

REGISTERED NUMBER: 08021550 (England and Wales)

Unaudited Financial Statements for the Year Ended 31 December 2019

for

Resolving Limited

Davis Grant Limited
Chartered Certified Accountants
Treviot House
186-192 High Road
Ilford
Essex
IG1 1LR

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for the Year Ended 31 December 2019**

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Resolving Limited (Registered number: 08021550)

Balance Sheet
31 December 2019

		2019		2018 as restated	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	4	1,780,714		1,339,823	
Tangible assets	5	91,719		104,387	
Investments	6	<u>1,059</u>		<u>1,059</u>	
			1,873,492		1,445,269
CURRENT ASSETS					
Debtors	7	3,616,022		3,486,368	
Cash at bank and in hand		<u>305,046</u>		<u>3,354,299</u>	
		3,921,068		6,840,667	
CREDITORS					
Amounts falling due within one year	8	<u>2,455,492</u>		<u>1,604,558</u>	
NET CURRENT ASSETS			<u>1,465,576</u>		<u>5,236,109</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,339,068</u>		<u>6,681,378</u>
CAPITAL AND RESERVES					
Called up share capital			171,738		171,738
Share premium			12,117,977		12,117,977
Share option reserves			1,086,848		800,970
Retained earnings			<u>(10,037,495)</u>		<u>(6,409,307)</u>
SHAREHOLDERS' FUNDS			<u>3,339,068</u>		<u>6,681,378</u>

The notes form part of these financial statements

**Balance Sheet - continued
31 December 2019**

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

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

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors on 11 March 2020 and were signed on its behalf by:

P Hancock - Director

Notes to the Financial Statements
for the Year Ended 31 December 2019

1. STATUTORY INFORMATION

Resolving Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address are as below:

Registered number: 08021550

Registered office: Treviot House
186-192 High Road
Ilford
Essex
IG1 1LR

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

Turnover

Turnover represents the net invoice value, excluding value added tax, of sales relating to the year.

Development costs

Amortisation is provided on a straight line basis over 3 years in order to write off the cost less estimated residual value of the asset over its estimated useful life.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Short leasehold - Straight line over the life of the lease
Fixtures and fittings - Straight line over 4 years

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

The company has incurred losses in the last two consecutive years. However, the directors believe sufficient financial resources are available to the company to enable it to continue trading into the foreseeable future. Therefore, the financial statements have been prepared on a going concern basis.

Investments

Fixed asset investments are stated at cost less provision for permanent diminution in value.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Share based payments

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Share-based payment transactions in which the company receives goods or services by incurring a liability to transfer cash or other assets that is based on the price of the company's equity instruments are accounted for as cash-settled share-based payments. The fair value of the amount payable to employees is recognised as an expense, with a corresponding increase in liabilities, over the period in which the employees become unconditionally entitled to payment. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expense in profit or loss.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 6 (2018 - 4) .

4. INTANGIBLE FIXED ASSETS

	Other intangible assets £
COST	
At 1 January 2019	2,851,897
Additions	<u>1,268,675</u>
At 31 December 2019	<u>4,120,572</u>
AMORTISATION	
At 1 January 2019	1,512,074
Charge for year	<u>827,784</u>
At 31 December 2019	<u>2,339,858</u>
NET BOOK VALUE	
At 31 December 2019	<u>1,780,714</u>
At 31 December 2018	<u>1,339,823</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

5. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc £	Totals £
COST			
At 1 January 2019	81,421	100,551	181,972
Additions	35,584	7,914	43,498
At 31 December 2019	<u>117,005</u>	<u>108,465</u>	<u>225,470</u>
DEPRECIATION			
At 1 January 2019	33,925	43,660	77,585
Charge for year	32,083	24,083	56,166
At 31 December 2019	<u>66,008</u>	<u>67,743</u>	<u>133,751</u>
NET BOOK VALUE			
At 31 December 2019	<u>50,997</u>	<u>40,722</u>	<u>91,719</u>
At 31 December 2018	<u>47,496</u>	<u>56,891</u>	<u>104,387</u>

6. FIXED ASSET INVESTMENTS

	Other investments £
COST	
At 1 January 2019 and 31 December 2019	<u>1,059</u>
NET BOOK VALUE	
At 31 December 2019	<u>1,059</u>
At 31 December 2018	<u>1,059</u>

7. DEBTORS

	2019 £	2018 as restated £
Amounts falling due within one year:		
Trade debtors	31,903	519,403
Amounts owed by related parties	2,309,891	848,521
Other debtors	<u>1,274,228</u>	<u>912,590</u>
	<u>3,616,022</u>	<u>2,280,514</u>
Amounts falling due after more than one year:		
Amounts owed by related parties	-	1,205,854
Aggregate amounts	<u>3,616,022</u>	<u>3,486,368</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019	2018
	£	as restated £
Trade creditors	173,945	145,793
Amounts owed to related parties	-	1,191,159
Taxation and social security	36,268	110,125
Other creditors	<u>2,245,279</u>	<u>157,481</u>
	<u>2,455,492</u>	<u>1,604,558</u>

9. **OTHER FINANCIAL COMMITMENTS**

At the period end the total financial commitments was £1,119,025 (2018; £353,040)

10. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to a director subsisted during the year ended 31 December 2019 and 31 December 2018

	2019	2018
£	£	
Amounts Advanced	54,463	172,594
Amounts Repaid	(76,102)	(174,737)

The loan to the director is repayable on demand. Interest is charged on loans at the official rate set by HMRC.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

11. SHARE-BASED PAYMENT TRANSACTIONS

Resolving Limited, issued EMI options to certain employees which provides additional remuneration for those employees who are key to the operations of the company. The options are granted with a fixed exercise price determined at the grant of the option. The options vest between 1 May 2015 to 21 January 2021 and they are exercisable within 10 years from the date of grant. Employees are not entitled to dividends until the shares are exercised. Vesting of options is subject to continued employment with the company.

The company has the following number of ordinary shares issuable under share options.

Share scheme	Date of Grant	Number of Ordinary Shares Under Option	Exercise Price	Exercise Period
Enterprise Management Incentives	30/01/2015	390,000	£0.01	31/01/2016 - 31/01/2026
Enterprise Management Incentives	10/03/2015	5,000	£0.01	11/03/2016 - 11/03/2026
Unapproved Share Option Scheme	02/05/2015	15,000	£0.01	03/05/2016 - 03/05/2026
Enterprise Management Incentives	08/06/2015	10,000	£0.01	09/06/2016 - 09/06/2026
Enterprise Management Incentives	21/09/2015	5,000	£0.01	22/09/2016 - 22/09/2026
Enterprise Management Incentives	01/12/2015	15,000	£0.01	02/12/2016 - 02/12/2026
Enterprise Management Incentives	03/10/2016	2,174	£0.01	22/01/2018 - 22/01/2028
Enterprise Management Incentives	01/12/2016	10,000	£0.01	22/01/2018 - 22/01/2028
Enterprise Management Incentives	04/12/2016	75,000	£0.01	22/01/2018 - 22/01/2028
Enterprise Management Incentives	29/12/2016	1,776	£0.01	22/01/2018 - 22/01/2028
Enterprise Management Incentives	10/01/2017	5,000	£0.01	22/01/2018 - 22/01/2028
Enterprise Management Incentives	04/04/2017	10,000	£0.01	22/01/2018 - 22/01/2028
Enterprise Management Incentives	24/04/2017	15,000	£0.01	22/01/2018 - 22/01/2028
Enterprise Management Incentives	13/05/2017	5,000	£0.01	22/01/2018 - 22/01/2028
Enterprise Management Incentives	27/05/2017	10,000	£0.01	22/01/2018 - 22/01/2028
Enterprise Management Incentives	02/08/2017	10,000	£0.01	22/01/2018 - 22/01/2028
Enterprise Management Incentives	05/09/2017	15,000	£0.01	22/01/2018 - 22/01/2028
Enterprise Management Incentives	26/09/2017	25,000	£0.01	22/01/2018 - 22/01/2028
Enterprise Management Incentives	01/10/2017	85,000	£0.01	22/01/2018 - 22/01/2028
Enterprise Management Incentives	14/10/2017	5,000	£0.01	22/01/2018 - 22/01/2028
Enterprise Management Incentives	21/11/2017	10,000	£0.01	22/01/2018 - 22/01/2028
Enterprise Management Incentives	05/12/2017	5,000	£0.01	22/01/2018 - 22/01/2028

Resolving Limited (Registered number: 08021550)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2019**

Enterprise Management Incentives	22/01/2018	35,000	£0.01	22/01/2019 - 22/01/2029
Enterprise Management Incentives	22/01/2018	351,000	£0.01	23/04/2018 - 23/04/2028

Options

Brought forward				EMI Scheme 1,121,000
Granted in the year				nil
Exercised in the year				nil
Lapsed in the year				(6,050)
Carried forward				1,114,950
Exercisable in the year				1,114,950

The fair value of the options granted have been calculated using the Black Scholes model. The total charge for the period was £285,878 (2018: £554,933)

12. CONVERTIBLE LOAN NOTES

On 4 November 2019, the Company issued 3,000,000 10% fixed rate unsecured convertible loan notes of £1 each of which £2,015,000 was received. The loan notes are convertible into fully paid shares with final conversion expected by 31 December 2020.

When issued, the new shares shall rank pari passu with the current issued share capital of the Company.

Subject to agreement between the Company and the loan note holder, the outstanding value of loan notes can be redeemed at any time at the principal amount plus outstanding interest. The Company does not have the right to repay the loan notes without the agreement of the loan note holder.

The equity element of the shares is not material and, as such, the value of the loan notes has been included within creditors: amounts falling due within one year.

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.