

REGISTERED NUMBER: 07348797 (England and Wales)

**Report of the Directors and
Financial Statements
for the year ended 31st January 2018
for
Hubwise Holdings Limited**

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Hubwise Holdings Limited
(company number 07348797)

**Contents of the Financial Statements
for the year ended 31st January 2018**

	Page
Company Information	
Report of the Directors	1
Report of the Independent Auditors	3
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Consolidated Statement of Financial Position	8
Company Statement of Financial Position	9
Consolidated Cash Flow Statement	10
Company Cash Flow Statement	11
Notes to the Financial Statements	12

Hubwise Holdings Limited
(company number 07348797)

Company Information
for the year ended 31st January 2018

DIRECTORS:

Victoria Heminsley
Gary Kenny
Angus Macdonald
Jeffrey Plowman
Nicholas Thomas
Martin Ratcliffe

SECRETARY:

Victoria Heminsley

REGISTERED OFFICE:

Waverley Court
Wiltell Road
Lichfield
Staffordshire
WS14 9ET

REGISTERED NUMBER:

07348797 (England and Wales)

AUDITORS:

Crowe U.K. LLP
4 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1EE

Hubwise Holdings Limited
(company number 07348797)

**Report of the Directors
for the year ended 31st January 2018**

The Directors present their report with the financial statements of the Company for the year ended 31st January 2018.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of a holding company. The Company is the ultimate parent undertaking of the Hubwise Group. The principal activity of the Group in the year under review was the provision of technology, software and administration to financial institutions to facilitate trade execution and safe custody of assets within various tax wrappers.

REVIEW OF BUSINESS

The consolidated loss for the year was £301,543 (2017: £52,747).

DIVIDENDS

No dividends will be distributed for the year ended 31st January 2018.

DIRECTORS

The Directors of the Company who served during the year were:

Victoria Heminsley
Gary Kenny
Angus Macdonald
Jeffrey Plowman
Nicholas Thomas
Martin Ratcliffe - appointed 20th April 2017

GOING CONCERN

The Directors have reviewed the cash requirements of the Company and the Group for the next twelve months. Through the onboarding of new clients, savings associated with the acquisition of Stechnology Limited and positive forecast cash reserves, the Directors have concluded that both the Company and the Group have sufficient cash resources to meet their needs as they fall due. Accordingly, the Directors consider it is appropriate to prepare the financial statements on the going concern basis.

EVENTS AFTER THE BALANCE SHEET DATE

On 25th October 2018 the Company issued 161,245 new shares at £2 per share (including share premium). The total consideration of £322,490 was received in full. On 26th October 2018 Hubwise Holdings Limited acquired the entire issued share capital of STechnology Limited for an initial consideration of £2,691,000 being 1,345,500 Ordinary shares at £2 per share including share premium, by way of a share for share exchange. On 29th October 2018 the Company issued 293,337 new shares at £2 per share (including share premium). The total consideration of £586,674 was received in full.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Hubwise Holdings Limited
(company number 07348797)

Report of the Directors (continued)
for the year ended 31st January 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES (continued)

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROVISION OF INFORMATION TO AUDITORS

So far as each Director is aware at the time the report is approved:

- there is no relevant audit information of which the Company's auditors are unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Crowe U.K. LLP, will be proposed for re-appointment at the Annual General Meeting in accordance with Section 485 of the Companies Act 2006.

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 30th October 2018 and signed on its behalf.



Victoria Heminsley
Director

Hubwise Holdings Limited
(company number 07348797)

**Independent Auditor's Report to the Shareholders of
Hubwise Holdings Limited**

Opinion

We have audited the financial statements of Hubwise Holdings Limited (the "parent company") and its subsidiaries (the "group") for the year ended 31 January 2018 which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Cash Flow Statement, 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 International Financial Reporting Standards (IFRS) as adopted by the European Union

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 January 2018 and of the group's loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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 group 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Hubwise Holdings Limited
(company number 07348797)

**Independent Auditor's Report to the Shareholders of
Hubwise Holdings Limited (continued)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report and from the requirement to prepare a strategic report

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

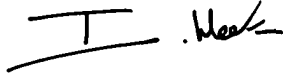
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**Independent Auditor's Report to the Shareholders of
Hubwise Holdings Limited (continued)**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ian Weekes
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
4 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1EE

30th October 2015

Hubwise Holdings Limited
(company number 07348797)

**Consolidated Statement of Comprehensive Income
for the year ended 31st January 2018**

	Notes	2018 £	2017 £
Revenue		843,684	796,111
Cost of sales		<u>(198,336)</u>	<u>(200,072)</u>
GROSS PROFIT		645,348	596,039
Administrative expenses		<u>(949,550)</u>	<u>(646,988)</u>
OPERATING LOSS		(304,202)	(50,949)
Finance income	4	<u>127</u>	<u>620</u>
LOSS BEFORE TAX	3	(304,075)	(50,329)
Tax credit / (charge) on loss	6	<u>2,532</u>	<u>(2,418)</u>
LOSS FOR THE YEAR		<u>(301,543)</u>	<u>(52,747)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY		<u>(301,543)</u>	<u>(52,747)</u>

The notes on pages 12 to 23 form part of these financial statements

Hubwise Holdings Limited
(company number 07348797)

**Statement of Changes in Equity
for the year ended 31st January 2018**

<u>Group - prior year</u>	Share capital £	Share premium £	Retained loss £	Total £
As at 1st February 2016	914,064	414,064	(790,443)	537,685
Loss for the year	0	0	(52,747)	(52,747)
Issue of share capital	36,500	36,500	0	73,000
As at 31st January 2017	950,564	450,564	(843,190)	557,938
 <u>Group - current year</u>	 Share capital £	 Share premium £	 Retained loss £	 Total £
As at 1st February 2017	950,564	450,564	(843,190)	557,938
Loss for the year	0	0	(301,543)	(301,543)
Issue of share capital	316,854	309,354	0	626,208
As at 31st January 2018	1,267,418	759,918	(1,144,733)	882,603
 <u>Company - prior year</u>	 Share capital £	 Share premium £	 Retained loss £	 Total £
As at 1st February 2016	914,064	414,064	0	1,328,128
Result for the year	0	0	0	0
Issue of share capital	36,500	36,500	0	73,000
As at 31st January 2017	950,564	450,564	0	1,401,128
 <u>Company - current year</u>	 Share capital £	 Share premium £	 Retained loss £	 Total £
As at 1st February 2017	950,564	450,564	0	1,401,128
Result for the year	0	0	0	0
Issue of share capital	316,854	309,354	0	626,208
As at 31st January 2018	1,267,418	759,918	0	2,027,336

The share premium reserve comprises the premium paid over the nominal value of the shares for shares issued.

The retained earnings reserve represents the cumulative deficit of the group/company.

The notes on pages 12 to 23 form part of these financial statements

Hubwise Holdings Limited
(company number 07348797)

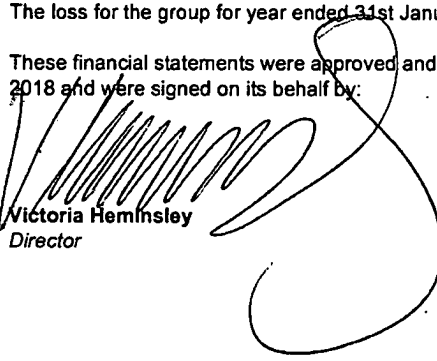
Consolidated Statement of Financial Position
As at 31st January 2018

	Notes	2018 £	2017 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	25,942	28,954
Intangible fixed assets	8	216,552	159,187
Deferred tax asset	6	27,804	0
		270,298	188,141
CURRENT ASSETS			
Trade and other receivables	10	175,336	142,766
Cash and cash equivalents	11	962,012	1,205,988
		1,137,348	1,348,754
TOTAL ASSETS		1,407,646	1,536,895
SHAREHOLDERS' EQUITY			
Called up equity share capital	12	1,267,418	950,564
Share premium		759,918	450,564
Profit and loss account		(1,144,732)	(843,190)
		882,604	557,938
LIABILITIES			
Trade and other payables	13	247,316	976,502
Other financial liabilities	14	250,000	0
Deferred tax liability	6	27,726	2,455
		525,042	978,957
TOTAL EQUITY AND LIABILITIES		1,407,646	1,536,895

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The loss for the group for year ended 31st January 2018 is £301,543 (2017: £52,747)

These financial statements were approved and authorised for issue by the Board of Directors on 30th October 2018 and were signed on its behalf by:


Victoria Heminsley
Director

The notes on pages 12 to 23 form part of these financial statements

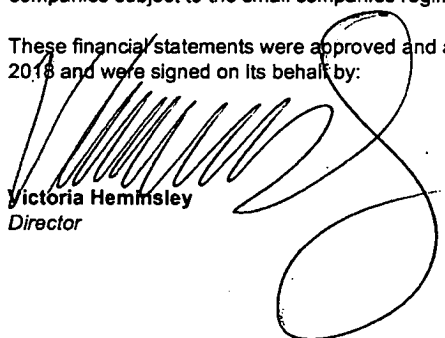
Hubwise Holdings Limited
(company number 07348797)

Company Statement of Financial Position
As at 31st January 2018

	Notes	2018 £	2017 £
ASSETS			
NON-CURRENT ASSETS			
Investment in subsidiary undertakings	9	<u>350,458</u>	<u>350,458</u>
		350,458	350,458
CURRENT ASSETS			
Trade and other receivables	10	<u>1,412,049</u>	<u>967,810</u>
Cash and cash equivalents	11	<u>264,831</u>	<u>758,475</u>
		1,676,880	1,726,285
TOTAL ASSETS		<u>2,027,338</u>	<u>2,076,743</u>
SHAREHOLDERS' EQUITY			
Called up equity share capital	12	<u>1,267,418</u>	<u>850,564</u>
Share premium		<u>759,918</u>	<u>450,564</u>
Profit and loss account		<u>0</u>	<u>0</u>
		2,027,336	1,401,128
LIABILITIES			
Trade and other payables	13	<u>2</u>	<u>675,615</u>
		2	675,615
TOTAL EQUITY AND LIABILITIES		<u>2,027,338</u>	<u>2,076,743</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements were approved and authorised for issue by the Board of Directors on 30th October 2018 and were signed on its behalf by:


Victoria Hemmingsley
Director

The notes on pages 12 to 23 form part of these financial statements

Hubwise Holdings Limited
(company number 07348797)

**Consolidated Cash Flow Statement
for the year ended 31st January 2018**

	Notes	2018 £	2017 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (Loss) before taxation		(304,075)	(50,329)
Finance income		(127)	(620)
Amortisation charge	8	19,200	22,679
Depreciation charge	7	<u>8,973</u>	<u>8,579</u>
OPERATING CASH FLOW		(276,029)	(19,691)
(Increase) / decrease in receivables		(32,570)	(46,323)
Increase / (decrease) in payables		<u>(729,186)</u>	<u>663,753</u>
CASH USED BY OPERATIONS		(1,037,785)	597,739
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		127	620
Purchase of property, plant and equipment		(5,961)	0
Purchase of intangible assets		<u>(76,565)</u>	<u>0</u>
NET CASH USED IN INVESTING ACTIVITIES		(82,399)	620
CASH FLOWS FROM FINANCING ACTIVITIES			
Client bond deposit		250,000	
Net proceeds on issue of shares		<u>626,208</u>	<u>73,000</u>
NET CASH FROM FINANCING ACTIVITIES		876,208	73,000
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(243,976)	671,359
Cash and cash equivalents at the beginning of the year	11	<u>1,205,988</u>	<u>534,629</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	11	<u>962,012</u>	<u>1,205,988</u>

The notes on pages 12 to 23 form part of these financial statements

Hubwise Holdings Limited
(company number 07348797)

Company Cash Flow Statement
for the year ended 31st January 2018

	Notes	2018 £	2017 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		<u>0</u>	<u>0</u>
OPERATING CASH FLOW		0	0
(Increase) / decrease in receivables		(444,239)	(171,264)
Increase / (decrease) in payables		<u>(675,613)</u>	<u>523,571</u>
CASH USED BY OPERATIONS		(1,119,852)	352,307
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds on issue of shares		<u>626,208</u>	<u>73,000</u>
NET CASH FROM FINANCING ACTIVITIES		626,208	73,000
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		<u>(493,644)</u>	<u>425,307</u>
Cash and cash equivalents at the beginning of the year	11	<u>758,475</u>	<u>333,168</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	11	<u><u>264,831</u></u>	<u><u>758,475</u></u>

The notes on pages 12 to 23 form part of these financial statements

Hubwise Holdings Limited
(company number 07348797)

**Notes to the Financial Statements
for the year ended 31st January 2018**

1 ACCOUNTING POLICIES

1 General Information

The financial statements of Hubwise Holdings Limited for the year ended 31st January 2018 were authorised for issue in accordance with a resolution of the directors on 30th October 2018. The Company is a Limited company incorporated and domiciled in England. The registered office is located at Waverley Court, Wiltell Road, Lichfield, Staffordshire, WS14 9ET.

The principal activities of the Company are described in the Report of the Directors.

2 Basis of preparation

The Company has adopted the requirements of International Financial Reporting Standards (IFRSs) and IFRIC interpretations endorsed by the European Union (EU) and those parts of the Companies Act 2006 applicable to companies reporting under IFRSs. The financial statements have been prepared under the historical cost convention.

The Directors have reviewed the cash requirements of the Company and the Group for the next twelve months and have concluded that both have sufficient cash resources to meet their needs as they fall due. Accordingly, the Directors consider it is appropriate to prepare the financial statements on the going concern basis.

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective and in some cases have not yet been adopted by the EU.

The Directors have assessed that the application of IFRS 9 and IFRS 15 will have an immaterial impact on the results of the Group. The application of IFRS 16 will result in a £53,333 right of use asset and equivalent lease liability being added to the balance sheet in respect of office rental as at 31st January 2019. Application of these standards will result in changes in presentation of information within the Group's financial statements.

3 Basis of consolidation

The Group financial undertakings consolidate the financial statements of the Company and its subsidiary undertakings. The purchase method of accounting has been adopted in accordance with IFRS 3 'Business combinations'. Under this method the results of all the subsidiary undertakings are included in the consolidated income statement from the date of acquisition. Intra-Group sales and profits are eliminated on consolidation and all sales and profit and loss figures relate to external transactions only.

4 Management judgements and estimates

During the process of applying the Company's accounting policies, the Directors have made two critical accounting judgements. Firstly, that costs associated with the development of software which have been capitalised, meet the criteria of IAS38, and secondly, that it is appropriate to prepare the financial statements on the going concern basis having reviewed the cash requirements of the Company and the Group for the next twelve months and concluding that both have sufficient cash resources to meet their needs as they fall due.

Hubwise Holdings Limited
(company number 07348797)

Notes to the Financial Statements
for the year ended 31st January 2018

1 ACCOUNTING POLICIES (continued)

5 Summary of significant accounting policies

(a) Revenue

Revenue represents commissions and fees receivable in the normal course of business net of VAT, and is accrued for over the period for which these services are provided.

- (i) Finance income: interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.
- (ii) Software development income is recognised on completion of the build phase and delivery to the underlying client.
- (ii) Software development income is recognised on completion of the build phase and delivery to the underlying client. Where a contract has only partially been completed at the statement of financial position date revenue represents the value of the service provided to date based on a proportion of the total contract value
- (iii) Commission income is recognised when earned.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. The deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the timing difference is controlled by the company and it is probable that the temporary differences will not reverse in the foreseeable future.

(c) Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The Directors regard the operations of the Group and the Company as a single segment.

(d) Intangible assets

All intangible assets are shown at cost less subsequent amortisation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Amortisation is provided on cost over their estimated useful lives. The annual rates and methods of amortisation are as follows:

Licenses - 20% straight line basis
Computer software - 20% straight line basis

The FCA license asset has an indefinite useful life and has not been amortised as no impairment has taken place.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. Management have prepared impairment reviews and do not believe intangible assets are impaired.

Costs associated with the development of software are capitalised if they meet the criteria in IAS38.

Hubwise Holdings Limited
(company number 07348797)

Notes to the Financial Statements
for the year ended 31st January 2018

1 ACCOUNTING POLICIES (continued)

5 Summary of significant accounting policies (continued)

(e) Property, plant and equipment

All property, plant and equipment is shown at cost less subsequent depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is provided on cost over their estimated useful lives. The annual rates and methods of depreciation are as follows:

Leasehold improvements - 20% straight line basis

Office and computer equipment - 20% straight line basis

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income. Impairment reviews of property, plant and equipment are undertaken if there are indications that the carrying values may not be recoverable or that the recoverable amounts may be less than the asset's carrying value.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(g) Current income tax

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting years, that are unpaid at the balance sheet date. They are calculated according to the tax rates and tax laws applicable to the fiscal years to which they relate, based on the taxable profit for the year.

Hubwise Holdings Limited
(company number 07348797)

Notes to the Financial Statements
for the year ended 31st January 2018

2 EMPLOYEES AND DIRECTORS

	Group 2018 £	Group 2017 £
Wages and salaries	445,666	370,568
Social security costs	52,136	32,612
Pension costs	10,041	0
	<u>507,843</u>	<u>403,180</u>

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

	Group 2018 No.	Group 2017 No.
Directors and administrative staff	14	12
	<u>14</u>	<u>12</u>

The Directors' remuneration included above was as follows:

	Group 2018 £	Group 2017 £
Salary	88,167	88,128
Consulting fees	11,131	4,920
Pension contributions	1,350	0
Employer's National Insurance	8,788	8,804
	<u>109,436</u>	<u>101,852</u>

The directors are considered to be key management personnel. Their remuneration is disclosed above.

The Company had no employees during the year (2017: 0).

3 LOSS BEFORE TAX

The loss before tax is stated after charging the following items, all of which are included within administrative expenses in the consolidated income statement:

	Group 2018 £	Group 2017 £
Amortisation charge	19,200	22,679
Depreciation charge	8,973	8,579
Operating lease rentals	39,631	27,000

Hubwise Holdings Limited
(company number 07348797)

Notes to the Financial Statements
for the year ended 31st January 2018

4 FINANCE INCOME

	Group 2018 £	Group 2017 £
Deposit account interest	<u>127</u>	<u>620</u>
	<u>127</u>	<u>620</u>

5 AUDITOR'S REMUNERATION

	Group 2018 £	Group 2017 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	13,500	11,150
Preparation of Hubwise Group tax returns	2,850	2,625
Other services	<u>0</u>	<u>0</u>
	<u>16,350</u>	<u>13,775</u>

6 TAXATION

Analysis of the tax charge / (credit) for the period

	Group 2018 £	Group 2017 £
<i>Current tax:</i>		
UK Corporation tax	0	0
<i>Deferred tax:</i>		
Differences due to deferred tax rate being lower than standard corporation tax rate	(2,275)	2,751
Movement on unprovided deferred tax asset	<u>(257)</u>	<u>(333)</u>
Tax charge / (credit) on the profit / (loss) on ordinary activities	<u>(2,532)</u>	<u>2,418</u>

Deferred tax provisions / (assets) - Group

	Short term timing differences £	Tax losses £	Tangible fixed assets £	Intangible fixed assets £	Total £
As at 1st February 2017	0	(31,075)	8,197	25,333	2,455
Movement in the year	<u>0</u>	<u>3,271</u>	<u>(3,137)</u>	<u>(2,667)</u>	<u>(2,533)</u>
As at 31st January 2018	<u>0</u>	<u>(27,804)</u>	<u>5,060</u>	<u>22,666</u>	<u>(78)</u>
			Group 2018 £	Group 2017 £	
Deferred tax (asset) / liability not recognised			<u>(196,666)</u>	<u>(165,589)</u>	

Hubwise Holdings Limited
(company number 07348797)

**Notes to the Financial Statements
for the year ended 31st January 2018**

6 TAXATION (continued)

Reconciliation of tax charge

	Group 2018 £	Group 2017 £
Profit / (loss) on ordinary activities before tax	(304,075)	(50,329)
Tax charge / (credit) on profit / (loss) on ordinary activities at standard corporation tax rate of 19.16% (2017: 20%)	(58,266)	(10,066)
<i>Effects of</i>		
Expenses not deductible for tax purposes	827	1,096
Depreciation on non-qualifying assets	200	209
(Utilisation) / carry forward of losses	0	0
Adjust deferred tax to closing rate of 19%	23,630	105
Deferred tax not recognised	31,077	11,074
	<u>(2,532)</u>	<u>2,418</u>

7 PROPERTY, PLANT AND EQUIPMENT

Group - prior year

	Leasehold improvements £	Office & computer equipment £	Total £
COST:			
As at 1st February 2016	33,265	9,626	42,891
Additions	0	0	0
Disposals	0	0	0
As at 31st January 2017	<u>33,265</u>	<u>9,626</u>	<u>42,891</u>
DEPRECIATION:			
As at 1st February 2016	2,213	3,145	5,358
Charge for the year	6,654	1,925	8,579
Disposals	0	0	0
As at 31st January 2017	<u>8,867</u>	<u>5,070</u>	<u>13,937</u>
NET BOOK VALUE:			
As at 31st January 2017	<u>24,398</u>	<u>4,556</u>	<u>28,954</u>

Hubwise Holdings Limited
(company number 07348797)

Notes to the Financial Statements
for the year ended 31st January 2018

7 PROPERTY, PLANT AND EQUIPMENT (continued)

<u>Group - current year</u>	Leasehold improvements £	Office & computer equipment £	Total £
COST:			
As at 1st February 2017	33,265	9,626	42,891
Additions	<u>0</u>	<u>5,961</u>	<u>5,961</u>
As at 31st January 2018	<u>33,265</u>	<u>15,587</u>	<u>48,852</u>
DEPRECIATION:			
As at 1st February 2017	8,867	5,070	13,937
Charge for the year	<u>6,654</u>	<u>2,319</u>	<u>8,973</u>
As at 31st January 2018	<u>15,521</u>	<u>7,389</u>	<u>22,910</u>
NET BOOK VALUE:			
As at 31st January 2018	<u>17,744</u>	<u>8,198</u>	<u>25,942</u>

8 INTANGIBLE FIXED ASSETS

<u>Group - prior year</u>	Licenses £	Computer software £	Total £
COST:			
As at 1st February 2016	141,333	105,394	246,727
Additions	<u>0</u>	<u>0</u>	<u>0</u>
As at 31st January 2017	<u>141,333</u>	<u>105,394</u>	<u>246,727</u>
AMORTISATION:			
As at 1st February 2016	5,467	59,394	64,861
Charge for the year	<u>1,600</u>	<u>21,079</u>	<u>22,679</u>
As at 31st January 2017	<u>7,067</u>	<u>80,473</u>	<u>87,540</u>
NET BOOK VALUE:			
As at 31st January 2017	<u>134,266</u>	<u>24,921</u>	<u>159,187</u>

The addition to Computer Software is capital expenditure on implementing various bespoke IT models.

Hubwise Holdings Limited
(company number 07348797)

Notes to the Financial Statements
for the year ended 31st January 2018

8 INTANGIBLE FIXED ASSETS (continued)

<u>Group - current year</u>	Licenses	Computer software	Total
	£	£	£
COST:			
As at 1st February 2017	141,333	105,394	246,727
Additions	0	76,565	76,565
As at 31st January 2018	141,333	181,959	323,292
AMORTISATION:			
As at 1st February 2017	7,067	80,473	87,540
Charge for the year	933	18,267	19,200
As at 31st January 2018	8,000	98,740	106,740
NET BOOK VALUE:			
As at 31st January 2018	133,333	83,219	216,552

The addition to Computer Software is capital expenditure on implementing various bespoke IT models.

9 INVESTMENTS

<u>Company</u>	Shares in Group Undertakings £
COST:	
As at 1st February 2017	350,458
Additions	0
As at 31st January 2018	350,458
NET BOOK VALUE:	
As at 31st January 2018	350,458

Direct subsidiary undertakings	Interest in ordinary shares and voting rights	Country of incorporation	Principal activity
Hubwise Services Limited	100%	United Kingdom	Provides administration, technology and support services.
Hubwise Securities Limited	100%	United Kingdom	Through technology facilitates investment and custody in securities.
Hubwise Software Limited	100%	United Kingdom	Retains the principal software licences (dormant).
Indirect subsidiary undertakings	Interest in ordinary shares and voting rights	Country of incorporation	Principal activity
Hubwise Nominees Limited (subsidiary of Hubwise Securities Limited)	100%	United Kingdom	Safe keeping of client assets (dormant).

Hubwise Holdings Limited
(company number 07348797)

Notes to the Financial Statements
for the year ended 31st January 2018

10 TRADE AND OTHER RECEIVABLES

	Company 2018	Group 2018	Company 2017	Group 2017
	£	£	£	£
Amounts due from group undertakings	1,380,557	0	967,810	0
Trade receivables	0	90,164	0	103,658
Other debtors	31,492	31,492	0	10,000
Prepayments and accrued income	0	53,680	0	29,108
	<u>1,412,049</u>	<u>175,336</u>	<u>967,810</u>	<u>142,766</u>

The Directors consider that the carrying amount of trade and other receivables equates to their fair value. Included in trade receivables were amounts totalling £46,780 (2017: £46,872) which were past due at the end of the year.

11 CASH AND CASH EQUIVALENTS

Cash, cash equivalents and bank overdrafts include the following for the purposes of the cash flow statement:

	Company 2018	Group 2018	Company 2017	Group 2017
	£	£	£	£
Bank current accounts	<u>264,831</u>	<u>962,012</u>	<u>758,475</u>	<u>1,205,988</u>
	<u>264,831</u>	<u>962,012</u>	<u>758,475</u>	<u>1,205,988</u>

Included within the Group's 2018 balance is £500,000 which has been deposited with Barclays Bank and acts as security against the CREST settlement facilities that Barclays Bank have made available to the Group.

12 CALLED UP SHARE CAPITAL

		Company 2018	Group 2018
		£	£
1,267,418 ordinary shares of £1 each		<u>1,267,418</u>	<u>1,267,418</u>
		<u>1,267,418</u>	<u>1,267,418</u>
Allotted, called up and fully paid	Number	Company	Group
Ordinary £1 shares		£	£
As at 1st February 2017	950,564	950,564	950,564
Issue of shares	316,854	316,854	316,854
As at 31st January 2018	<u>1,267,418</u>	<u>1,267,418</u>	<u>1,267,418</u>

Hubwise Holdings Limited
(company number 07348797)

Notes to the Financial Statements
for the year ended 31st January 2018

13 TRADE AND OTHER PAYABLES

	Company 2018	Group 2018	Company 2017	Group 2017
	£	£	£	£
Amounts due to group undertakings	2	0	2	0
Social security and other taxes	0	44,591	0	27,064
Trade payables	0	166,214	0	241,303
Accruals	0	36,511	675,613	708,135
	<u>2</u>	<u>247,316</u>	<u>675,615</u>	<u>976,502</u>

The Directors consider that the carrying amount of trade payables approximates to their fair value.

14 OTHER FINANCIAL LIABILITIES

	Group 2018	Group 2017
	£	£
Other creditors - client security deposits	<u>250,000</u>	<u>0</u>
	<u>250,000</u>	<u>0</u>

15 OPERATING LEASE COMMITMENTS

At 31st January 2018 the Group had total future minimum lease payments under non-cancellable operating leases for each of the following periods:

	Group 2018	Group 2017
	£	£
Not later than one year	32,000	27,000
Later than one year and not later than five years	53,333	72,000
Later than five years	<u>0</u>	<u>0</u>

16 RELATED PARTY DISCLOSURES

Hubwise Holdings Limited provides a central treasury arrangement. During the year total net loans of £412,747 were advanced to subsidiary undertakings. At 31st January 2018:

- Hubwise Services Limited owes Hubwise Holdings Limited £1,219,738 (2017: £769,197)
- Hubwise Securities Limited owes Hubwise Holdings Limited £160,819 (2017: Hubwise Holdings Limited owed Hubwise Securities Limited £198,613)
- Hubwise Holdings Limited owes Hubwise Software Limited £1 (2017: £1)
- Hubwise Holdings Limited owes Hubwise Nominees Limited £1 (2017: £1)

During the year the Hubwise Services Limited, on behalf of the Group, expensed £13,383 against Macdonald Consultants for Consultancy and related expenses provided by Angus Macdonald.

During 2015, Hubwise Services Limited, on behalf of the Group, entered into a property lease with The Hubwise Property Syndicate. The Directors, Angus Macdonald, Gary Kenny and Victoria Heminsley each have a beneficial interest in The Hubwise Property Syndicate. As at 31st January 2018 the Syndicate were owed £75,631 by Hubwise Services Limited (2017: £36,000).

Hubwise Holdings Limited
(company number 07348797)

Notes to the Financial Statements
for the year ended 31st January 2018

17 FINANCIAL RISK MANAGEMENT

The Group's and the Company's activities expose them to the financial risks as detailed below. The Board of Directors determine and execute the treasury policy of the Company. Changes to treasury policy are authorised by the Board of Directors. The Board reviews regularly the execution of policy through internal management reporting and regular board meetings.

The Group's principal financial instruments comprise cash and various items such as trade and other receivables, and trade and other payables that arise directly from operations. The main purpose of these financial instruments is the funding of the Group's trading activities. Cash and cash equivalents and trade and other receivables are categorised as loans and receivables, trade and other payables are classified as financial liabilities. All financial assets and liabilities are held at amortised cost and their carrying value approximates to their fair value.

Interest rate & liquidity risks

A centralised treasury function for the Group is provided by the Company. However, the Group has no outstanding loans or other debts so can only gain from any increase in interest rates.

Technology risk

The Group has a documented disaster recovery plan in place and has access to disaster recovery servers should any technological issues arise.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss. Within the Group only Hubwise Services Limited is subject to such exposure and this risk is minimised by the pro-active management of the relationship with the Customer.

The ageing of trade receivables subject to credit risk at the reporting date was:

	2018 £	2017 £
Not past due	43,384	35,760
Past due 0 – 30 days	46,780	23,024
Past due 31 – 60 days	0	0
More than 60 days	0	3,125
	<u>90,164</u>	<u>61,909</u>

No impairment losses for trade receivables have been recognised in the accounts.

Other classes within trade and other receivables do not contain impaired assets.

The fair values of trade and other receivables do not differ from the values at which trade and other receivables are carried in the financial statements.

Management maintain a policy of periodically reviewing all receivable balances for recoverability. Adjustments are made only where the balance is deemed to be wholly irrecoverable. In this respect, charges in the profit or loss in the statement of comprehensive income represent receivable write offs. Other classes within trade and other receivables do not contain impaired assets.

Hubwise Holdings Limited
(company number 07348797)

**Notes to the Financial Statements
for the year ended 31st January 2018**

17 FINANCIAL RISK MANAGEMENT

The fair values of trade and other receivables do not differ from the values at which trade and other receivables are carried in the financial statements.

The Group's maximum exposure to credit risk is £1,052,176 being cash and equivalents and trade receivables (2017: £1,309,646).

The creditworthiness of potential new clients is assessed by the directors during the contract negotiation stages. All stock that is purchased on behalf of clients is registered into the name of Hubwise Nominees Limited. Hubwise Securities Limited has the legal right to sell this stock if the client defaults on monies owed.

Capital

The capital structure of the Company consists of intercompany loans and equity attributable to equity holders of the parent, comprising issued capital and reserves.

The Company has an Internal Capital Adequacy Assessment Process ("ICAAP"), as required by the Financial Conduct Authority for establishing the amount of regulatory capital to be held by the Company / Group. The ICAAP gives consideration to current and projected financial and capital positions. The ICAAP is updated throughout the year to take account of any significant changes to business plans and any unexpected issues that may occur. The ICAAP is discussed and approved at a board meeting at least annually. Capital adequacy is monitored daily by management. Further details can be found on our website: www.hubwise.co.uk.

15 EVENTS AFTER THE BALANCE SHEET DATE

On 25th October 2018 the Company issued 161,245 new shares at £2 per share (including share premium). The total consideration of £322,490 was received in full.

On 26th October 2018 the Hubwise Holdings Limited also acquired the entire issued share capital of STechnology Limited for a consideration of £2,691,000 being 1,345,500 Ordinary shares at £2 per share including share premium, by way of a share for share exchange.

The fair value of the assets and the contingent consideration liability have not yet been identified at the date of signature of these financial statements as there have been no post-acquisition period financial results upon which to determine the contingent consideration.

STechnology Limited is currently outside of the Hubwise group but with a number of common shareholders and a complimentary business. STechnology Limited is a software provider that provides hosting and IT outsourcing to the Hubwise group, its only customer. Hubwise's operations are dependent on use of the technology that has been developed by (and that is owned by) STechnology Limited. It has therefore been agreed that Hubwise will acquire the entire share capital of STechnology Limited (issuing its own shares as consideration).

The last filed accounts of STechnology Limited for the year ended 31st July 2017 reported a net profit of £3,481. Capital expenditure in the year ended 31st July 2017 was insignificant. Net and gross assets at that date were £119,910 and £85,472 respectively. Acquisition related costs of approximately £15,000 will be recognised as an expense in the statement of comprehensive income for the year ending 31st January 2019.

On 29th October 2018 the Company issued 293,337 new shares at £2 per share (including share premium). The total consideration of £586,674 was received in full.