

ExecSpace Limited

Registered number: SC332838

Filleted financial statements

For the year ended 31 December 2018



EXECSPACE LIMITED
REGISTERED NUMBER: SC332838

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

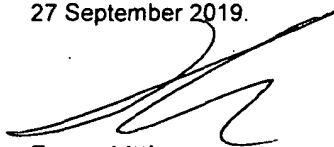
	Note	2018 £	2017 £
Fixed assets			
Tangible fixed assets	5	1,934	1,952
Current assets			
Debtors: amounts falling due within one year	6	545,813	497,529
Cash and cash equivalents	7	67,249	57,206
		<u>613,062</u>	<u>554,735</u>
Creditors: amounts falling due within one year	8	<u>(1,182,148)</u>	<u>(936,564)</u>
Net current liabilities		<u>(569,086)</u>	<u>(381,829)</u>
Total assets less current liabilities		<u>(567,152)</u>	<u>(379,877)</u>
Creditors: amounts falling due after more than one year	9	(604,317)	(790,153)
Net liabilities		<u><u>(1,171,469)</u></u>	<u><u>(1,170,030)</u></u>
Capital and reserves			
Called up share capital	11	2	2
Share premium account	12	257,155	257,155
Profit and loss account	12	<u>(1,428,626)</u>	<u>(1,427,187)</u>
		<u><u>(1,171,469)</u></u>	<u><u>(1,170,030)</u></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 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 27 September 2019.


Emma Little
 Director

The notes on pages 2 to 12 form part of these financial statements.

EXECSpace LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. General information

The company is a private company limited by shares and registered in Scotland. The Company's registered office address and principal place of business is Mitchell House, 5 Mitchell Street, Leith, Edinburgh, EH6 7BD.

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 financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Going concern

The Board has robust processes and procedures in place to monitor and manage the operational and financial management of the Company. These procedures include the review of management information and financial forecasts at the monthly Board meetings. Additionally, the management team report to the Directors on sales figures and short-term cash forecasts between Board meetings and this provides the directors with comfort that the company is meeting its day to day working capital requirements through cash generated from its regular trading activities. Longer-term forecasts provide the directors with the opportunity to review and consider longer-term funding requirements and identifying the requirement for capital to fund expansion.

The Directors are of the opinion that the company continues as a going concern and that it is appropriate to prepare the financial statements on a going concern basis.

2.3 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 various sources of income are recognised as follows:

Commissions receivable are recognised in the month in which the event took place.

Partnership fees are invoiced before the commencement of the agreement and recognised in the profit and loss account in equal monthly installments over the length of the agreement.

Transaction and billback fees payable by clients are recognised in the month in which the event took place.

2.4 Operating leases: the Company as lessee

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

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**NOTES TO THE FINANCIAL STATEMENTS
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2. Accounting policies (continued)

2.5 Interest income

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

2.6 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. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

2.8 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

EXECSpace LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)**2.9 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 reporting 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 Statement of Financial Position 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 reporting date.

2.10 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, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	- 33% Straight line
Computer equipment	- 33% Straight line

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.

2.11 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.

EXECSPACE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.12 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.

2.13 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.14 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, loans to related parties and investments in non-puttable ordinary shares.

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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

EXECSPACE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

In the opinion of the directors, there are no key sources of estimation uncertainty involved in the preparation of the financial statements.

4. Employees

The average monthly number of employees, including the Directors, during the year was as follows:

	2018 No.	2017 No.
Employees	10	9
Directors	3	3
	<u>13</u>	<u>12</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 January 2018	1,100	13,829	14,929
Additions	1,200	1,002	2,202
Disposals	-	(716)	(716)
At 31 December 2018	2,300	14,115	16,415
Depreciation			
At 1 January 2018	672	12,305	12,977
Charge for the year on owned assets	595	1,207	1,802
Disposals	-	(298)	(298)
At 31 December 2018	1,267	13,214	14,481
Net book value			
At 31 December 2018	1,033	901	1,934
At 31 December 2017	428	1,524	1,952

6. Debtors

	2018 £	2017 £
Trade debtors	445,475	320,726
Other debtors (Note 15)	59,315	137,072
Prepayments and accrued income	41,023	39,731
	545,813	497,529

7. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	67,249	57,206

EXECSpace LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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8. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loan (Note 10)	2,972	3,782
Other loan (Note 10)	198,334	212,500
Trade creditors	619,736	464,533
Corporation tax payable	400	2,191
Other taxation and social security	69,177	37,476
Accruals	291,529	216,082
	<u>1,182,148</u>	<u>936,564</u>

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

	2018 £	2017 £
Bank loan (Note 10)	-	2,112
Other loan (Note 10)	-	212,500
Other creditors	129,317	100,541
Share capital treated as debt (Note 11)	475,000	475,000
	<u>604,317</u>	<u>790,153</u>

EXECSPACE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loan	2,972	3,782
Other loans	198,334	212,500
Amounts falling due 1-2 years		
Bank loan	-	2,112
Other loan	-	212,500
	<u>201,306</u>	<u>430,894</u>

The other loan of £198,334 (2017 - £212,500) is secured by a floating charge over the assets of the Company.

The bank loan is secured by a floating charge over the assets of the Company.

11. Share capital

	2018 £	2017 £
Shares classified as equity		
Allotted, called up and fully paid		
1,736 (2017 - 2,000) Ordinary shares of £0.001 each	<u>2</u>	<u>2</u>
	2018 £	2017 £
Shares classified as debt		
Allotted, called up and fully paid		
475,000 (2017 - 475,000) Preference shares of £1.000 each	<u>475,000</u>	<u>475,000</u>

Ordinary shares have voting rights, one vote per share. All ordinary shares have equal rights to participate in any distribution.

Preference shares have no voting rights and are entitled to a fixed cumulative redemption premium.

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**NOTES TO THE FINANCIAL STATEMENTS
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12. Reserves**Share premium account**

The share premium account represents the premium paid on shares issued.

Profit & loss account

The profit & loss account represent accumulated profits less losses and distributions.

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 £4,890 (2017 - £1,108). Contributions totalling £984 (2017 - £301) were payable to the fund at the reporting date and are included in creditors.

14. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	24,000	10,000
Later than 1 year and not later than 5 years	4,000	-
	<u>28,000</u>	<u>10,000</u>

15. Related party transactions

During the year purchases were made from Bradenham Partners LLP of £15,099 (2017 - £15,099) an entity in which one of the directors is also a designated member of the LLP. At year end £102,041 (2017 - £102,041) was owed to Bradenham Partners LLP.

During the year purchases were made from Chiene & Tait LLP of £13,000 (2017 - £12,000) an entity in which one of the directors is also a designated member of the LLP. At year end £1,200 (2017 - £nil) was owed to Chiene & Tait LLP.

Included in other debtors is a director's loan account balance of £31,153 (2017 - £30,368) due from a Director, Emma Little. This balance is unsecured, has no fixed terms of repayment and interest is charged at 3% per annum.

16. Controlling party

In the opinion of the Directors, the controlling party is Emma Little, by virtue of her shareholding at the year end.

EXECSPACE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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17. Auditor's information

An auditors' report on the financial statements for the period ended 31 December 2018 was unqualified.

The audit report was signed on 30/9/19 by Fiona Martin (Senior Statutory Auditor) on behalf of Mazars LLP.