

**YELLOWDOG LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

YellowDog Limited
Financial Statements
For The Year Ended 31 December 2020

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YellowDog Limited
Balance Sheet
As at 31 December 2020

Registered number: 09381071

		2020		2019 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible Assets	4		8,372		10,827
			8,372		10,827
CURRENT ASSETS					
Debtors	5	61,599		228,341	
Cash at bank and in hand		490,573		64,914	
		552,172		293,255	
Creditors: Amounts Falling Due Within One Year	6	(1,088,724)		(976,243)	
NET CURRENT ASSETS (LIABILITIES)			(536,552)		(682,988)
TOTAL ASSETS LESS CURRENT LIABILITIES			(528,180)		(672,161)
Creditors: Amounts Falling Due After More Than One Year	7		(1,889,397)		-
PROVISIONS FOR LIABILITIES					
Deferred Taxation			(1,591)		(2,057)
NET LIABILITIES			(2,419,168)		(674,218)
CAPITAL AND RESERVES					
Called up share capital	8		425		414
Share premium account			5,526,992		5,223,041
Profit and Loss Account			(7,946,585)		(5,897,673)
SHAREHOLDERS' FUNDS			(2,419,168)		(674,218)

YellowDog Limited
Balance Sheet (continued)
As at 31 December 2020

For the year ending 31 December 2020 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 in accordance with section 476 of the Companies Act 2006.
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.
- These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.
- The company has taken advantage of section 444(1) of the Companies Act 2006 and opted not to deliver to the registrar a copy of the company's Profit and Loss Account.

On behalf of the board

Mr Simon Ponsford

Director
17/09/2021

Mr Bruce Beckloff

Director

The notes on pages 3 to 7 form part of these financial statements.

YellowDog Limited
Notes to the Financial Statements
For The Year Ended 31 December 2020

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

1.2. Going Concern Disclosure

Due consideration has been given to the impact of COVID-19 when considering the company's adoption of the going concern basis.

The company was impacted by COVID-19 in 2020 as historically a significant proportion of business came from media and entertainment, an industry put on hold during the pandemic, resulting in lower sales than previously forecast. The company has been pro-active in implementing measures to mitigate the impact on the business which have included cost reductions and a review of staff levels which resulted in some staff reductions and the associated redundancy and termination payments.

The company benefited from government support initiatives including the Bounce Back Loan Scheme and funding from the British Business Bank Future Fund scheme during the year. The company has a supportive shareholder base who have provided additional investment in 2020 and 2021 and are committed to the long-term success of the company.

Due to additional investment and the reduction in business overheads, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

1.3. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the rendering of services. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the outcome of a contract cannot be estimated reliably.

1.4. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & Machinery	over 5 years
Computer Equipment	over 5 years

1.5. Leasing and Hire Purchase Contracts

Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in the creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.6. Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

YellowDog Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

1.7. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

1.8. Pensions

The company operates a defined pension contribution scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.9. Government Grant

Government grants are recognised in the profit and loss account in an appropriate manner that matches them with the expenditure towards which they are intended to contribute.

Grants for immediate financial support or to cover costs already incurred are recognised immediately in the profit and loss account. Grants towards general activities of the entity over a specific period are recognised in the profit and loss account over that period.

Grants towards fixed assets are recognised over the expected useful lives of the related assets and are treated as deferred income and released to the profit and loss account over the useful life of the asset concerned.

All grants in the profit and loss account are recognised when all conditions for receipt have been complied with.

2. Average Number of Employees

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

	2020	2019
Total	20	21
	20	21

YellowDog Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

4. Tangible Assets

	Plant & Machinery	Computer Equipment	Total
	£	£	£
Cost			
As at 1 January 2020	610	13,882	14,492
Additions	-	767	767
Disposals	(610)	-	(610)
As at 31 December 2020	-	14,649	14,649
Depreciation			
As at 1 January 2020	488	3,177	3,665
Provided during the period	-	3,100	3,100
Disposals	(488)	-	(488)
As at 31 December 2020	-	6,277	6,277
Net Book Value			
As at 31 December 2020	-	8,372	8,372
As at 1 January 2020	122	10,705	10,827

5. Debtors

	2020	2019 as restated
	£	£
Due within one year		
Trade debtors	4,375	180,460
Prepayments and accrued income	49,884	45,960
Other debtors	7,340	1,921
	61,599	228,341

6. Creditors: Amounts Falling Due Within One Year

	2020	2019 as restated
	£	£
Trade creditors	217,212	636,397
Bank loans and overdrafts	2,491	-
Other taxes and social security	291,228	103,534
Other creditors	153,926	43,328
Accruals and deferred income	389,606	164,491
Directors' loan accounts	34,261	28,493
	1,088,724	976,243

YellowDog Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

7. Creditors: Amounts Falling Due After More Than One Year

	2020	2019 as restated
	£	£
Bank loans	47,509	-
Other creditors	91,888	-
Convertible loans	1,750,000	-
	<u>1,889,397</u>	<u>-</u>

8. Share Capital

	2020	2019 as restated
Allotted, Called up and fully paid	<u>425</u>	<u>414</u>

9. Financial Instruments

During the financial year ending 31 December 2020 the company received convertible loans totalling £1,500,000 from Bloc Ventures Limited, and an additional £250,000 from the British Business Bank Future Funds scheme. There is a future option to convert the loans to equity in lieu of repayment.

10. Other Commitments

The total of future minimum lease payments under non-cancellable operating leases are as following, of which £265,900 has been accrued and included in creditors falling due within one year:

	2020	Other 2019
	£	£
Within 1 year	637,988	-
Between 1 and 5 years	797,487	-
	<u>1,435,475</u>	<u>-</u>

11. Post Balance Sheet Events

Since the financial year ending 31 December 2020, the following events have taken place:

Bloc Ventures Limited, a shareholder of the company, converted £750,000 of its Converted Loan Notes into Equity.

12. Related Party Transactions

Bloc Ventures Limited

During the financial year ending 31 December 2020 Bloc Ventures Limited provided convertible loan notes totalling £1,500,000 to the company. This amount is held within creditors as at the Balance Sheet date.

During the financial year ending 31 December 2020 the business incurred total expenditure of £15,000 (2019: £15,000) for directors' fees. Included within trade creditors there is an amount of £21,000 (2019: £3,000) owed to Bloc Ventures Limited as at 31 December 2020.

Bloc Ventures Limited is a shareholder of the company.

Compton Services Limited

During the financial year ending 31 December 2020 the business incurred total expenditure of £27,769 (2019: £nil) for professional services. Included within creditors there is £25,500 (2019: £nil) owed to Compton Services Limited.

Compton Services Limited is 50% owned by Mr Thomas Beese, a director of the company.

13. Ultimate Controlling Party

In the opinion of the directors, there is no ultimate controlling party.

YellowDog Limited
Notes to the Financial Statements (continued)
For The Year Ended 31 December 2020

14. General Information

YellowDog Limited is a private company, limited by shares, incorporated in England & Wales, registered number 09381071 . The registered office is Engine Shed Clock Tower Yard, Temple Meads, Bristol, BS1 6QH.

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.