

MANAGED247 LTD

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2017

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COMPANIES HOUSE

**BALANCE SHEET
AS AT 31 DECEMBER 2017**

		31 December 2017 £	As restated 30 September 2016 £
	Note		
Fixed assets			
Intangible assets	5	1,489,185	65,823
Tangible assets	6	630,616	739,146
		<u>2,119,801</u>	<u>804,969</u>
Current assets			
Stocks	7	90,859	342,565
Debtors: amounts falling due after more than one year	8	162,747	-
Debtors: amounts falling due within one year	8	1,867,420	2,665,466
Cash at bank and in hand	9	616,589	188,530
		<u>2,737,615</u>	<u>3,196,561</u>
Creditors: amounts falling due within one year	10	(1,987,678)	(2,275,694)
Net current assets		<u>749,937</u>	<u>920,867</u>
Total assets less current liabilities		<u>2,869,738</u>	<u>1,725,836</u>
Creditors: amounts falling due after more than one year	11	(243,211)	(418,940)
Provisions for liabilities			
Deferred tax	12	(40,144)	(50,264)
		<u>(40,144)</u>	<u>(50,264)</u>
Net assets		<u>2,586,383</u>	<u>1,256,632</u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		2,585,383	1,255,632
		<u>2,586,383</u>	<u>1,256,632</u>

MANAGED247 LTD
REGISTERED NUMBER:07019261

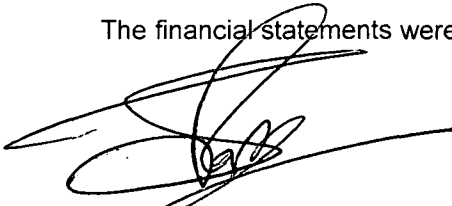
BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2017

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 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 17/1/18



Mr. J.M Pepper
Director

The notes on pages 3 to 15 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

1. General information

Managed247 Ltd is a private company limited by shares, incorporated in England and Wales.

The registered office is Technology House, 151 Silbury Boulevard, Milton Keynes, MK9 1LH. The Company trades from this address but also from Unit 9, Beaufort Court, Roebuck Way, Knowlhill, Milton Keynes, MK5 8HL.

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 adopted FRS 102 on 1 October 2016, information on the impact of first-time adoption of FRS 102 is given in note 20.

The following principal accounting policies have been applied:

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 following principal accounting policies have been applied:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses, amortisation being provided once commercial production has commenced.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.4 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 10 years
Motor vehicles	- 5 years
Fixtures and fittings	- 2-5 years
Office equipment	- 5 years
Computer equipment	- 15 years

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 Statement of Income and Retained Earnings.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Debtors

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.

2.7 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.

2.8 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 related parties.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.9 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.

2.10 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 spot 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 except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

2.11 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.13 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the Statement of Income and Retained Earnings over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Balance Sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to Statement of Income and Retained Earnings over the remaining vesting period.

Where equity instruments are granted to persons other than employees, the Statement of Income and Retained Earnings is charged with fair value of goods and services received.

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

2.15 Leased assets

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. 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 creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Income and Retained Earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.16 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.18 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. 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.

2.19 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)**2.20 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, amortisation starting once commercial production has commenced.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Employees

The average monthly number of employees, including directors, during the period was 46 (2016 - 31).

4. Dividends

	31 December 2017 £	30 September 2016 £
Dividends paid on equity capital	-	90,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

5. Intangible assets

	Development costs £
Cost	
At 1 October 2016	65,823
Additions	1,423,362
At 31 December 2017	1,489,185
Net book value	
At 31 December 2017	1,489,185
At 30 September 2016	65,823

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017

6. Tangible fixed assets

	Leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
Cost						
At 1 October 2016	384,398	13,884	177,808	251,973	67,664	895,727
Additions	-	-	737	70,278	-	71,015
Disposals	-	-	-	(718)	-	(718)
At 31 December 2017	384,398	13,884	178,545	321,533	67,664	966,024
Depreciation						
At 1 October 2016	34,296	5,554	34,537	72,009	10,185	156,581
Charge for the period on owned assets	48,050	3,471	44,882	77,115	5,632	179,150
Disposals	-	-	-	(323)	-	(323)
At 31 December 2017	82,346	9,025	79,419	148,801	15,817	335,408
Net book value						
At 31 December 2017	302,052	4,859	99,126	172,732	51,847	630,616
At 30 September 2016	350,102	8,330	143,271	179,964	57,479	739,146

7. Stocks

	31 December 2017 £	30 September 2016 £
Finished goods and goods for resale	90,859	342,565

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

8. Debtors

	31 December 2017 £	30 September 2016 £
Due after more than one year		
Trade debtors	162,747	-
	<hr/>	<hr/>
	31 December 2017 £	30 September 2016 £
Due within one year		
Trade debtors	363,598	1,883,055
Other debtors	1,500,080	732,650
Prepayments and accrued income	3,742	49,761
	<hr/>	<hr/>
	1,867,420	2,665,466
	<hr/>	<hr/>

9. Cash and cash equivalents

	31 December 2017 £	30 September 2016 £
Cash at bank and in hand	616,589	188,530
	<hr/>	<hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

10. Creditors: Amounts falling due within one year

	31 December 2017 £	As restated 30 September 2016 £
Bank loans	17,112	15,796
Trade creditors	678,191	447,172
Corporation tax	-	417,446
Other taxation and social security	482,504	488,336
Obligations under finance lease and hire purchase contracts	117,876	112,788
Other creditors	31,571	2,942
Accruals and deferred income	660,424	791,214
	<u>1,987,678</u>	<u>2,275,694</u>

The bank loan is secured by a fixed and floating charge over the undertaking and all assets present and future, including book debts, uncalled capital and fixed assets.

Hire purchase agreements and finance leases are secured over the assets to which they relate.

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

	31 December 2017 £	30 September 2016 £
Bank loans	43,291	67,244
Obligations under finance leases and hire purchase contracts	199,920	351,696
	<u>243,211</u>	<u>418,940</u>

The bank loan is secured by a fixed and floating charge over the undertaking and all assets present and future, including book debts, uncalled capital and fixed assets.

Hire purchase agreements and finance leases are secured over the assets to which they relate.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

12. Deferred taxation

	2017 £	2016 £
At beginning of year	50,264	28,565
Charged to profit or loss	(10,120)	21,699
At end of year	40,144	50,264

The provision for deferred taxation is made up as follows:

	31 December 2017 £	30 September 2016 £
Accelerated capital allowances	42,514	50,513
Tax losses carried forward	-	(249)
Timing differences	(2,370)	-
	40,144	50,264

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

13. Share based payments

On 28 September 2015 the company granted an approved Enterprise Management Incentive to certain senior employees. The terms of the incentive grant an option to the employee to acquire ordinary A shares amounting to 5% of the total share capital of the company at the date of exercise. The option to acquire these shares is exercisable only in the event of a significant reorganisation of the company, at any time between the date the option was granted and 28 September 2025. There are no performance conditions attached to the options. Further options were granted on 10 January 2017 and are exercisable up to 10 January 2027.

On 28 September 2015 the company granted an approved Enterprise Management Incentive to certain senior employees. The terms of the incentive grant an option to the employee to acquire ordinary B shares amounting to 3% of the total share capital of the company at the date of exercise. The option to acquire these shares is exercisable only in the event of a significant reorganisation of the company, at any time between the date the option was granted and 28 September 2025. There are no performance conditions attached to the options. Further options were granted on 10 January 2017 and are exercisable up to 10 January 2027.

On 28 September 2015 the company granted an approved Enterprise Management Incentive to certain senior employees. The terms of the incentive grant an option to the employee to acquire ordinary C shares amounting to 2% of the total share capital of the company at the date of exercise. The option to acquire these shares is exercisable only in the event of a significant reorganisation of the company, at any time between the date the option was granted and 28 September 2025. There are no performance conditions attached to the options. Further options were granted on 10 January 2017 and are exercisable up to 10 January 2027.

14. Prior year adjustment

During this financial period, costs totalling £296,660 and sales credit notes totalling £203,558 were identified which relate to the prior financial period. The comparative results have been restated in these financial statements to take into account these items. Turnover and Cost of Sales in the Statement of Income and Retained Earnings and Accruals in the Balance Sheet have been restated accordingly.

15. Pension commitments

The Company contributes to a defined contributions personal pension scheme for certain employees. The pension cost charge for the period was £16,087 (2016: £18,558) and the amount outstanding at the period end was £8,166 (2016: £2,942).

16. Transactions with directors

At the year end there was a loan due to the company from Mr J M Pepper, a director of the Company, of £850,536 (2016: £568,606). Advances in the year totalled £617,010 (2016: £320,371) and repayments totalled £335,080 (2016: £8,552). No interest is charged on this loan.

During the year, advances of £59,414 (2016: £nil) were made to Mr S Boardman, a director of the Company. At the year end £59,414 (2016: £nil) was due to the Company. No interest is charged on this loan.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2017**

17. Related party transactions

During the year no dividends (2016: £90,000) were paid to the directors.

18. Post balance sheet events

On 9 March 2018, the company granted further approved Enterprise Management Incentive options to certain senior employees. The option to acquire these shares is exercisable only in the event of a significant reorganisation of the company, at any time between the date the option was granted and 9 March 2028. There are no performance conditions attached to the options.

19. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

20. Auditor's information

The auditor's report on the financial statements for the period ended 31 December 2017 was unqualified.

The audit report was signed on 20 July 2018 by Simon Knibbs MA FCA (Senior Statutory Auditor) on behalf of MHA MacIntyre Hudson.