

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020

4CAST LIMITED

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4CAST LIMITED

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4CAST LIMITED
REGISTERED NUMBER:2711701

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	4	-	6,458
Tangible assets	5	1,922	3,282
Investments	6	1,306	1,306
		<u>3,228</u>	<u>11,046</u>
Current assets			
Debtors: amounts falling due within one year	7	236,875	317,833
Cash at bank and in hand		71,465	821
		<u>308,340</u>	<u>318,654</u>
Creditors: amounts falling due within one year	8	(3,958,135)	(3,465,203)
Net current liabilities		<u>(3,649,795)</u>	<u>(3,146,549)</u>
Total assets less current liabilities		<u>(3,646,567)</u>	<u>(3,135,503)</u>
Creditors: amounts falling due after more than one year	9	(3,738,274)	(3,426,235)
Net liabilities		<u><u>(7,384,841)</u></u>	<u><u>(6,561,738)</u></u>
Capital and reserves			
Called up share capital		725,745	725,745
Profit and loss account		(8,110,586)	(7,287,483)
		<u><u>(7,384,841)</u></u>	<u><u>(6,561,738)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

K Arora
Director

Date: 16 November 2021

The notes on pages 2 to 9 form part of these financial statements.

4CAST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. General information

4Cast Limited is a private company limited by shares, incorporated in England and Wales. The address of its registered office is disclosed on the company information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The Company, and the Group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and Group are considered eligible for the exemption to prepare consolidated accounts.

2.3 Going concern

As at 31 December 2020, 4Cast Limited had net liabilities of £7,384,841 (2019: £6,561,738) and incurred a loss of £823,103 in the year (2019: £922,967).

The directors have considered the financing facilities available to the company which consist of support from Mr K Arora, a director and controlling party. Mr Arora has confirmed that he will continue to support the company by not withdrawing funds and providing additional support as required. On reviewing the company's future cash flow requirements in conjunction with this support, the directors believe that it is appropriate to prepare the accounts on the going concern basis.

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software and licences	-	20% straight line
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2.13 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	20%	Straight line
Office equipment	-	20%	Straight line
Other fixed assets	-	20%	Straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.17 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

3. Employees

The average monthly number of employees, including directors, during the year was 21 (2019 - 29).

4. Intangible assets

	Software and licences £
Cost	
At 1 January 2020	123,864
At 31 December 2020	123,864
Amortisation	
At 1 January 2020	117,406
Charge for the year on owned assets	6,458
At 31 December 2020	123,864
Net book value	
At 31 December 2020	-
At 31 December 2019	6,458

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

5. Tangible fixed assets

	Office equipment £
Cost	
At 1 January 2020	173,221
At 31 December 2020	173,221
Depreciation	
At 1 January 2020	169,939
Charge for the year on owned assets	1,360
At 31 December 2020	171,299
Net book value	
At 31 December 2020	1,922
<i>At 31 December 2019</i>	<i>3,282</i>

6. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2020	361,839
At 31 December 2020	361,839
Impairment	
At 1 January 2020	360,533
At 31 December 2020	360,533
Net book value	
At 31 December 2020	1,306
<i>At 31 December 2019</i>	<i>1,306</i>

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

7. Debtors

	2020 £	2019 £
Trade debtors	50,422	219,779
Other debtors	-	2,990
Prepayments and accrued income	2,190	95,064
Tax recoverable	184,263	-
	<u>236,875</u>	<u>317,833</u>

8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	492,637	495,795
Trade creditors	133,071	289,778
Amounts owed to group undertakings	2,495,906	1,813,956
Other taxation and social security	305,598	141,881
Other creditors	17,477	87,505
Accruals and deferred income	513,446	636,288
	<u>3,958,135</u>	<u>3,465,203</u>

The bank overdraft is secured by way of a fixed and floating charge and a negative pledge over both the present and future assets of the company. There is a composite company limited multilateral guarantee provided by both the company and 4Cast Group Limited, its immediate parent, to HSBC. At the year end, there is no contingent liability in respect of this guarantee.

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

	2020 £	2019 £
Amounts owed to group undertakings	3,738,274	3,426,235
	<u>3,738,274</u>	<u>3,426,235</u>

10. Related party transactions

The company has taken advantage of the exemption FRS 102 section 33.1A not to disclose transactions with group entities on the grounds that it is a wholly-owned subsidiary undertaking.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

11. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2020 was unqualified.

The audit report was signed on 22 November 2021 by Ralph Mitchison FCA (Senior Statutory Auditor) on behalf of Menzies LLP.

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.