383,195
Tangible assets	5		6,864		5,622
Investments	6		<u>1</u>		<u>1</u>
			457,828		388,818
CURRENT ASSETS					
Debtors	7	901,912		497,207	
Cash at bank		<u>119,882</u>		<u>283,146</u>	
		1,021,794		780,353	
CREDITORS					
Amounts falling due within one year	8	<u>477,371</u>		<u>564,419</u>	
NET CURRENT ASSETS			<u>544,423</u>		<u>215,934</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,002,251		604,752
CREDITORS					
Amounts falling due after more than one year	9		(370,833)		(143,612)
PROVISIONS FOR LIABILITIES			<u>(79,231)</u>		<u>-</u>
NET ASSETS			<u>552,187</u>		<u>461,140</u>
CAPITAL AND RESERVES					
Called up share capital			1,053		1,053
Share premium			459,229		459,229
Retained earnings			<u>91,905</u>		<u>858</u>
SHAREHOLDERS' FUNDS			<u>552,187</u>		<u>461,140</u>

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 Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 30 March 2023 and were signed on its behalf by:

J Rae - Director

**Notes to the Financial Statements
for the Year Ended 31 December 2022**

1. STATUTORY INFORMATION

Docs24 Ltd is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The presentation currency is £ sterling.

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.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, excluding discounts, rebates, value added tax and other sales taxes.

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.

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.

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

Tangible fixed assets

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

Fixtures and fittings	- 20% on reducing balance
Computer equipment	- 33% on reducing balance

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

2. ACCOUNTING POLICIES - continued

Financial instruments

The following assets and liabilities are classified as financial instruments - trade debtors, related party loans, trade creditors, bank loans and directors' loans.

Bank loans are initially measured at the present value of future payments, discounted at a market rate of interest, and subsequently at amortised cost using the effective interest method.

Trade debtors, related party loans, trade creditors and directors' loans (being repayable on demand) are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at 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 Income Statement.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with bank, other short term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

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 balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

Research and development

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Foreign currencies

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the profit and loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

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.

Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities 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.

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.

Employee benefits

The cost 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.

Going concern

The directors have considered the company's financial position for a period of 12 months from the date of signing these financial statements and are of the view that the company will have sufficient resources to continue to operate and meet debts as they fall due for the foreseeable future. The financial statements have therefore been drawn up on a going concern basis.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 13 (2021 - 12) .

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

4. INTANGIBLE FIXED ASSETS

	Software £
COST	
At 1 January 2022	1,105,738
Additions	265,590
At 31 December 2022	<u>1,371,328</u>
AMORTISATION	
At 1 January 2022	722,543
Amortisation for year	197,822
At 31 December 2022	<u>920,365</u>
NET BOOK VALUE	
At 31 December 2022	<u>450,963</u>
At 31 December 2021	<u>383,195</u>

5. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2022	3,929	5,811	9,740
Additions	-	3,071	3,071
At 31 December 2022	<u>3,929</u>	<u>8,882</u>	<u>12,811</u>
DEPRECIATION			
At 1 January 2022	1,447	2,671	4,118
Charge for year	496	1,333	1,829
At 31 December 2022	<u>1,943</u>	<u>4,004</u>	<u>5,947</u>
NET BOOK VALUE			
At 31 December 2022	<u>1,986</u>	<u>4,878</u>	<u>6,864</u>
At 31 December 2021	<u>2,482</u>	<u>3,140</u>	<u>5,622</u>

6. FIXED ASSET INVESTMENTS

	Other investments £
COST	
At 1 January 2022 and 31 December 2022	<u>1</u>
NET BOOK VALUE	
At 31 December 2022	<u>1</u>
At 31 December 2021	<u>1</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

6. FIXED ASSET INVESTMENTS - continued

The company's investments at the Balance Sheet date in the share capital of companies include the following:

DOCS24 LLC

Registered office: USA

Nature of business: Document management

	%		
Class of shares:	holding		
Ordinary	100.00		
		31.12.22	31.12.21
		£	£
Aggregate capital and reserves		11,522	20,149
Loss for the year		<u>(221,388)</u>	<u>(52,349)</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Trade debtors	393,081	254,723
Other debtors	375,437	206,514
Tax	99,994	4,313
VAT	607	-
Deferred tax asset	-	4,024
Prepayments	<u>32,793</u>	<u>27,633</u>
	<u>901,912</u>	<u>497,207</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.22	31.12.21
	£	£
Bank loans and overdrafts (see note 10)	110,000	138,333
Other loans (see note 10)	-	115,523
Finance leases (see note 11)	6,944	83,333
Trade creditors	112,472	86,659
Tax	10	-
Social security and other taxes	12,507	11,616
VAT	-	555
Other creditors	11,138	6,981
Directors' current accounts	65,048	65,061
Accrued expenses	43,729	56,358
Deferred income	<u>115,523</u>	<u>-</u>
	<u>477,371</u>	<u>564,419</u>

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

	31.12.22	31.12.21
	£	£
Bank loans (see note 10)	370,833	136,667
Finance leases (see note 11)	<u>-</u>	<u>6,945</u>
	<u>370,833</u>	<u>143,612</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

10. LOANS

An analysis of the maturity of loans is given below:

	31.12.22 £	31.12.21 £
Amounts falling due within one year or on demand:		
Bank loans	110,000	138,333
Other loans	-	115,523
	<u>110,000</u>	<u>253,856</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>370,833</u>	<u>136,667</u>

Loans were advanced during the year totalling £350,000. There is a commitment in place where the company can drawdown an additional £400,000 as a loan if certain criteria are satisfied.

11. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases 31.12.22 £	31.12.21 £
Net obligations repayable:		
Within one year	6,944	83,333
Between one and five years	-	6,945
	<u>6,944</u>	<u>90,278</u>
	Non-cancellable operating leases	
	31.12.22 £	31.12.21 £
Within one year	35,640	32,670
Between one and five years	<u>32,670</u>	-
	<u>68,310</u>	<u>32,670</u>

12. SECURED DEBTS

Floating charges are held, by lenders, over all of the Company's assets to an unlimited extent.

13. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Alan Drummond BA CA MAAT (Senior Statutory Auditor)
for and on behalf of Douglas Home & Co Ltd

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.