Registered number: 03814021

"AMENDED"

NETSEND LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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NETSEND LIMITED

COMPANY INFORMATION

Directors	Mr P R Dodd-Noble Mr L Allen
Company secretary	Mrs J Dodd-Noble
Registered number	03814021
Registered office	Battersea Studios 80 Silverthorne Road London SW8 3HE
Trading Address	Unit F4.1 Battersea Studios 80 Silverthorne Road London SW8 3HE
Accountants	Ashon Chartered Accountants Sental House 66 Waldeck Road Strand on the Green London W4 3NU
Bankers	Barclays Bank plc Leicester LE87 2BR

NETSEND LIMITED
REGISTERED NUMBER: 03814021

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note		2016 £		*2015 £*
Fixed assets					
Intangible assets	4		**103,681**		*103,681*
Tangible assets	5		**115,523**		*39,958*
			219,204		*143,639*
Current assets					
Debtors: amounts falling due within one year	6	**539,593**		*597,249*	
Cash at bank and in hand	7	**5,641**		*10,800*	
		545,234		*608,049*	
Creditors: amounts falling due within one year	8	**(364,053)**		*(418,026)*	
Net current assets			**181,181**		*190,023*
Total assets less current liabilities			**400,385**		*333,662*
Creditors: amounts falling due after more than one year	9		**(144,110)**		*(100,537)*
Provisions for liabilities					
Deferred tax	12	**(21,664)**		*(5,686)*	
			(21,664)		*(5,686)*
Net assets			**234,611**		*227,439*

NETSEND LIMITED
REGISTERED NUMBER: 03814021

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2016

	Note	2016 £	*2015 £*
Capital and reserves			
Called up share capital		**1,000**	*1,000*
Profit and loss account		**233,611**	*226,439*
		234,611	*227,439*

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

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 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 comprehensive income 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 on 28 September 2017.

Mr P R Dodd-Noble
Director
The notes on pages 3 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

Netsend Limited is a private company limited by share capital and domiciled and incorporated in England & Wales.

The address of its registered office and principal place of business is Unit F4.1 Battersea Studios, 80 Silverthorne Road, London SW8 3HE.

The principal activity of the company during the year was in the field of e-document distribution, solutions and information technology.

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 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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. Accounting policies (continued)

2.3 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.

2.4 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

S/Term Leasehold Property	- over the period of lease
Plant & machinery	- 15% reducing balance basis
Office equipment	- 15% reducing balance basis
Software	- 20% straight line basis

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 the Statement of Comprehensive Income.

2.5 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.

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The Company only enters into basic financial instruments 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 non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each

2. Accounting policies (continued)

2.7 Financial instruments (continued)

reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

2.8 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.

2.9 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.10 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2. Accounting policies (continued)

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.15 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2. Accounting policies (continued)

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

2.18 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.

3. Employees

The average monthly number of employees, including directors, during the year was 24 *(2015 - 24)*.

4. Intangible assets

	Intellectual Software and Domain £
Cost	
At 1 January 2016	**103,681**
At 31 December 2016	**103,681**
Net book value	
At 31 December 2016	**103,681**
At 31 December 2015	*103,681*

5. Tangible fixed assets

	Short Leasehold Property £	Plant & equipment £	Motor vehicles £	Furniture, fittings & equipment £	Computer Software £
Cost or valuation					
At 1 January 2016	**4,582**	**29,471**	**-**	**31,239**	**53,320**
Additions	**-**	**-**	**90,087**	**8,823**	**-**
At 31 December 2016	**4,582**	**29,471**	**90,087**	**40,062**	**53,320**
Depreciation					
At 1 January 2016	**1,835**	**11,542**	**-**	**11,958**	**53,319**
Charge for the year on owned assets	**2,746**	**2,689**	**-**	**4,215**	**-**
Charge for the year on financed assets	**-**	**-**	**13,695**	**-**	**-**
At 31 December 2016	**4,581**	**14,231**	**13,695**	**16,173**	**53,319**
Net book value					
At 31 December 2016	**1**	**15,240**	**76,392**	**23,889**	**1**

5. Tangible fixed assets (continued)

At 31 December 2015	*2,747*	*17,928*	*-*	*19,282*	*1*

	Total £
Cost or valuation	
At 1 January 2016	**118,612**
Additions	**98,910**
At 31 December 2016	**217,522**
Depreciation	
At 1 January 2016	**78,654**
Charge for the year on owned assets	**9,650**
Charge for the year on financed assets	**13,695**
At 31 December 2016	**101,999**
Net book value	
At 31 December 2016	**115,523**
At 31 December 2015	*39,958*

The net book value of land and buildings may be further analysed as follows:

	2016 £	*2015 £*
Short leasehold	**1**	*2,747*
	1	*2,747*

6. Debtors

	2016 £	*2015 £*
Trade debtors excluding factored debts	**295,039**	*442,546*

6. Debtors (continued)

Trade debtors - Factored debts	**104,606**	-
Other debtors	**10,538**	*47,975*
Prepayments and accrued income	**129,410**	*106,728*
	539,593	*597,249*

The company has factored one of its overseas customers and uses a bank's invoice finance facilities involving factoring fees and disbursements. The amount of factored debt is discolosed separately as above.

7. Cash and cash equivalents

	2016 £	*2015* £
Cash at bank and in hand	**5,641**	*10,800*
Less: bank overdrafts	**(7,738)**	*(14,732)*
	(2,097)	*(3,932)*

8. Creditors: Amounts falling due within one year

	2016 £	*2015* £
Loan from director's pension scheme	**29,000**	*29,000*
Bank overdraft	**7,738**	*14,732*
Trade creditors	**188,037**	*209,093*
Corporation tax	**32,223**	*53,820*
Other taxation and social security	**76,587**	*98,318*
Obligations under finance lease and hire purchase contracts	**13,049**	-
Proceeds of factored debts	**(7,120)**	-
Other creditors	**20,039**	*8,863*
Accruals and deferred income	**4,500**	*4,200*
	364,053	*418,026*

Included in other creditors is an amount of £13,294 (2015: £4,635) due to the directors.

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

	2016 £	2015 £
Loan from director's pension scheme	**71,175**	*100,537*
Net obligations under finance leases and hire purchase contracts	**72,935**	-
	144,110	*100,537*

Secured loans

The loan from the directors pension scheme amounting to £100,175 (2015: £129,537) is secured over the company's Intellectual Property of bespoke software of Netsend.com

In May 2016, a debenture and a fixed and floating charge was created in favour of the company's factoring bank. At the balance sheet date, the factoring company owed Netsend Limited £7,120 {Debit}.

10. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Within one year	**13,049**	-
Between 1-2 years	**13,049**	-
Between 2-5 years	**59,886**	-
	85,984	-

11. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at fair value through profit or loss	**5,641**	*10,800*
	5,641	*10,800*

12. Deferred taxation

	2016 £
At beginning of year	**(5,686)**
Charged to profit or loss	**(15,978)**
At end of year	**(21,664)**

The provision for deferred taxation is made up as follows:

	2016 £
Accelerated capital allowances	**(21,664)**
	(21,664)

13. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £2,000 (2015 - £6,000). Contributions totalling £Nil (2015 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

14. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.