

Registered number: 07622707

Strike Limited (formerly Housesimple Limited)

Financial statements

For the year ended 31 March 2021

THURSDAY



AAJZEY4R

A25

23/12/2021

#138

COMPANIES HOUSE

Strike Limited

Company Information

Directors	A E S Gosling R P K Clarkson H J Stevenson S P S Mitchell A J Harrison
Registered number	07622707
Registered office	The Octagon Middleborough Colchester Essex CO1 1TG
Independent auditor	Grant Thornton UK LLP Priory Place New London Road Chelmsford Essex CM2 0PP

Strike Limited

Contents

	Page
Balance Sheet	1
Notes to the Financial Statements	2-9

Balance sheet
As at 31 March 2021

	Note	£	2021 £	£	2020 £
Fixed assets					
Intangible assets	5		39,079		74,397
Tangible assets	6		<u>234,760</u>		<u>303,550</u>
			273,839		377,947
Current assets					
Debtors	7	1,520,210		684,162	
Cash at bank		<u>113,611</u>		<u>161,817</u>	
		1,633,821		845,979	
Creditors: amounts falling due within one year	8	<u>(1,783,988)</u>		<u>(27,084,129)</u>	
Net current liabilities			<u>(150,167)</u>		<u>(26,238,150)</u>
Total assets less current liabilities			123,672		(25,860,203)
Creditors: amounts falling due after more than one year	9		(646,602)		(595,946)
Provisions for liabilities					
Deferred tax	10		<u>(19,414)</u>		<u>(38,938)</u>
Net liabilities			<u><u>(542,344)</u></u>		<u><u>(26,495,087)</u></u>
Capital and reserves					
Called up share capital	11		6,330		2,839
Share premium account			53,291,390		19,295,073
Other reserves			389,456		3,683,885
Profit and loss account			<u>(54,229,520)</u>		<u>(49,476,884)</u>
Total equity			<u><u>(542,344)</u></u>		<u><u>(26,495,087)</u></u>

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 in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS102 Section 1A – small entities.

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 by the Board of Directors on 25 August 2021.

Signed on behalf of the Board of Directors:



S P S Mitchell

Director

The notes on pages 2 to 9 form part of these financial statements.

Strike Limited

Notes to the financial statements For the year ended 31 March 2021

1. Company information

Strike Limited is a private limited company registered in England and Wales, registration number 07622707. The registered office is The Octagon, Middleborough, Colchester, Essex, CO1 1TG.

2. Principal accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the provisions of FRS 102 Section 1A small entities. There are no material departures from that standard.

In the opinion of the directors, the company and its subsidiary undertaking, Strike Financial Services Limited and Housesimple Limited (a dormant company), constitute a small group. The company has therefore taken advantage of the exemption, provided by Section 398 of the Companies Act 2006, not to prepare group accounts.

The financial statements are in Sterling (£) and are rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Going concern

On 25 June 2021, the company raised £10.7m from existing and new shareholders by way of an equity issue. At 31 March 2021, the company had convertible loan notes totalling £0.8m on its balance sheet. The Board have prepared forecasts for the period to 31 August 2022 which indicate that the company can continue to trade within its cash resources for the twelve months following the signing of these financial statements. Therefore the directors have a reasonable expectation that the company has adequate resources to continue to trade for the foreseeable future. For this reason they continue to adopt the going concern basis of accounting in preparing these financial statements.

2.3 Turnover

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

Revenue comprises the fair value of consideration received or receivable in respect of services provided relating to the sale of property.

Revenue is recognised on the basis of the performance of contractual obligations and to the extent that the right to consideration has been earned and the flow of economic resources is probable.

Referral fees are accounted for on completion of the service being provided.

**Notes to the financial statements
For the year ended 31 March 2021**

2.4 Intangible fixed assets and amortisation

Intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. The intangible assets are amortised over the following useful economic lives:

Goodwill	-	10 years
App development costs	-	3 years
Branding	-	3 years

2.5 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Equipment	-	25% reducing balance/33.3% straight line basis
Leasehold Improvements	-	20% straight line

2.6 Research and development

Expenditure on research is written off against profits in the year in which it is incurred. Development expenditure is capitalised and amortised over its useful life.

2.7 Impairment of assets and intangible assets

At each reporting date, fixed and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Strike Limited

Notes to the financial statements For the year ended 31 March 2021

2.8 Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantially enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment or provision for irrecoverable amounts.

2.10 Creditors

Short term trade creditors are measured at transaction price.

2.11 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

2.12 Provisions for liabilities

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group will be required to settle the obligations, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the profit and loss in the period it arises.

Strike Limited

Schedule to the detailed accounts For the year ended 31 March 2021

2.13 Financial instruments

The company only enters into basic financial instruments, with the exception to convertible loan notes. Basic financial instruments are measured at amortised cost. The convertible loan notes are compound non-basic financial instruments measured at fair value, split between debt and equity, with the change recognised in profit or loss.

2.14 Employee benefits

The company operates a defined contribution plan for its employees under which the company pays fixed contributions into a separate entity. The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown as a liability in the Balance Sheet. The assets of the plan are held separately from the company in an independently administered fund.

2.15 Other operating income - Government grants

Grants are accounted for under the accruals model as permitted by FRS102. Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.16 Judgements in applying accounting policies and key sources of estimation uncertainty

The directors do not consider there to be any significant judgements in applying accounting policies, as such there are not considered to be any key sources of estimation uncertainty.

3. Employees

The average number of employees, including directors, during the year was as follows:

	2021	2020
	£	£
Employees	<u>154</u>	<u>131</u>

Strike Limited

Schedule to the detailed accounts For the year ended 31 March 2021

4. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	-	-
Adjustments in respect of previous periods	<u>47,736</u>	-
Total current tax	<u>47,736</u>	-
Deferred tax		
Origination and reversal of timing differences	<u>19,524</u>	<u>15,082</u>
Taxation on profit on ordinary activities	<u>67,260</u>	<u>15,082</u>

5. Intangible fixed assets

	Goodwill £	App Development £	Branding £	Total £
Cost				
At 1 April 2020	40,000	62,150	58,765	160,915
Additions	-	-	1,586	1,586
Disposal	<u>(40,000)</u>	<u>(62,150)</u>	-	<u>(102,150)</u>
At 31 March 2021	-	-	60,351	60,351
Amortisation				
At 1 April 2020	40,000	44,870	1,648	86,518
Charge for the year	-	17,280	19,624	36,904
Disposal	<u>(40,000)</u>	<u>(62,150)</u>	-	<u>(102,150)</u>
At 31 March 2021	-	-	21,272	21,272
Net book value				
At 31 March 2021	-	-	39,079	39,079
At 31 March 2020	-	17,280	57,117	74,397

Strike Limited

Schedule to the detailed accounts For the year ended 31 March 2021

6. Tangible fixed assets

	Equipment £	Leasehold Improvements £	Total £
Cost			
At 1 April 2020	368,865	252,172	621,037
Additions	70,381	-	70,381
Disposals	-	-	-
At 31 March 2021	<u>439,246</u>	<u>252,172</u>	<u>691,418</u>
Depreciation			
At 1 April 2020	217,730	99,757	317,487
Charge for the year	88,736	50,435	139,171
On disposals	-	-	-
At 31 March 2021	<u>306,466</u>	<u>150,192</u>	<u>456,658</u>
Net book value			
At 31 March 2021	<u>132,780</u>	<u>101,980</u>	<u>234,760</u>
At 31 March 2020	<u>151,135</u>	<u>152,415</u>	<u>303,550</u>

7. Debtors

	2021 £	2020 £
Trade debtors	55,036	19,151
Other debtors	169,521	224,522
Prepayments and accrued income	405,477	406,380
Amounts owed by group undertaking	<u>890,176</u>	<u>34,109</u>
	<u>1,520,210</u>	<u>684,162</u>

8. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	562,869	779,813
Other taxation and social security	592,927	404,768
Convertible Loan	-	25,510,213
Accruals and deferred income	628,460	389,184
Other Creditors	(269)	150
Amounts owed to group undertaking	1	1
	<u>1,783,988</u>	<u>27,084,129</u>

Strike Limited

Schedule to the detailed accounts For the year ended 31 March 2021

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

	2021 £	2020 £
Convertible loan notes	<u>646,602</u>	<u>595,946</u>

Included within the above are amounts falling due as follows:

	2021 £	2020 £
Between one and five years		
Convertible loan notes	<u>646,602</u>	<u>595,946</u>

The company has issued loan notes.

January 2016 - the loan notes can be converted to shares at any time (on one occasion only) during the exercise period into conversion shares. Unless previously redeemed or converted, the company shall redeem the loan notes at par on the eighth anniversary (21 January 2024) of the date of the instrument.

The convertible loan notes are unsecured and non-interest bearing.

10. Deferred taxation

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	<u>19,414</u>	<u>38,938</u>

11. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
633,037 (2019: - 283,927) Ordinary shares of £0.01 each	<u>6,330</u>	<u>2,839</u>

12. Capital commitments

The company had no capital commitments as at 31 March 2021 and 31 March 2020.

Strike Limited

Schedule to the detailed accounts For the year ended 31 March 2021

13. Related party transactions

Unsecured convertible loan notes amounting to £116,071 were outstanding to Lord D Stevenson, father of H Stevenson during the year who was a director and shareholder during the year. No interest is payable.

Due to the structure of the shareholding, there is no controlling party.

Key management personnel

	2021 £	2020 £
Key management personnel compensation	<u>844,710</u>	<u>952,783</u>

The Company has elected to adopt the exemption outlined at Section 33.1A of Financial Reporting Standard 102 from disclosing transactions and balances with other wholly-owned members of its Group.

14. Leasing commitments

The company's future minimum operating lease payments are as follows:

	2021 £	2020 £
Within one year	115,836	95,565
Between two and five years	<u>72,398</u>	<u>-</u>

15. Post Balance Sheet Event

On 25th June 2021, the company raised £10.7m from existing and new shareholders by way of an equity issue.

16. Auditors information

The company has taken advantage of the small company provisions to file balance sheet and related notes. The full accounts and Directors' Report have been subject to audit. The auditor's report was issued on **31 AUGUST 2021** by Grant Thornton UK LLP, signed by Timothy Taylor FCA as senior statutory auditor. The auditor's report was unqualified and did not include a statement under section 498(2) or section 498(3) of the Companies Act 2006.