

Invosys Business Limited
Filleted Financial Statements
30 September 2019



PAUL CLEGG & COMPANY

Chartered accountants & statutory auditor
Second Floor
Riverside Offices
26 St Georges Quay
Lancaster
LA1 1RD

Invosys Business Limited

Statement of Financial Position

30 September 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	9,086	10,547
Investments	6	102,556	112,434
		<u>111,642</u>	<u>122,981</u>
Current assets			
Stocks		24,467	24,467
Debtors	7	4,222,278	3,226,442
Cash at bank and in hand		298,618	632,464
		<u>4,545,363</u>	<u>3,883,373</u>
Creditors: amounts falling due within one year	8	<u>1,585,606</u>	<u>1,014,222</u>
Net current assets		<u>2,959,757</u>	<u>2,869,151</u>
Total assets less current liabilities		<u>3,071,399</u>	<u>2,992,132</u>
Provisions		890	890
Net assets		<u>3,070,509</u>	<u>2,991,242</u>
Capital and reserves			
Called up share capital		100	100
Capital redemption reserve		2	2
Profit and loss account		<u>3,070,407</u>	<u>2,991,140</u>
Shareholders funds		<u>3,070,509</u>	<u>2,991,242</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

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.

The statement of financial position
continues on the following page.

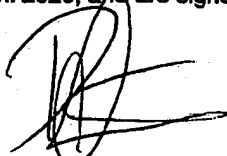
The notes on pages 3 to 9 form part of these financial statements.

Invosys Business Limited

Statement of Financial Position *(continued)*

30 September 2019

These financial statements were approved by the board of directors and authorised for issue on 30 April 2020, and are signed on behalf of the board by:



Mr P Crooks
Director

Company registration number: 04740420

The notes on pages 3 to 9 form part of these financial statements.

Invosys Business Limited

Notes to the Financial Statements

Year ended 30 September 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is New Bridgewater House, Mayfield Avenue, Worsley, Manchester, M28 3JF.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through the profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

The financial statements have been rounded to the nearest £1.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Invosys Business Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

3. Accounting policies *(continued)*

Income tax *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery - and 15% Reducing Balance

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in associates accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Invosys Business Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

3. Accounting policies *(continued)*

Investments in associates *(continued)*

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the associate arising before or after the date of acquisition.

Investments in joint ventures

Investments in jointly controlled entities accounted for in accordance with the cost model are recorded at cost less any accumulated impairment losses.

Investments in jointly controlled entities accounted for in accordance with the fair value model are initially recorded at the transaction price. At each reporting date, the investments are measured at fair value, with changes in fair value recognised in other comprehensive income/profit or loss. Where it is impracticable to measure fair value reliably without undue cost or effort, the cost model will be adopted.

Dividends and other distributions received from the investment are recognised as income without regard to whether the distributions are from accumulated profits of the joint venture arising before or after the date of acquisition.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Invosys Business Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

3. Accounting policies *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 10 (2018: 9).

Invosys Business Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

5. Tangible assets

	Plant and machinery £
Cost	
At 1 October 2018	60,555
Additions	1,094
At 30 September 2019	61,649
Depreciation	
At 1 October 2018	50,008
Charge for the year	2,555
At 30 September 2019	52,563
Carrying amount	
At 30 September 2019	9,086
At 30 September 2018	10,547

6. Investments

	Shares in group undertakings £
Cost	
At 1 October 2018 and 30 September 2019	185,937
Impairment	
At 1 October 2018	73,503
Other movements	9,878
At 30 September 2019	83,381
Carrying amount	
At 30 September 2019	102,556
At 30 September 2018	112,434

7. Debtors

	2019 £	2018 £
Trade debtors	648,569	324,156
Amounts owed by group undertakings and undertakings in which the company has a participating interest	2,741,438	2,084,329
Other debtors	832,271	817,957
	4,222,278	3,226,442

Invosys Business Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

8. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	328,998	388,393
Amounts owed to group undertakings and undertakings in which the company has a participating interest	474,722	—
Corporation tax	577,021	394,221
Social security and other taxes	105,032	124,980
Other creditors	99,833	106,628
	<u>1,585,606</u>	<u>1,014,222</u>

9. Charges on assets

There is a fixed charge over the company assets from Santander bank during the year dated August 2019 this is still outstanding

There is a charge of the company trade marks and patent dated August 2017 still outstanding

10. Summary audit opinion

The auditor's report for the year dated 30 April 2020 was unqualified.

The senior statutory auditor was Paul Clegg FCA, for and on behalf of Paul Clegg & Company.

11. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2019		
	Balance brought forward	Advances/ (credits) to the directors	Balance outstanding
	£	£	£
Mr R Booth	<u>550,000</u>	<u>—</u>	<u>550,000</u>
	2018		
	Balance brought forward	Advances/ (credits) to the directors	Balance outstanding
	£	£	£
Mr R Booth	<u>—</u>	<u>550,000</u>	<u>550,000</u>

Invosys Business Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2019

12. Controlling party

The company's immediate parent is Red Seven Technology Group Limited, a company registered in England and Wales.

The ultimate controlling party is Red Seven Holdings Limited, a company registered in the Isle of Man.

The parent company Red Seven Technology Group Limited has prepared consolidated financial statements, its registered office is New Bridgewater House, Mayfield Avenue, Worsley, Manchester, M28 3FJ.