Airtime Rewards Limited

Unaudited Financial Statements for the Year Ended 31st October 2018

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for the year ended 31st October 2018

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Company Information

for the year ended 31st October 2018

Directors
A S Ward
J S Graham
N S Graham

Secretary
A S Ward

Registered Number
08731821

Bankers
Silicon Valley Bank
Alphabeta, 18 Finsbury Square
London
EC2A 1BR

Barclays Bank PLC
Manchester City Office
51 Moseley Street
Manchester
M2 3HQ

Registered Office
1st Floor, Eagle Buildings
64 Cross Street
Manchester
M2 4JQ

Statement of Financial Position

for the year ended 31st October 2018

	Note	*2018* £	*2017 Restated* £
Fixed assets			
Tangible assets	2	13,718	6,143
Intangible assets	3	23,525	10,121
		37,243	16,264
Current assets			
Debtors	4	245,453	32,809
Cash at bank and in hand		472,072	176,807
		717,525	209,616
Creditors: amount falling due within one year	5	(255,241)	(102,612)
Net current assets		**462,284**	**107,004**
Total assets less current liabilities		**499,527**	**123,268**
Creditors: amount falling due after more than one year	6	(12,261)	(68,000)
Provisions for liabilities	7	(59,911)	(6,683)
Net assets		**427,355**	**48,585**
Capital and reserves			
Called up share capital		459	358
Share premium		1,492,892	424,960
Profit and loss account		(1,065,996)	(376,733)
		427,355	**48,585**

The notes on page 5 to 11 form part of these financial statements.

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 relating to small companies for the year ended 31st October 2018.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st October 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.

Statement of Financial Position

for the year ended 31st October 2018

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

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

The financial statements on pages 3 to 4 were approved by the board of directors on 12th February 2019 and signed on its behalf by:

A S Ward
Director
12th February 2019

Notes to the Financial Statements

for the year ended 31st October 2018

1. Accounting policies

1.1 Company information

Airtime Rewards Limited is a private company limited by shares, which is incorporated and domiciled in the United Kingdom. The registered address of the company is 1st Floor, Eagle Buildings, 64 Cross Street, Manchester, M2 4JQ. The principal activity of the company is delivering unique customer loyalty and rewards solutions.

1.2 Basis of preparation of financial statements

The financial statements have been prepared in compliance with FRS 102 Section 1A "small entities" as it applies to the financial statements for the year ended 31st October 2018. The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards.

The financial statements of Airtime Rewards Limited were authorised for issue by the Board of Directors on 12th February 2018. The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest pound (£).

1.3 Going concern

Management have assessed the going concern basis of accounting and concluded that it remains appropriate to continue to adopt the going concern basis in preparing its financial statements.

1.4 Judgement and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the year-end date and the amounts reported for revenues and expenses during the year.

However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgement (apart from those involving estimates) has had the most significant effect on amounts recognised in the financial statements.

The management note that the number of users being rewarded through the Company's activity has significantly grown through the period and will continue to do so. At this time and in line with management's prudent estimations no value has been recognised in the accounts.

User reward redemption provision

The redemption provision represents the potential liability for future redemptions of user rewards issued by the Company. The Company provides for the proportion of the total value of rewards issued that it expects to be redeemed in the future, based on the average redemption rates on the platform historically.

Notes to the Financial Statements

for the year ended 31st October 2018

Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

1.5 Basic financial instruments

Trade and other debtors
Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Debtors are assessed for impairment at each year end date.

Trade and other creditors
Trade and other creditors are recognised initially at transaction price plus attributable transaction costs.

Cash at bank and in hand
Cash at bank and in hand comprise cash balances.

1.6 Turnover

Turnover is measured at the fair value of the consideration received or receivable after user reward redemptions and provisions for such liabilities, excluding discounts, rebates, value added tax and other sales taxes.

1.7 Tangible assets and depreciation

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Depreciation is provided at the following annual rates in order to write off each asset on a straight-line basis over its estimated useful life. The following useful economic lives are applied:

Office equipment	- 3 years
Computer equipment	- 3 years
Motor vehicles	- 4 years

Notes to the Financial Statements

for the year ended 31st October 2018

1.8 Intangible assets

Development costs are capitalised within intangible assets where they can be identified with a specific product or project anticipated to produce future benefits and are amortised on the straight-line basis over the anticipated life of the benefits arising from the completed products or project.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight-line basis over their estimated useful lives. The following useful economic lives are applied:

Domain name	- 3 years
Software development costs	- 5 years

1.9 Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised evenly over the period of expected future benefit. The asset is tested for impairment annually through its future cash flows and value in use.

Pure and applied research expenditure may not be capitalised and is written off in the year of expenditure through the profit and loss account.

1.10 Operating Leases

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

1.11 Income Taxes

Current income tax
The Company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Notes to the Financial Statements

for the year ended 31st October 2018

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

The company has tax losses of approximately £1,065,996 (2017: £376,733) available to carry forward and offset future taxable profits.

Deferred Taxation
Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statement and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

1.12 Foreign Currencies

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary
assets and liabilities denominated in foreign currencies at the year-end date are retranslated to the Company's functional currency at the foreign exchange rate ruling at that date. Exchange gains and losses are taken to the profit and loss account in arriving at the operating profit.

1.13 Pension

The Company operates a defined contribution pension scheme. Contributions to defined contribution schemes are recognised in the profit and loss account in the period in which they become payable in accordance with the rules of the scheme.

Notes to the Financial Statements

for the year ended 31st October 2018

2. Tangible assets

	Office equipment £	*Computer equipment* £	*Motor Vehicles* £	*Total* £
Cost:				
At 1st November 2017	-	7,183	6,200	**13,383**
Additions	2,895	9,315	-	**12,210**
Disposals	-	-	(2,971)	**(2,971)**
At 31st October 2018	**2,895**	**16,498**	**3,229**	**22,622**
Depreciation:				
At 1st November 2017	-	(3,656)	(3,584)	**(7,240)**
Provided during the year	(630)	(1,389)	355	**(1,664)**
Impairment loss	-	-	-	-
Disposals	-	-	-	-
At 31st October 2018	**(630)**	**(5,045)**	**(3,229)**	**(8,904)**
Net Book Value:				
At 31st October 2017	-	3,527	2,616	6,143
At 31st October 2018	**2,265**	**11,453**	-	**13,718**

Notes to the Financial Statements

for the year ended 31st October 2018

3. Intangible Assets

	Domain Names £	*Development* £	*Total* £
Cost:			
At 1st November 2017	-	16,869	**16,869**
Additions	1,080	15,000	**16,080**
Disposals	-	-	-
At 31st October 2018	**1,080**	**31,869**	**32,949**
Amortisation:			
At 1st November 2017	-	(6,748)	**(6,748)**
Provided during the year	(730)	(1,946)	**(2,676)**
Impairment loss	-	-	-
Disposals	-	-	-
At 31st October 2018	**(730)**	**(8,694)**	**(9,424)**
Net Book Value:			
At 31st October 2017	-	10,121	**10,121**
At 31st October 2018	**350**	**23,175**	**23,525**

4. Debtors

	2018 £	*2017* £
Trade debtors	63,548	22,421
Other debtors	19	6,120
Prepayments and accrued income	155,536	2,002
VAT	26,350	2,266
	245,453	**32,809**

5. Creditors: Amounts Falling Due Within One Year

	2018 £	*2017* £
Trade creditors	167,687	27,729
Other creditors	161	70,423
Accruals and deferred income	59,571	4,460
Corporation tax	-	-
Social security and other taxes	27,822	-
	255,241	**102,612**

Notes to the Financial Statements

for the year ended 31st October 2018

6. Creditors: Amounts Falling Due After One Year

	2018 £	*2017* £
Other creditors	12,261	68,000
	12,261	**68,000**

7. Provisions for Liabilities

	2018 £	*2017* £
Deferred tax	-	2,441
Redemption provision	59,911	4,242
	59,911	**6,683**