

Company Registration No. 07054350 (England and Wales)

CORETHREE LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018
PAGES FOR FILING WITH REGISTRAR

CORETHREE LTD

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CORETHREE LTD

BALANCE SHEET

AS AT 31 OCTOBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	3		734,286		476,250
Tangible assets	4		39,815		44,557
			<u>774,101</u>		<u>520,807</u>
Current assets					
Debtors	5	594,357		638,935	
Cash at bank and in hand		374,154		703,423	
		<u>968,511</u>		<u>1,342,358</u>	
Creditors: amounts falling due within one year	6	(269,596)		(536,150)	
Net current assets			<u>698,915</u>		<u>806,208</u>
Total assets less current liabilities			<u><u>1,473,016</u></u>		<u><u>1,327,015</u></u>
Capital and reserves					
Called up share capital			71,000		71,000
Share premium account			129,000		129,000
Profit and loss reserves			<u>1,273,016</u>		<u>1,127,015</u>
Total equity			<u><u>1,473,016</u></u>		<u><u>1,327,015</u></u>

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

For the financial year ended 31 October 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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 4 March 2019 and are signed on its behalf by:

A Murdoch
Director

Company Registration No. 07054350

CORETHREE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

Company information

Corethree Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Suite 14, Building 3 Hatters Lane, Croxley Green Business Park, Watford, WD18 8YG.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year as adjusted for accrued income and derives from the provision of services falling within the company's ordinary activities.

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.

1.3 Research and development expenditure

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit. No amortisation is charged in the year expenditure is incurred. As the company operates in the technological sector the period of benefit will be reviewed on the annual basis.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

Amortisation 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:

Development Costs	20% straight line
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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.

CORETHREE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

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:

Land and buildings Leasehold	Over the period of lease of 5 years
Fixtures, fittings & equipment	25% straight line

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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 Cash and cash equivalents

Cash at bank and in hand 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.

1.8 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

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.

1.9 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.

1.10 Taxation

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

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.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

1.11 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.

1.12 Retirement benefits

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

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

1.14 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 Employees

The average monthly number of persons (including directors) employed by the company during the year was 21 (2017 - 18).

3 Intangible fixed assets

	Other £
Cost	
At 1 November 2017	625,069
Additions	383,050
	<hr/>
At 31 October 2018	1,008,119
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Amortisation and impairment	
At 1 November 2017	148,819
Amortisation charged for the year	125,014
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At 31 October 2018	273,833
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Carrying amount	
At 31 October 2018	734,286
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At 31 October 2017	476,250
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CORETHREE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 November 2017	57,125	46,644	103,769
Additions	19,516	2,785	22,301
	<u>76,642</u>	<u>49,429</u>	<u>126,071</u>
At 31 October 2018			
Depreciation and impairment			
At 1 November 2017	33,182	26,030	59,212
Depreciation charged in the year	15,328	11,716	27,044
	<u>48,510</u>	<u>37,746</u>	<u>86,256</u>
At 31 October 2018			
Carrying amount			
At 31 October 2018	28,132	11,683	39,815
	<u>23,943</u>	<u>20,614</u>	<u>44,557</u>
At 31 October 2017			

5 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	346,840	485,309
Corporation tax recoverable	142,566	51,245
Other debtors	104,951	102,381
	<u>594,357</u>	<u>638,935</u>

6 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	51,725	17,602
Taxation and social security	156,721	143,189
Other creditors	61,150	375,359
	<u>269,596</u>	<u>536,150</u>

CORETHREE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

7 Other creditors falling due within one year

	2018 £	2017 £
Trade creditors	51,725	17,602
Other creditors	61,150	375,359
	<u>112,875</u>	<u>392,961</u>

8 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:

2018 £	2017 £
54,615	103,715
<u>54,615</u>	<u>103,715</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

9 Related party transactions

During the year the company paid £Nil (2017 : £Nil) to T5 Solutions Limited, a company controlled by M Smith, a director of the company. A sum of £Nil (2017 : £22,420) is included in accruals at the balance sheet date in respect of historical fees.

At the year end the company owed A Murdoch £Nil (2017 : £20,500), a director of the company, in respect of interest free loans which are repayable on demand.

At the year end the company owed £Nil (2017 : £106,339) to G Coughtrey, a director of the company. In respect of this secured loan, interest of £Nil (2017 : £2,256) was accrued. Creditors due less than one year includes £Nil (2017 : £76,796) in respect of the loan interest accrued not yet paid.

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.