

DROPLESS LIMITED
Unaudited Financial Statements
For the financial year ended 31 December 2022
Pages for filing with the registrar

DROPLESS LIMITED
UNAUDITED FINANCIAL STATEMENTS
For the financial year ended 31 December 2022

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DROPLESS LIMITED
BALANCE SHEET
As at 31 December 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	3	257,386	347,791
Tangible assets	4	590,454	507,809
		847,840	855,600
Current assets			
Stocks		13,205	0
Debtors	5	326,929	230,844
Cash at bank and in hand		53,899	1,134,492
		394,033	1,365,336
Creditors: amounts falling due within one year	6	(1,316,097)	(1,465,625)
Net current liabilities		(922,064)	(100,289)
Total assets less current liabilities		(74,224)	755,311
Creditors: amounts falling due after more than one year	7	(2,246,935)	(200,525)
Net (liabilities)/assets		(2,321,159)	554,786
Capital and reserves			
Called-up share capital	8	192	190
Share premium account		3,013,465	3,013,465
Profit and loss account		(5,334,816)	(2,458,869)
Total shareholders' (deficit)/funds		(2,321,159)	554,786

For the financial year ending 31 December 2022 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 financial statements for the financial year in accordance with section 476;
- 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; and
- These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Profit and Loss Account has not been delivered.

The financial statements of Dropless Limited (registered number: 11018311) were approved and authorised for issue by the Board of Directors on 21 August 2023. They were signed on its behalf by:

M Grindy
Director

DROPLESS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2022

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the financial year and to the preceding financial year, unless otherwise stated.

General information and basis of accounting

Dropless Limited (the Company) is a private company, limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is C/O Francis Clark LLP Melville Building East, Royal William Yard, Plymouth, PL1 3RP, United Kingdom. The principal place of business is Unit 1F, Clapham North Arts Centre, London, SW4 6DH.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Section 1A of Financial Reporting Standard 102 (FRS 102) 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' issued by the Financial Reporting Council and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are presented in pounds sterling which is the functional currency of the Company and rounded to the nearest £.

Going concern

The directors have assessed the Balance Sheet and likely future cash flows at the date of approving these financial statements. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence and to meet its financial obligations as they fall due for at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

Turnover from the sale of goods is recognised when the goods are physically delivered to the customer.

Revenue from services is recognised as they are delivered.

Taxation

Current tax

Current tax is provided at amounts expected to be paid (or recoverable) using the tax rates and laws that have been enacted or substantively enacted at the Balance Sheet date.

Deferred tax

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the Company's financial statements. Deferred tax is provided in full on timing differences which result in an obligation to pay more or less tax at a future date, at the average tax rates that are expected to apply when the timing differences reverse, based on tax rates and laws substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Intangible assets

Intangible assets are stated at cost or valuation, net of amortisation and any provision for impairment. Amortisation is provided on all intangible assets at rates to write off the cost or valuation of each asset over its expected useful life as follows:

Computer software	5 years straight line
Development costs	4 years straight line
Other intangible assets	5 years straight line

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Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment property and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Plant and machinery	2 years straight line
Vehicles	5 years straight line
Fixtures and fittings	25 % reducing balance
Office equipment	20 - 100 % reducing balance

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

Leases

The Company as lessee

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the Profit and Loss Account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets receivable within one year, such as trade debtors and bank balances, are measured at transaction price less any impairment.

Basic financial assets receivable within more than one year are measured at amortised cost less any impairment.

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Financial assets are derecognised when and only when the contractual rights to the cash flows from the financial asset expire or are settled, or the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Basic financial liabilities

Basic financial liabilities that have no stated interest rate and are payable within one year, such as trade creditors, are measured at transaction price.

Other basic financial liabilities are measured at amortised cost.

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Government grants

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants are classified as relating either to revenue or to assets. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

2. Employees

	2022	2021
	Number	Number
Monthly average number of persons employed by the Company during the year, including directors	105	72

3. Intangible assets

	Computer software	Development costs	Other intangible assets	Total
	£	£	£	£
Cost				
At 01 January 2022	201,146	191,536	11,460	404,142
At 31 December 2022	201,146	191,536	11,460	404,142
Accumulated amortisation				
At 01 January 2022	54,059	0	2,292	56,351
Charge for the financial year	40,229	47,884	2,292	90,405
At 31 December 2022	94,288	47,884	4,584	146,756
Net book value				
At 31 December 2022	106,858	143,652	6,876	257,386
At 31 December 2021	147,087	191,536	9,168	347,791

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4. Tangible assets

	Plant and machinery	Vehicles	Fixtures and fittings	Office equipment	Total
	£	£	£	£	£
Cost					
At 01 January 2022	92,890	515,576	2,241	42,672	653,379
Additions	51,333	383,271	7,523	10,021	452,148
Disposals	(4,764)	(196,103)	0	(6,748)	(207,615)
At 31 December 2022	139,459	702,744	9,764	45,945	897,912
Accumulated depreciation					
At 01 January 2022	45,125	88,653	832	10,960	145,570
Charge for the financial year	59,637	155,808	1,953	12,957	230,355
Disposals	(3,628)	(62,955)	0	(1,884)	(68,467)
At 31 December 2022	101,134	181,506	2,785	22,033	307,458
Net book value					
At 31 December 2022	38,325	521,238	6,979	23,912	590,454
At 31 December 2021	47,765	426,923	1,409	31,712	507,809

5. Debtors

	2022	2021
	£	£
Trade debtors	252,526	164,121
Prepayments	11,557	11,570
Other debtors	62,846	55,153
	326,929	230,844

6. Creditors: amounts falling due within one year

	2022	2021
	£	£
Bank loans	8,159	67,775
Trade creditors	140,075	46,162
Other taxation and social security	234,466	70,725
Obligations under finance leases and hire purchase contracts	171,187	98,050
Other creditors	762,210	1,182,913
	1,316,097	1,465,625

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7. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	20,581	28,741
Obligations under finance leases and hire purchase contracts	133,854	171,784
Other creditors	2,092,500	0
	2,246,935	200,525

There are no amounts included above in respect of which any security has been given by the small entity.

8. Called-up share capital

	2022	2021
	£	£
Allotted, called-up and fully-paid		
16,221,756 Ordinary shares of £ 0.00001 each (2021: 15,996,776 shares of £ 0.00001 each)	162	160
3,000,000 Deferred ordinary shares of £ 0.00001 each	30	30
	192	190

During the year 224,980 shares of nominal value £0.00001 were issued.

9. Financial commitments

Commitments

Capital commitments are as follows:

	2022	2021
	£	£
Contracted for but not provided for:		
- tangible fixed assets	43,407	75,962

Total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
- within one year	32,555	32,555
- between one and five years	10,852	43,407
	43,407	75,962

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10. Related party transactions

Transactions with entities in which the entity itself has a participating interest

	2022	2021
	£	£
Interest free loan owed to Passion Digital Ltd. This is a company under the control of Mr M Grindy, a director in common with Dropless Ltd	127,500	100,000
Advertising expenditure paid to Passion Digital Ltd. This is a company under the control of Mr M Grindy, a director in common with Dropless Ltd	31,626	23,595

Transactions with the entity's directors

	2022	2021
	£	£
Director	0	(1,611)

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.