

Company Registration No. 06979284 (England and Wales)

**THE SENSIBLE CODE COMPANY LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019
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 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Intangible assets	3		647,014		620,227
Tangible assets	4		2,180		2,997
			<u>649,194</u>		<u>623,224</u>
Current assets					
Debtors	5	281,516		239,697	
Cash at bank and in hand		45,632		146,967	
		<u>327,148</u>		<u>386,664</u>	
Creditors: amounts falling due within one year	6	<u>(143,410)</u>		<u>(99,299)</u>	
Net current assets			<u>183,738</u>		<u>287,365</u>
Total assets less current liabilities			<u>832,932</u>		<u>910,589</u>
Creditors: amounts falling due after more than one year	7		<u>(127,407)</u>		<u>(127,397)</u>
Net assets			<u><u>705,525</u></u>		<u><u>783,192</u></u>
Capital and reserves					
Called up share capital	8		98,526		105,609
Share premium account			635,868		635,868
Capital redemption reserve			6,658		-
Profit and loss reserves			<u>(35,527)</u>		<u>41,715</u>
Total equity			<u><u>705,525</u></u>		<u><u>783,192</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 2019 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 2019

The financial statements were approved by the board of directors and authorised for issue on 23 April 2020 and are signed on its behalf by:

A M McGuire
Director

Company Registration No. 06979284

THE SENSIBLE CODE COMPANY LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 September 2017		105,609	635,868	-	11,331	752,808
Year ended 31 August 2018:						
Profit and total comprehensive income for the year		-	-	-	30,384	30,384
Balance at 31 August 2018		105,609	635,868	-	41,715	783,192
Year ended 31 August 2019:						
Loss and total comprehensive income for the year		-	-	-	(46,978)	(46,978)
Own shares acquired		-	-	-	(30,264)	(30,264)
Redemption of shares	8	-	-	6,658	-	6,658
Reduction of shares	8	(6,658)	-	-	-	(6,658)
Other movements		(425)	-	-	-	(425)
Balance at 31 August 2019		98,526	635,868	6,658	(35,527)	705,525

THE SENSIBLE CODE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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.

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.

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

Patents	10% per annum on a straight line basis
Development Costs	10% per annum on a straight line basis

THE SENSIBLE CODE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

1.5 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost 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 and cash equivalents 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 2019

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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

THE SENSIBLE CODE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.10 Taxation

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

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.

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 profit or loss 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 leased 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 8 (2018 - 8).

THE SENSIBLE CODE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

3	Intangible fixed assets	Development costs
		£
	Cost	
	At 1 September 2018	1,221,829
	Additions	139,788
		<hr/>
	At 31 August 2019	1,361,617
		<hr/>
	Amortisation and impairment	
	At 1 September 2018	601,602
	Amortisation charged for the year	113,001
		<hr/>
	At 31 August 2019	714,603
		<hr/>
	Carrying amount	
	At 31 August 2019	647,014
		<hr/> <hr/>
	At 31 August 2018	620,227
		<hr/> <hr/>
4	Tangible fixed assets	Plant and machinery etc
		£
	Cost	
	At 1 September 2018	11,714
	Additions	939
	Disposals	(666)
		<hr/>
	At 31 August 2019	11,987
		<hr/>
	Depreciation and impairment	
	At 1 September 2018	8,717
	Depreciation charged in the year	1,607
	Eliminated in respect of disposals	(517)
		<hr/>
	At 31 August 2019	9,807
		<hr/>
	Carrying amount	
	At 31 August 2019	2,180
		<hr/> <hr/>
	At 31 August 2018	2,997
		<hr/> <hr/>

THE SENSIBLE CODE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

5 Debtors	2019	2018
	£	£
Amounts falling due within one year:		
Trade debtors	140,556	29,907
Other debtors	140,960	209,790
	<u>281,516</u>	<u>239,697</u>

6 Creditors: amounts falling due within one year	2019	2018
	£	£
Trade creditors	46,088	49,802
Taxation and social security	35,523	4,557
Other creditors	61,799	44,940
	<u>143,410</u>	<u>99,299</u>

Included in other creditors are loans of £37,500 (2018 - £37,500) which are secured by way of fixed and floating charges on the assets of the company.

7 Creditors: amounts falling due after more than one year	2019	2018
	£	£
Other creditors	127,407	127,397

Included in other creditors are loans of £55,500 (2018 - £55,500) which are secured by way of fixed and floating charges on the assets of the company.

8 Called up share capital	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
123,163 (2018 - 143,339) Ordinary shares of 33p each	40,644	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>98,526</u>	<u>105,609</u>

On 3 December 2018 the company bought back 20,176 Ordinary shares of £0.33 each for the consideration of £30,264.

THE SENSIBLE CODE COMPANY LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Directors' transactions

Advances or credits have been granted by the company to its directors as follows:

Description	Opening balance £	Closing balance £
J Todd - director's loan account	3,433	3,433
	<u>3,433</u>	<u>3,433</u>

Included in other creditors is £9,903 (2018 - £9,893) due to the directors of the company, of which £9,903 (2018 - £9,893) is due in more than one year.

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