

Company Registration No. 06414023 (England and Wales)

CINOS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
PAGES FOR FILING WITH REGISTRAR

CINOS LIMITED

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CINOS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	5		238,210		126,973
Current assets					
Stocks		1,582,124		1,131,397	
Debtors	6	5,111,394		3,178,158	
Cash at bank and in hand		5,088		311,423	
		<u>6,698,606</u>		<u>4,620,978</u>	
Creditors: amounts falling due within one year	7	<u>(4,118,925)</u>		<u>(2,128,867)</u>	
Net current assets			2,579,681		2,492,111
Total assets less current liabilities			<u>2,817,891</u>		<u>2,619,084</u>
Creditors: amounts falling due after more than one year	8		(164,914)		-
Provisions for liabilities			<u>(18,451)</u>		-
Net assets			<u>2,634,526</u>		<u>2,619,084</u>
Capital and reserves					
Called up share capital	9		601		600
Profit and loss reserves			<u>2,633,925</u>		<u>2,618,484</u>
Total equity			<u>2,634,526</u>		<u>2,619,084</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 28 December 2020 and are signed on its behalf by:

Mr S Franklin
Director

Company Registration No. 06414023

CINOS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 November 2017	600	1,756,314	1,756,914
Period ended 31 December 2018:			
Profit and total comprehensive income for the period	-	862,170	862,170
Balance at 31 December 2018	600	2,618,484	2,619,084
Period ended 31 December 2019:			
Profit and total comprehensive income for the period	-	15,442	15,442
Correction of share capital rounding	1	(1)	-
Balance at 31 December 2019	601	2,633,925	2,634,526

CINOS LIMITED

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

1 Accounting policies

Company information

Cinos Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 4.9, Hitech, Frimley 4 Business Park, Frimley, Surrey, GU16 7SG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Cinos Group Limited. These consolidated financial statements are available from its registered office.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The directors believe that they have sufficient resources to allow for any downturn in performance that may arise due to Covid19. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

These accounts cover the year ending 31 December 2019. The comparative amounts presented in these financial statements for the 14 month period ended 31 December 2018 (including the related notes) are therefore not entirely comparable.

CINOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	20% straight line
Plant and equipment	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

CINOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

CINOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

CINOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Position on contracts with customers

Management review the situation on the ongoing contracts regularly so that the adjustments for accrued or deferred revenue and work in progress or accrued costs are as accurate as possible. Due to the nature of the contracts this does often require management to make a judgement about the expected final result of the contract, which can be months away from completion.

The key judgements made in this area are around the expected final margin to be achieved on the contract, an expectation of any extra (or reductions in) revenue that may arise before the finalisation of the project and an estimate of the level of completion at a given date.

For this year, the level of judgement required around margins has been reduced as all contracts in progress at 31 December 2019 had completed before the accounts were finalised. This means that the final income and the achieved margins are all known.

Therefore the only judgement required is around how complete the projects were at year end. The completion applied to the contracts has been based on the percentage of total staff time allocated to the project by 31 December 2019.

3 Auditor's remuneration

	2019	2018
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	7,800	-
	<u> </u>	<u> </u>

CINOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was 60 (2018 - 49),

5 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2019	97,312	285,839	383,151
Additions	68,728	116,177	184,905
Disposals	-	(4,928)	(4,928)
At 31 December 2019	166,040	397,088	563,128
Depreciation and impairment			
At 1 January 2019	51,534	204,644	256,178
Depreciation charged in the year	22,659	47,626	70,285
Eliminated in respect of disposals	-	(1,545)	(1,545)
At 31 December 2019	74,193	250,725	324,918
Carrying amount			
At 31 December 2019	91,847	146,363	238,210
At 31 December 2018	45,778	81,195	126,973

6 Debtors

	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	2,480,587	1,774,053
Corporation tax recoverable	22,212	-
Amounts owed by group undertakings	1,212,681	-
Amounts owed by related parties	1,208,054	635,547
Other debtors	24,316	375,543
Prepayments and accrued income	163,544	393,015
	5,111,394	3,178,158

CINOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

7 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	197,742	-
Obligations under finance leases	31,111	-
Trade creditors	1,721,503	324,548
Amounts owed to group undertakings	246,105	-
Amounts owed to undertakings in which the company has a participating interest	5,797	3,560
Corporation tax	28,606	195,295
Other taxation and social security	633,843	427,705
Deferred income	935,642	-
Other creditors	274,860	27,137
Accruals and deferred income	43,716	1,150,622
	<u>4,118,925</u>	<u>2,128,867</u>

The bank overdraft facility is secured by a fixed and floating charge over the assets of the company.

The finance lease is secured over the assets to which it relates.

8 Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Obligations under finance leases		51,852	-
Deferred income		113,062	-
		<u>164,914</u>	<u>-</u>

The finance lease is secured over the assets to which it relates.

9 Called up share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
0 (2018: 2,000) Ordinary A shares of 10p each	-	200
0 (2018: 2,000) Ordinary B shares of 10p each	-	200
0 (2018: 2,000) Ordinary C shares of 10p each	-	200
0 (2018: 2) Ordinary D shares of 10p each	-	-
0 (2018: 2) Ordinary E shares of 10p each	-	-
0 (2018: 1) Ordinary F shares of 10p each	-	-
0 (2018: 1) Ordinary G shares of 10p each	-	-
0 (2018: 1) Ordinary H shares of 10p each	-	-
6,010 Ordinary shares of 10p each	601	-
	<u>601</u>	<u>601</u>

CINOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

9 Called up share capital

(Continued)

On 27 February 2019, all classes of shares (A - H) were re-designated as ordinary shares.

10 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was qualified and the auditor reported as follows:

Qualified opinion on financial statements

We have audited the financial statements of Cinos Limited (the 'company') for the year ended 31 December 2019 which comprise, the balance sheet, the statement of changes in equity 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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 profit 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 qualified opinion

The company did not require, and was not expected to require, an audit for the year ended 31 December 2019 until the change of group structure in February 2019. Therefore, we did not observe the counting of the physical stock at the beginning of the year. We were unable to satisfy ourselves by alternative testing concerning stock quantities held at 31 December 2018. Since the opening stock position impacts the calculation of the financial performance, we were unable to determine whether adjustments might have been necessary in respect of the profit for the year reported in the profit and loss account.

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.

The senior statutory auditor was Andrew Jay ACA FCCA.
The auditor was Fiander Tovell Limited.

CINOS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2019 £	2018 £
Within one year	194,541	125,961
Between two and five years	447,374	118,735
	<u>641,915</u>	<u>244,696</u>

12 Related party transactions

The company has taken advantage of the exemption available in FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

At the year end, the company had made loans to Cinos Inc., Cinos PTE and Refero Software Limited, all of whom are related parties due to common directors.

At 31 December 2019, the company was owed:

£423,179 (2018 - £296,295) by Cinos Inc.
£282,653 (2018 - £339,252) by Cinos PTE
£499,913 (2018 - £nil) by Refero Software Limited

These loans are interest free and repayable on demand.

13 Directors' transactions

Interest free loans have been granted by the company to its directors as follows:

Description	% Rate	Opening balance	Amounts repaid	Closing balance
		£	£	£
Mr S Franklin - Interest free loan account	-	159,593	(159,593)	-
Mr K Deady - Interest free loan account	-	163,273	(163,273)	-
		<u>322,866</u>	<u>(322,866)</u>	<u>-</u>

14 Parent company

From 27 February 2019, the intermediate and ultimate parent company was Cinos Group Limited. The registered office for this parent is the same as disclosed for the company.

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.