

Witt Limited

Annual Report and Unaudited Financial Statements
for the Period from 31 August 2018 to 30 April 2019

Witt Limited

Contents

Company Information	<u>1</u>
Balance Sheet	<u>2</u> to <u>3</u>
Notes to the Financial Statements	<u>4</u> to <u>11</u>

Witt Limited

Company Information

Chief executive J R Evans

Directors E J Strang
W Corr
M J Wickett
M B Wickett
J R Evans

Registered office Winchester House
Deane Gate Avenue
Taunton
Somerset
TA1 2UH

Accountants Milsted Langdon LLP
Chartered Accountants
Winchester House
Deane Gate Avenue
Taunton
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TA1 2UH

Witt Limited

(Registration number: 06348505)
Balance Sheet as at 30 April 2019

		2019	(As restated) 2018
	Note	£	£
Fixed assets			
Intangible assets	<u>4</u>	1,515,004	1,226,605
Tangible assets	<u>5</u>	24,869	2,975
Investments	<u>6</u>	3,100	3,100
		<u>1,542,973</u>	<u>1,232,680</u>
Current assets			
Debtors	<u>7</u>	11,916	39,389
Cash at bank and in hand		<u>287,665</u>	<u>659,560</u>
		299,581	698,949
Creditors: Amounts falling due within one year	<u>8</u>	<u>(299,256)</u>	<u>(279,693)</u>
Net current assets		<u>325</u>	<u>419,256</u>
Net assets		<u>1,543,298</u>	<u>1,651,936</u>
Capital and reserves			
Called up share capital		15,568	15,568
Share premium reserve		2,763,220	2,763,220
Profit and loss account		<u>(1,235,490)</u>	<u>(1,126,852)</u>
Total equity		<u>1,543,298</u>	<u>1,651,936</u>

The notes on pages 4 to 11 form an integral part of these financial statements.

Witt Limited

(Registration number: 06348505)

Balance Sheet as at 30 April 2019

For the financial period ending 30 April 2019 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 of its accounts for the period in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 9 December 2019 and signed on its behalf by:

M J Wickett
Director

The notes on pages 4 to 11 form an integral part of these financial statements.

Witt Limited

Notes to the Financial Statements for the Period from 31 August 2018 to 30 April 2019

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Winchester House
Deane Gate Avenue
Taunton
Somerset
TA1 2UH

The principal place of business is:

C11 Cyber and Digital Centre
Gloucestershire Science and Technology Park
Berkeley Green
Gloucestershire
GL13 9FB
England and Wales

These financial statements were authorised for issue by the Board on 9 December 2019.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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 periods presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

The directors believe that the company will be able to attract sufficient investment and support to enable it to pay its debts as they fall due and accordingly have prepared the financial statements on a going concern basis.

Revenue recognition

Income is measured at the fair value of the consideration received or receivable. The policies adopted for the recognition of income are as follows:

Grants received and receivable

Grants received from any sources are written off to the profit and loss account in the year of receipt, except to the extent that they are a contribution towards a fixed asset, in which case they are carried forward as deferred income. At the period end the total deferred income to be matched against the future intangible fixed asset amortisation is £224,851 (2018 - £201,950).

Witt Limited

Notes to the Financial Statements for the Period from 31 August 2018 to 30 April 2019

Foreign currency transactions and balances

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction. At the end of each reporting period, foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Tax

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

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 taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profits.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets over their estimated useful lives as follows:

Asset class	Depreciation method and rate
Plant and machinery	25% reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

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. Provision is made for any impairment.

Any expenditure carried forward will be amortised in line with the expected sales from the related project over the period of expected benefit. Amortisation shall commence once the asset has been fully developed and is ready for commercial production.

Witt Limited

Notes to the Financial Statements for the Period from 31 August 2018 to 30 April 2019

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	20% straight line

Investments in subsidiaries

Investments are initially recognised at cost, which is normally the transaction price excluding transaction costs. Subsequently, they are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business. Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the period, was 4 (2018 - 7).

Witt Limited

Notes to the Financial Statements for the Period from 31 August 2018 to 30 April 2019

4 Intangible assets

	Goodwill £	Other intangible assets £	Total £
Cost or valuation			
At 31 August 2018	200	1,226,525	1,226,725
Additions acquired separately	-	288,426	288,426
At 30 April 2019	200	1,514,951	1,515,151
Amortisation			
At 31 August 2018	120	-	120
Amortisation charge	27	-	27
At 30 April 2019	147	-	147
Carrying amount			
At 30 April 2019	53	1,514,951	1,515,004
At 30 August 2018	80	1,226,525	1,226,605

The aggregate amount of research and development expenditure recognised as an expense during the period is £7,895 (2018 - £35,105).

Witt Limited

Notes to the Financial Statements for the Period from 31 August 2018 to 30 April 2019

5 Tangible assets

	Plant and machinery £	Total £
Cost or valuation		
At 31 August 2018	7,727	7,727
Additions	25,755	25,755
	<hr/>	<hr/>
At 30 April 2019	33,482	33,482
	<hr/>	<hr/>
Depreciation		
At 31 August 2018	4,752	4,752
Charge for the period	3,861	3,861
	<hr/>	<hr/>
At 30 April 2019	8,613	8,613
	<hr/>	<hr/>
Carrying amount		
At 30 April 2019	24,869	24,869
	<hr/>	<hr/>
At 30 August 2018	2,975	2,975
	<hr/>	<hr/>

6 Investments

	2019 £	2018 £
Investments in subsidiaries	3,100	3,100
	<hr/>	<hr/>
Subsidiaries		£
Cost or valuation		
At 31 August 2018		3,100
		<hr/>
Carrying amount		
At 30 April 2019		3,100
		<hr/>
At 30 August 2018		3,100
		<hr/>

7 Debtors

	2019 £	2018 £
Other debtors	9,980	27,925
Prepayments and accrued income	1,936	11,464
	<hr/>	<hr/>
Total current trade and other debtors	11,916	39,389
	<hr/>	<hr/>

Witt Limited

Notes to the Financial Statements for the Period from 31 August 2018 to 30 April 2019

8 Creditors

Creditors: amounts falling due within one year

	Note	2019 £	2018 £
Due within one year			
Trade creditors		45,440	31,713
Amounts owed to group undertakings	<u>11</u>	3,000	3,000
Taxation and social security		6,677	6,350
Other creditors		7,253	12,757
Accruals and deferred income		236,886	225,873
		<u>299,256</u>	<u>279,693</u>

9 Share capital

Allotted, called up and fully paid shares

	No.	2019 £	No.	2018 £
A Ordinary of £0.001 each	14,091,006	14,091.01	14,091,006	14,091.01
B Investment of £0.001 each	1,476,522	1,476.52	1,476,522	1,476.52
	<u>15,567,528</u>	<u>15,568</u>	<u>15,567,528</u>	<u>15,568</u>

A Ordinary shares carry voting rights and rank pari passu for dividends and on a return of capital. Shares are not redeemable.

B Investment shares are non-voting but rank pari passu for dividends and on a return of capital. Shares are not redeemable.

Witt Limited

Notes to the Financial Statements for the Period from 31 August 2018 to 30 April 2019

10 Share-based payments

During the period, the company continued to offer various equity-settled share options to employees and others providing similar services, which have been aggregated here as they are considered to be substantially similar in type.

The options become exercisable subject to various vesting conditions, including employee length of service, and various performance-related conditions. The options expire after a period of between 10 and 20 years, depending on the employee or similar person.

A total of 1,712,426 share options were outstanding at the beginning of the period, with a weighted average exercise price of £0.37 per share. No options were granted or exercised during the period and no options expired during the period. A total of 467,025 options with a weighted average exercise price of £0.42 per share were forfeited during the period. At the end of the period, there were a total of 1,245,401 share options outstanding with a weighted average share price of £0.35 per share, of which 467,024 were exercisable at the reporting date.

The directors believe that the intrinsic value of each option is £nil (being the exercise price over each option less the value of each share). Any option value would only arise from the volatility associated with the shares. Since for a pre-revenue private company this is highly subjective, no formal valuation has been commissioned. Accordingly, no expense has been recognised in profit or loss for these share-based payments for the period (2018 - £nil).

Witt Limited

Notes to the Financial Statements for the Period from 31 August 2018 to 30 April 2019

11 Related party transactions

During the year the company continued to receive interest free loans from wholly owned subsidiaries which are repayable on demand. At the period end, the amount owed by the company was £3,000 (2018 - £3,000).

Summary of transactions with key management

During the period the directors continued to provide the company with interest-free loans which are repayable on demand. At the balance sheet date, the total amount owed to the directors was £2,283 (2018 - £8,567).

Directors' remuneration

The directors' remuneration for the period was as follows:

	2019 £	2018 £
Remuneration	90,896	167,500
Contributions paid to money purchase schemes	1,115	1,188
	<u>92,011</u>	<u>168,688</u>

Page 11

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