REGISTERED NUMBER: 06013169 (England and Wales)

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

FOR

PURENET SOLUTIONS LIMITED

PURENET SOLUTIONS LIMITED (REGISTERED NUMBER: 06013169)

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for the year ended 31 December 2018

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PURENET SOLUTIONS LIMITED

COMPANY INFORMATION
for the year ended 31 December 2018

DIRECTORS:	Dr P M Gibson I R Lawton J S Morgan D Warren P M Doherty
SECRETARY:	Dr P M Gibson
REGISTERED OFFICE:	Unit 8, 10 Great North Way York Business Park Nether Poppleton York YO26 6RB
REGISTERED NUMBER:	06013169 (England and Wales)

PURENET SOLUTIONS LIMITED (REGISTERED NUMBER: 06013169)

STATEMENT OF FINANCIAL POSITION
31 December 2018

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Intangible assets	4		296,836		411,259
Property, plant and equipment	5		42,717		50,819
Investments	6		105		104
			339,658		462,182
CURRENT ASSETS					
Debtors	7	237,089		562,420	
CREDITORS					
Amounts falling due within one year	8	859,426		734,450	
NET CURRENT LIABILITIES			(622,337)		(172,030)
TOTAL ASSETS LESS CURRENT LIABILITIES			(282,679)		290,152
CREDITORS					
Amounts falling due after more than one year	9		(120,874)		(206,388)
PROVISIONS FOR LIABILITIES			(40,226)		(73,864)
NET (LIABILITIES)/ASSETS			(443,779)		9,900
CAPITAL AND RESERVES					
Called up share capital			2,011		2,011
Share premium			891		891
Retained earnings			(446,681)		6,998
SHAREHOLDERS' FUNDS			(443,779)		9,900

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2018 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

(b) 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.

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 Income Statement has not been delivered.

The financial statements were approved and authorised for issue by the Board of Directors on 18 September 2019 and were signed on its behalf by:

Dr P M Gibson - Director

The notes form part of these financial statements

1. STATUTORY INFORMATION

PureNet Solutions Limited is a private company, limited by shares , registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

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

Significant judgements and estimates
In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

Critical judgements in applying the company's policies
The management consider that no significant judgements have had to made in preparing these financial statements.

Critical accounting estimates and assumptions
1. Amortisation of intangible assets
The annual amortisation charge for intangible assets is sensitive to changes in the estimated useful economic lives and future revenues generated relating to development costs capitalised. The assumptions used regarding useful economic lives are assessed annually. They are amended when necessary to reflect current estimates based on market conditions. Forecasted future revenues are reviewed annually to ensure they are in excess of development costs together with related production, selling and administrative costs.

2. Provisions
The management have assessed the necessary level of provisions required against bad debts and intercompany and other loans made based on previous experience and all available knowledge and information.

The directors do not consider that any other estimates and assumptions used in the preparation of these financial statements have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Turnover
Turnover represents goods and services supplied, excluding value added tax. Revenue is recognised to the extent that the company has obtained the right to consideration through its performance and is measured at the fair value of the right to consideration.

Goodwill and other intangible fixed assets
Acquired goodwill and other intangible fixed assets excluding development costs are written off in equal annual instalments over an estimated useful economic life of 10 years.

Development costs
Development costs relate to clearly defined software products and are capitalised where it is reasonably expected that future related revenues will exceed development costs together with related production, selling and administrative costs. Completed development costs are amortised over the period expected to benefit from future revenues, which is critically reviewed at each accounting date. For the purposes of section 844 of the Companies Act 2006 the amount of development costs capitalised are not treated as a realised loss for the purposes of making distributions.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.
Fixtures and fittings - 25% on reducing balance and 10% on cost

Investments in subsidiaries
Investment in subsidiary undertakings are recognised at cost less impairment

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2. ACCOUNTING POLICIES - continued

Financial instruments
The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade, other accounts receivable and payable and loans to related parties.

Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Debt instruments such as loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised costs using the effective interest method.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Operating leases
Operating lease rentals are charged against profits of the period to which they relate.

Pension costs and other post-retirement benefits
Payments to defined contribution pension schemes are charged as an expense in the period to which they relate.

Going concern
The company has a net liability position however the directors are satisfied that sufficient resources will be available to continue operating for the foreseeable future despite the net current liabilities shown in these accounts. Thus the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 45 (2017 - 52) .

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4. **INTANGIBLE FIXED ASSETS**

	Goodwill	Other intangible assets	Totals
	£	£	£
COST			
At 1 January 2018	12,265	485,231	497,496
Disposals	-	(94,781)	(94,781)
At 31 December 2018	12,265	390,450	402,715
AMORTISATION			
At 1 January 2018	6,991	79,246	86,237
Charge for year	753	18,889	19,642
At 31 December 2018	7,744	98,135	105,879
NET BOOK VALUE			
At 31 December 2018	4,521	292,315	296,836
At 31 December 2017	5,274	405,985	411,259

5. **PROPERTY, PLANT AND EQUIPMENT**

	Fixtures and fittings
	£
COST	
At 1 January 2018	140,174
Additions	3,396
Disposals	(333)
At 31 December 2018	143,237
DEPRECIATION	
At 1 January 2018	89,355
Charge for year	11,193
Eliminated on disposal	(28)
At 31 December 2018	100,520
NET BOOK VALUE	
At 31 December 2018	42,717
At 31 December 2017	50,819

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6. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 January 2018	104
Additions	5
Disposals	(4)
At 31 December 2018	105
NET BOOK VALUE	
At 31 December 2018	105
At 31 December 2017	104

7. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Trade debtors	154,542	241,828
Amounts owed by group undertakings	23,910	326
Other debtors	58,637	320,266
	237,089	562,420

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

	2018 £	2017 £
Bank loans and overdrafts	123,379	48,300
Trade creditors	142,378	2,534
Amounts owed to group undertakings	34,811	50,035
Taxation and social security	53,993	95,871
Other creditors	504,865	537,710
	859,426	734,450

9. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018 £	2017 £
Other creditors	120,874	206,388

10. **SECURED DEBTS**

The following secured debts are included within creditors:

	2018 £	2017 £
Bank overdrafts	123,379	48,300
Other loans	206,418	322,909
	329,797	371,209

The loans are secured by means of a directors' joint and several personal guarantee of £284,980 and a fixed and floating charge over all property or undertaking of the company. The bank overdraft is secured by means of debenture creating a fixed and floating charge over the undertaking and all property and assets present and future.

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11. OTHER FINANCIAL COMMITMENTS

Total financial commitments, guarantees and contingencies which are not included in the balance sheet amount to £96,563 (2017 - £133,991).

12. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The directors operate loan accounts with the company which are repayable on demand. The following advances and credits subsisted during the years ended 31 December 2018 and 31 December 2017.

	2018 £	2017 £
Balances outstanding at start of year	-	-
Amounts advanced	90,253	-
Amounts repaid	(90,253)	-
Amounts written off	-	-
Amounts waived	-	-
Balances outstanding at end of year	-	-

Advances to the directors bear interest at a rate of 4%

13. RELATED PARTY DISCLOSURES

Management charges are included in turnover £495,569 (2017 - £429,362), cost of sales £81,000 (2017 - £nil) and administrative expenses £271,403 (2017 - £nil) to/from related companies, which are either subsidiaries or otherwise controlled by directors and shareholders of this company.

Balances due from/to these related companies at the year end included in debtors are £23,910 (2017 - £285,170) and in creditors £175,690 (2017 - £50,035). These amounts are interest free and repayable on demand.

During the year, the amount written off a loan balance due from a related company was £289,624.

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.