

Company Registration No. 06979284 (England and Wales)

THE SENSIBLE CODE COMPANY LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017
PAGES FOR FILING WITH REGISTRAR

THE SENSIBLE CODE COMPANY LTD

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THE SENSIBLE CODE COMPANY LTD

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Intangible assets	3		589,900		557,218
Tangible assets	4		2,614		1,413
			<u>592,514</u>		<u>558,631</u>
Current assets					
Debtors	5	407,901		254,866	
Cash at bank and in hand		57,159		195,486	
		<u>465,060</u>		<u>450,352</u>	
Creditors: amounts falling due within one year	6	(108,873)		(108,744)	
Net current assets			<u>356,187</u>		<u>341,608</u>
Total assets less current liabilities			<u>948,701</u>		<u>900,239</u>
Creditors: amounts falling due after more than one year	7		(195,893)		(221,653)
Net assets			<u><u>752,808</u></u>		<u><u>678,586</u></u>
Capital and reserves					
Called up share capital	8		105,609		105,609
Share premium account			635,868		635,868
Profit and loss reserves			11,331		(62,891)
Total equity			<u><u>752,808</u></u>		<u><u>678,586</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 August 2017 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 SENSIBLE CODE COMPANY LTD

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2017

The financial statements were approved by the board of directors and authorised for issue on 24 August 2018 and are signed on its behalf by:

A M McGuire
Director

Company Registration No. 06979284

THE SENSIBLE CODE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

Company information

The Sensible Code Company Ltd is a private company limited by shares incorporated in England and Wales. The registered office is James House, Stonecross Business Park, Yew Tree Way, Warrington, Cheshire, WA3 3JD.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

These financial statements for the year ended 31 August 2017 are the first financial statements of The Sensible Code Company Ltd prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2015. The financial statements of the company for the year ended 31 August 2016 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP'). Some of the FRS102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS102. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Turnover

Turnover represents amounts receivable for the provision of data products and data science services provided before the balance sheet date net of VAT and trade discounts.

1.3 Research and development expenditure

Development expenditure is written off to the profit and loss account in the year in which it is incurred 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, which is considered to be 10 years.

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 cost or 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	10% per annum on a straight line basis
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THE SENSIBLE CODE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (Continued)

1.5 Tangible fixed assets

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

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

Fixtures, fittings and equipment	33.33% per annum on a straight line basis
Computer equipment	33.33% per annum on a straight line basis

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

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.7 Cash at bank and in hand

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.

THE SENSIBLE CODE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Basic financial assets

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

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

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

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

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue 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.

THE SENSIBLE CODE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Deferred tax

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

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

1.11 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 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.

1.13 Government Grants received

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

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 5 (2016 - 7).

THE SENSIBLE CODE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

3	Intangible fixed assets	Development costs
		£
	Cost	
	At 1 September 2016	965,965
	Additions	120,132
		<hr/>
	At 31 August 2017	1,086,097
		<hr/>
	Amortisation and impairment	
	At 1 September 2016	408,747
	Amortisation charged for the year	87,450
		<hr/>
	At 31 August 2017	496,197
		<hr/>
	Carrying amount	
	At 31 August 2017	589,900
		<hr/>
	At 31 August 2016	557,218
		<hr/>
4	Tangible fixed assets	Plant and machinery etc
		£
	Cost	
	At 1 September 2016	7,971
	Additions	2,095
		<hr/>
	At 31 August 2017	10,066
		<hr/>
	Depreciation and impairment	
	At 1 September 2016	6,558
	Depreciation charged in the year	894
		<hr/>
	At 31 August 2017	7,452
		<hr/>
	Carrying amount	
	At 31 August 2017	2,614
		<hr/>
	At 31 August 2016	1,413
		<hr/>

THE SENSIBLE CODE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

5 Debtors	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	80,165	76,708
Other debtors	327,736	178,158
	<u>407,901</u>	<u>254,866</u>
	<u><u>407,901</u></u>	<u><u>254,866</u></u>
6 Creditors: amounts falling due within one year	2017	2016
	£	£
Trade creditors	39,241	28,215
Amounts due to group undertakings	6,504	-
Other taxation and social security	4,468	6,263
Other creditors	58,660	74,266
	<u>108,873</u>	<u>108,744</u>
	<u><u>108,873</u></u>	<u><u>108,744</u></u>
Included in other creditors are loans of £37,500 (2016: £16,500) on which security is provided.		
7 Creditors: amounts falling due after more than one year	2017	2016
	£	£
Other creditors	195,893	221,653
	<u>195,893</u>	<u>221,653</u>
	<u><u>195,893</u></u>	<u><u>221,653</u></u>
Included in other creditors are loans of £93,000 (2016: £130,500) on which security is provided.		
8 Called up share capital	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
143,339 Ordinary shares of 33.2966p each	47,727	47,727
6,180 Ordinary B shares of £1 each	6,180	6,180
51,702 Ordinary A shares of £1 each	51,702	51,702
	<u>105,609</u>	<u>105,609</u>
	<u><u>105,609</u></u>	<u><u>105,609</u></u>

THE SENSIBLE CODE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 Operating lease commitments

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

	2017	2016
	£	£
	20,853	41,706
	<u>20,853</u>	<u>41,706</u>

10 Directors' transactions

Description	% Rate	Opening balance	Amounts repaid	Closing balance
		£	£	£
F Irving - Director's loan account	-	16,305	(126)	16,179
J Todd - Director's loan account	-	3,433	-	3,433
		<u>19,738</u>	<u>(126)</u>	<u>19,612</u>

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.