

Appway UK Limited

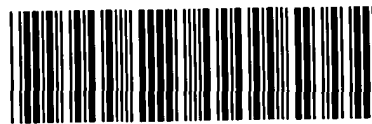
Director's Report and Financial Statements

Year Ended

31 December 2019

Company Number 10017126

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Appway UK Limited

Company Information

Director	Hanspeter Wolf
Registered number	10017126
Registered office	55 Baker Street London W1U 7EU
Independent auditor	BDO LLP 31 Chertsey Street Guildford Surrey GU1 4HD

Appway UK Limited

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Appway UK Limited

Director's Report For the Year Ended 31 December 2019

The director presents his report and the financial statements for the year ended 31 December 2019.

Director's responsibilities statement

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Director

The director who served during the year was:

Hanspeter Wolf

Going concern

The director acknowledges the uncertainty caused across the global economy as a result of the COVID-19 pandemic, which occurred post year end, however does not foresee any significant change in the cost base for the Company. The director has received a letter of support from Appway AG, the Company's immediate and ultimate parent company, who confirm to provide financial support to ensure the Company can meet its liabilities as they fall due for a period of at least 12 months from the date of signing these accounts. The director has reviewed the cash flow forecasts of Appway AG, and concluded that these demonstrate an ability to support the operations of Appway UK Limited. The director considers the entity to be a going concern for a period of at least 12 months from the date of signing these accounts.

Post balance sheet events

Post balance sheet events are disclosed in note 14.

Disclosure of information to auditor

The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Appway UK Limited

Director's Report (continued) For the Year Ended 31 December 2019

Auditor

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 20 October 2020 and signed on its behalf.


Hanspeter Wolf
Director

Appway UK Limited

Independent Auditor's Report to the Members of Appway UK Limited

Opinion

We have audited the financial statements of Appway UK Limited ("the Company") for the year ended 31 December 2019 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Appway UK Limited

Independent Auditor's Report to the Members of Appway UK Limited (continued)

Other information

The director is responsible for the other information. The other information comprises the information included in the Director's Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion;

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Director's Report and from the requirement to prepare a Strategic Report.

Appway UK Limited

Independent Auditor's Report to the Members of Appway UK Limited (continued)

Responsibilities of directors

As explained more fully in the Director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the director is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Mark Hutton (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Guildford
United Kingdom

Date: 21 October 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Appway UK Limited

Statement of Income and Retained Earnings For the Year Ended 31 December 2019

	Note	2019 £	2018 £
Administrative expenses		(180,149)	(175,144)
Operating loss		(180,149)	(175,144)
Interest payable	3	34,320	-
Interest receivable and similar income		229	74
Loss before and after tax		(214,240)	(175,070)
Retained loss at the beginning of the year		(596,768)	(421,698)
Loss for the year		(214,240)	(175,070)
Retained loss at the end of the year		(811,008)	(596,768)

The notes on pages 8 to 14 form part of these financial statements.

Appway UK Limited
Registered number: 10017126

Balance Sheet
As at 31 December 2019

	Note	2019 £	2018 £
Current assets			
Debtors: amounts falling due within one year	8	8,080	8,556
Cash and cash equivalents	9	47,944	13,079
		<u>56,024</u>	<u>21,635</u>
Creditors: amounts falling due within one year	10	(866,032)	(617,403)
Net current liabilities		<u>(810,008)</u>	<u>(595,768)</u>
Total assets less current liabilities		<u>(810,008)</u>	<u>(595,768)</u>
Net liabilities		<u>(810,008)</u>	<u>(595,768)</u>
Capital and reserves			
Called up share capital	11	1,000	1,000
Profit and loss account	12	(811,008)	(596,768)
		<u>(810,008)</u>	<u>(595,768)</u>

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 were approved and authorised for issue by the board and were signed on its behalf on October 20, 2020


Hanspeter Wolf
Director

The notes on pages 8 to 14 form part of these financial statements.

Appway UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

1. General information

Appway UK Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act. The address of the registered office is given on the Company Information page.

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 Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company accounting policies.

In preparing these financial statements, given the nature of the Company's principal activity, the director has not had to make any judgements or estimates that are material to these financial statements.

The following principal accounting policies have been applied:

2.2 Going concern

The director acknowledges the uncertainty caused across the global economy as a result of the COVID-19 pandemic, which occurred post year end, however does not foresee any significant change in the cost base for the Company. The director has received a letter of support from Appway AG, the Company's immediate and ultimate parent company, who confirm to provide financial support to ensure the Company can meet its liabilities as they fall due for a period of at least 12 months from the date of signing these accounts. The director has reviewed the cash flow forecasts of Appway AG, and concluded that these demonstrate an ability to support the operations of Appway UK Limited. The director considers the entity to be a going concern for a period of at least 12 months from the date of signing these accounts.

2.3 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.

2.4 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.

Appway UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.5 Financial instruments

The Company only enters into basic financial instrument 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 and loans to and from related parties.

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 in the case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost. Unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Statement of Income and Retained Earnings.

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.

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 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

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Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.8 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 average monthly 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 Statement of Income and Retained Earnings.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

Appway UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

2. Accounting policies (continued)

2.11 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

3. Interest Payable

Interest payable of £34,320 was recognised in the Statement of Income and Retained Earnings during the year in relation to intercompany loans (2018: £nil).

4. Auditor's remuneration

During the period the audit fee was £7,250 (2018 : £7,090).

5. Employees

The average monthly number of employees, including directors, during the year was 1 (2018 : 1).

6. Director's remuneration

The director received no remuneration during the year (2018 : £Nil).

Appway UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

7. Taxation

	2019 £	2018 £
Total current tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	(214,240)	(175,070)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(40,706)	(33,263)
Effects of:		
Deferred tax not recognised	40,706	33,263
Total tax charge for the year	-	-

Factors that may affect future tax charges

The Company has tax losses of approximately £811k (2018 : £597k) to carry forward against profits of future periods. Deferred taxation of £138k (2018 : £101k) in relation to the losses has not been recognised on the grounds that there is not sufficient evidence that the asset would be recoverable.

A change to the main UK corporation tax rate, announced in the Budget on 11 March 2020, was substantively enacted on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%. This is not expected to impact the company's future tax charge.

Appway UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

8. Debtors: amounts falling due within one year

	2019 £	2018 £
Amounts owed by group undertakings	7,540	7,514
Other debtors	540	-
Prepayments	-	1,042
	<u>8,080</u>	<u>8,556</u>

9. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>47,944</u>	<u>13,079</u>

10. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	6,824	2,142
Amounts owed to group undertakings	846,846	604,861
Other creditors	1,461	-
Accruals and deferred income	10,901	10,400
	<u>866,032</u>	<u>617,403</u>

11. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

12. Reserves

The Company's reserves are as follows:

Retained earnings

Retained earnings represent cumulative profits and losses net of dividends paid and other adjustments.

Appway UK Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

13. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £12,646 (2018 : £10,265). Contributions totalling £Nil (2018 : £Nil) were payable to the fund at the reporting date and are included in creditors.

14. Related party transactions

The Company has taken the exemption under FRS 102 S33.1A not to disclose transactions with other 100% owned companies in the group.

15. Post balance sheet events

Following the end of the financial year ended 31 December 2019, the world has been impacted by the COVID-19 virus pandemic and this has adversely affected the United Kingdom and the global economy in general. The event is considered a non-adjusting post balance sheet event. Further details of the impact of the pandemic can be found in note 2.2.

16. Controlling party

The Company's immediate and ultimate parent company is Appway AG, a company incorporated in Switzerland. The address of the parent company is Lessingstrasse 5, CH-8002, Zurich. The ultimate controlling party is Hanspeter Wolf.