

Registered number: 04524814

WHITE SPRING COMPANY LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

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WHITE SPRING COMPANY LIMITED
REGISTERED NUMBER: 04524814

BALANCE SHEET
AS AT 30 JUNE 2017

| | Note | 2017 £ | 2016 £ |
|---|------|-----------------------|-----------------------|
| Fixed assets | | | |
| Intangible assets | 4 | 1,302,501 | 1,418,945 |
| Tangible assets | 5 | 52,172 | 76,473 |
| | | <u>1,354,673</u> | <u>1,495,418</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 6 | 769,478 | 729,391 |
| Cash at bank and in hand | 7 | 11,631 | 35,528 |
| | | <u>781,109</u> | <u>764,919</u> |
| Creditors: amounts falling due within one year | 8 | (1,550,737) | (1,174,682) |
| Net current liabilities | | <u>(769,628)</u> | <u>(409,763)</u> |
| Total assets less current liabilities | | <u>585,045</u> | <u>1,085,655</u> |
| Creditors: amounts falling due after more than one year | 9 | (395,000) | (413,096) |
| Net assets | | <u><u>190,045</u></u> | <u><u>672,559</u></u> |
| Capital and reserves | | | |
| Called up share capital | | 10,273 | 10,273 |
| Share premium account | | 920,691 | 920,691 |
| Capital redemption reserve | | 100 | 100 |
| Profit and loss account | | (741,019) | (258,505) |
| | | <u><u>190,045</u></u> | <u><u>672,559</u></u> |

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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.

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.

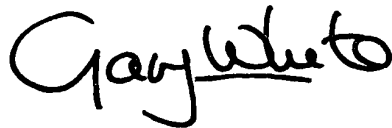
The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

WHITE SPRING COMPANY LIMITED
REGISTERED NUMBER: 04524814

BALANCE SHEET (CONTINUED)
AS AT 30 JUNE 2017

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



27/7/17

G White
Director

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

WHITE SPRING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

1. General information

White Spring Company Limited is a members limited liability company incorporated in England and Wales and its registration number is 04524814. Its registered office is Wadebridge House, 16 Wadebridge Square, Poundbury, Dorchester, Dorset, DT1 3AQ.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Revenue recognition

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue arising from subscription service contracts is recognised in the period in which the service is delivered. Sales of licences, other than perpetual licences, are recognised over the period to which they relate. Sales of perpetual licences are recognised in the period in which they are issued. Hosted technology revenue is recognised over the period to which hosted services are provided. Professional services are recognised in the period in which the services are performed.

2.3 Intangible assets

Development costs relating to the company's research and development projects have been capitalised where the outcome has been assessed, the project deemed commercially viable and future recovery of costs regarded as assured. These costs will be amortised when projects are completed and begin generating revenue streams for the company. When the future of a project is not assured, costs are deemed impaired and treated as revenue expenses.

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

The estimated useful lives range as follows:

| | | | |
|-------------------------|---|---|-------|
| Development expenditure | - | 5 | years |
|-------------------------|---|---|-------|

2.4 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.

WHITE SPRING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

| | |
|-----------------------|------------------------|
| Motor vehicles | - 25% reducing balance |
| Fixtures and fittings | - 20% reducing balance |
| Office equipment | - 25% reducing balance |

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 the Profit and loss account.

2.5 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.

2.6 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.

2.7 Financial instruments

The Company only enters into basic financial instruments 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 non-puttable 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Profit and loss account if the shares are publicly

WHITE SPRING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

2. Accounting policies (continued)

2.7 Financial instruments (continued)

- traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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 Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.8 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.

WHITE SPRING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2. Accounting policies (continued)

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and loss account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and loss account within 'other operating income'.

2.10 Finance costs

Finance costs are charged to the Profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 July 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.12 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

WHITE SPRING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

2. Accounting policies (continued)

2.13 Borrowing costs

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

2.14 Taxation

Tax is recognised in the Profit and loss account, 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 balance sheet date in the countries where the Company operates and generates income.

2.15 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Employees

The average monthly number of employees, including directors, during the year was 15 (2016 - 21).

WHITE SPRING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

4. Intangible assets

| | Develop- ment £ |
|-----------------------|-----------------------|
| Cost | |
| At 1 July 2016 | 1,418,945 |
| Additions | 209,181 |
| At 30 June 2017 | <u>1,628,126</u> |
| Amortisation | |
| Charge for the year | 325,625 |
| At 30 June 2017 | <u>325,625</u> |
| Net book value | |
| At 30 June 2017 | <u>1,302,501</u> |
| At 30 June 2016 | <u>1,418,945</u> |

WHITE SPRING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

5. Tangible fixed assets

| | Motor vehicles £ | Fixtures and fittings £ | Office equipment £ | Total £ |
|-------------------------------------|------------------------|-------------------------------|--------------------------|------------|
| Cost or valuation | | | | |
| At 1 July 2016 | 30,500 | 54,540 | 125,191 | 210,231 |
| Additions | - | 2,010 | 8,705 | 10,715 |
| Disposals | (30,500) | - | - | (30,500) |
| At 30 June 2017 | - | 56,550 | 133,896 | 190,446 |
| Depreciation | | | | |
| At 1 July 2016 | 12,232 | 34,885 | 86,641 | 133,758 |
| Charge for the year on owned assets | - | 5,065 | 11,685 | 16,750 |
| Disposals | (12,232) | - | - | (12,232) |
| At 30 June 2017 | - | 39,950 | 98,326 | 138,276 |
| Net book value | | | | |
| At 30 June 2017 | - | 16,600 | 35,570 | 52,170 |
| At 30 June 2016 | 18,268 | 19,655 | 38,550 | 76,473 |

6. Debtors

| | 2017 £ | 2016 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 396,258 | 310,612 |
| Other debtors | 297,127 | 396,978 |
| Prepayments and accrued income | 76,093 | 21,801 |
| | <u>769,478</u> | <u>729,391</u> |

WHITE SPRING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

7. Cash and cash equivalents

| | 2017 £ | 2016 £ |
|--------------------------|---------------|---------------|
| Cash at bank and in hand | 11,631 | 35,528 |
| | <u>11,631</u> | <u>35,528</u> |

8. Creditors: Amounts falling due within one year

| | 2017 £ | 2016 £ |
|---|------------------|------------------|
| Trade creditors | 409,944 | 499,161 |
| Other taxation and social security | 172,501 | 91,105 |
| Obligations under finance lease and hire purchase contracts | - | 4,361 |
| Other creditors | 279,259 | 278,510 |
| Accruals and deferred income | 689,033 | 301,545 |
| | <u>1,550,737</u> | <u>1,174,682</u> |

9. Creditors: Amounts falling due after more than one year

| | 2017 £ | 2016 £ |
|--|----------------|----------------|
| Bank loans | 395,000 | 395,000 |
| Net obligations under finance leases and hire purchase contracts | - | 18,096 |
| | <u>395,000</u> | <u>413,096</u> |

WHITE SPRING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

10. Loans

Analysis of the maturity of loans is given below:

| | 2017 £ | 2016 £ |
|--------------------------------------|----------------|----------------|
| Amounts falling due 1-2 years | | |
| Bank loans | 395,000 | - |
| | <u>395,000</u> | <u>-</u> |
| Amounts falling due 2-5 years | | |
| Bank loans | - | 395,000 |
| | <u>-</u> | <u>395,000</u> |
| | <u>395,000</u> | <u>395,000</u> |

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

| | 2017 £ | 2016 £ |
|-------------------|-----------|---------------|
| Within one year | - | 4,361 |
| Between 1-2 years | - | 4,957 |
| Between 2-5 years | - | 13,139 |
| | <u>-</u> | <u>22,457</u> |

12. Share capital

| | 2017 £ | 2016 £ |
|--|---------------|---------------|
| Shares classified as equity | | |
| Allotted, called up and fully paid | | |
| 1,027,344 (2016 - 1,027,300) Ordinary shares of £0.01 each | <u>10,273</u> | <u>10,273</u> |

WHITE SPRING COMPANY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

13. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.