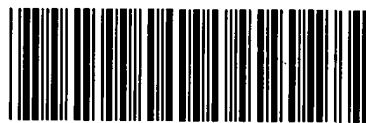

THE SORTING OFFICE LIMITED

UNAUDITED
FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 MARCH 2019

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THE SORTING OFFICE LIMITED
REGISTERED NUMBER: 06795218

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible Assets	5	138,372	59,376
Tangible assets	6	3,398	1,548
		<u>141,770</u>	<u>60,924</u>
Current assets			
Debtors: amounts falling due within one year	8	635,775	582,153
Cash at bank and in hand		328,324	104,009
		<u>964,099</u>	<u>686,162</u>
Creditors: amounts falling due within one year	9	(518,108)	(186,751)
Net current assets		<u>445,991</u>	<u>499,411</u>
Total assets less current liabilities		<u>587,761</u>	<u>560,335</u>
Creditors: amounts falling due after more than one year	10	6,750	(250)
Net assets		<u><u>594,511</u></u>	<u><u>560,085</u></u>
Capital and reserves			
Called up share capital		161	160
Share premium account		839,907	839,907
Profit and loss account		(245,557)	(279,982)
		<u><u>594,511</u></u>	<u><u>560,085</u></u>

THE SORTING OFFICE LIMITED
REGISTERED NUMBER: 06795218

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2019

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.


The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the consolidated statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



P L Tanner
Director

13th DECEMBER 2019

The notes on pages 5 to 11 form part of these financial statements.

THE SORTING OFFICE LIMITED
REGISTERED NUMBER: 06795218

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	7	236,542	236,542
		<u>236,542</u>	<u>236,542</u>
Current assets			
Debtors: amounts falling due within one year	8	222,687	229,687
		<u>222,687</u>	<u>229,687</u>
Creditors: amounts falling due within one year	9	(33,996)	(33,996)
		<u>(33,996)</u>	<u>(33,996)</u>
Net current assets		<u>188,691</u>	<u>195,691</u>
Total assets less current liabilities		<u>425,233</u>	<u>432,233</u>
Creditors: amounts falling due after more than one year	10	6,750	(250)
		<u>6,750</u>	<u>(250)</u>
Net assets		<u>431,983</u>	<u>431,983</u>
Capital and reserves			
Called up share capital		160	160
Share premium account		839,907	839,907
Profit and loss account brought forward	(408,084)	(408,084)	(408,084)
Profit and loss account carried forward		<u>(408,084)</u>	<u>(408,084)</u>
		<u>431,983</u>	<u>431,983</u>

THE SORTING OFFICE LIMITED
REGISTERED NUMBER: 06795218

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 MARCH 2019

The director considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the consolidated statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


P L Tanner
Director

13th DECEMBER 2019

The notes on pages 5 to 11 form part of these financial statements.

THE SORTING OFFICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

The principal activity of The Sorting Office Limited ("the Company") and its subsidiaries (together "the Group") is that of the provision of telecommunication services.

The Sorting Office Limited is a private company limited by shares and incorporated in England. The address of the registered office is Regina House, 124 Finchley Road, London, NW3 5JS. The address of its principal place of business is Centa House, 61 Birkenhead Street, London, WC1H 8BB.

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 Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of income and retained earnings in these financial statements.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Group's accounting policies.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of income and retained earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover comprises revenue recognised by the Group in respect of IT and telecommunication services supplied during the year.

Revenue is recognised at the point at which the Group supplies the service.

THE SORTING OFFICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.4 Borrowing costs

All borrowing costs are recognised in the consolidated statement of income and retained earnings in the year in which they are incurred.

2.5 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the consolidated statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.6 Intangible assets

The intangible fixed asset comprises the cost of developing computer systems and the website and is stated at historical cost less accumulated amortisation. The amortisation rate is calculated to write off the cost of the asset over its expected useful life on the following basis:

Development expenditure	25% - straight line
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2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

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

Depreciation is provided on the following basis:

Fixtures & fittings	-	25% reducing balance
Office equipment	-	25% reducing balance
Computer equipment	-	

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the consolidated statement of income and retained earnings.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

THE SORTING OFFICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.10 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.

2.11 Creditors

Short term creditors are measured at the transaction price.

2.12 Taxation

Tax is recognised in the consolidated statement of income and retained earnings.

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 group operates and generates income.

2.13 Research and development

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to profit or loss.

2.14 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

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.

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.

THE SORTING OFFICE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

3. Other operating income

	2019 £	2018 £
Research and development tax credit recoverable	55,473	69,265
	<u>55,473</u>	<u>69,265</u>

4. Employees

The average monthly number of employees, including directors, during the year was 9 (2018 - 7).

5. Intangible assets

Group

	Patent and Development costs £
Cost	
At 1 April 2018	173,156
Additions	95,144
Disposals	(106,821)
At 31 March 2019	<u>161,479</u>
Amortisation	
At 1 April 2018	113,780
Charge for the year	16,148
On disposals	(106,821)
At 31 March 2019	<u>23,107</u>
Net book value	
At 31 March 2019	<u>138,372</u>
At 31 March 2018	<u>59,376</u>

THE SORTING OFFICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

6. Tangible fixed assets

Group

	Fixtures & fittings £	Office equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2018	17,118	-	-	17,118
Additions	-	2,416	566	2,982
At 31 March 2019	17,118	2,416	566	20,100
Depreciation				
At 1 April 2018	15,570	-	-	15,570
Charge for the year on owned assets	387	604	141	1,132
At 31 March 2019	15,957	604	141	16,702
Net book value				
At 31 March 2019	1,161	1,812	425	3,398
At 31 March 2018	1,548	-	-	1,548

THE SORTING OFFICE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

7. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2018	236,543
At 31 March 2019	<u>236,543</u>
Impairment	
At 1 April 2018	<u>1</u>
At 31 March 2019	<u>1</u>
Net book value	
At 31 March 2019	<u><u>236,542</u></u>
At 31 March 2018	<u><u>236,542</u></u>

The aggregate of the share capital and reserves as at 31 March 2019 and the profit or loss for the year ended on that date for the subsidiary undertaking was as follows:

8. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	41,760	121,401	-	-
Amounts owed by group undertakings	-	-	219,161	226,161
Other debtors	326,381	203,271	3,526	3,526
Prepayments and accrued income	157,595	197,443	-	-
Tax recoverable	110,039	60,038	-	-
	<u><u>635,775</u></u>	<u><u>582,153</u></u>	<u><u>222,687</u></u>	<u><u>229,687</u></u>

THE SORTING OFFICE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

9. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank overdrafts	5	-	-	-
Trade creditors	130,347	98,915	-	-
Amounts owed to group undertakings	-	-	33,996	33,996
Corporation tax	31,914	43,328	-	-
Other taxation and social security	94,717	37,708	-	-
Other creditors	29,775	-	-	-
Accruals and deferred income	231,350	6,800	-	-
	<u>518,108</u>	<u>186,751</u>	<u>33,996</u>	<u>33,996</u>

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

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Other creditors	(6,750)	250	(6,750)	250
	<u>(6,750)</u>	<u>250</u>	<u>(6,750)</u>	<u>250</u>

11. Pension commitments

The Company operates a defined contributions 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 £4,837 (2018 - £2,095). Contributions totalling £nil (2018 - £nil) were payable to the fund at the reporting date and are included in creditors.