
RSG INNOVATIONS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 OCTOBER 2018

RSG INNOVATIONS LIMITED
REGISTERED NUMBER: 10424493

BALANCE SHEET
AS AT 31 OCTOBER 2018

| | Note | 2018 £ | 2017 £ |
|--|------|------------------------|---------------------|
| Fixed assets | | | |
| Intangible assets | 5 | 84,942 | 30,952 |
| | | <u>84,942</u> | <u>30,952</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 6 | 20,171 | 12,151 |
| Cash at bank and in hand | 5 | 5 | 11 |
| | | <u>20,176</u> | <u>12,162</u> |
| Creditors: amounts falling due within one year | 7 | (146,408) | (40,821) |
| Net current liabilities | | <u>(126,232)</u> | <u>(28,659)</u> |
| Total assets less current liabilities | | <u>(41,290)</u> | <u>2,293</u> |
| Provisions for liabilities | | | |
| Deferred tax | 8 | (1,571) | (3,202) |
| | | <u>(1,571)</u> | <u>(3,202)</u> |
| Net liabilities | | <u><u>(42,861)</u></u> | <u><u>(909)</u></u> |
| Capital and reserves | | | |
| Called up share capital | 9 | 1,000 | 1,000 |
| Profit and loss account | | (43,861) | (1,909) |
| | | <u><u>(42,861)</u></u> | <u><u>(909)</u></u> |

RSG INNOVATIONS LIMITED
REGISTERED NUMBER: 10424493

BALANCE SHEET (CONTINUED)
AS AT 31 OCTOBER 2018

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 Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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 income and retained earnings 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 23 April 2019.

R Desai
Director

The notes on pages 3 to 8 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

1. General information

The Company is a private company, limited by shares, incorporated and domiciled in England within the United Kingdom, registration number 10424493. The Company's registered office is 273 Stoney Lane Yardley, Birmingham, England, B25 8YG.

The company was incorporated on 13 October 2016 and commenced trading on that date. Comparative figures in the accounts cover the period from incorporation to 31 October 2017.

The financial statements are presented in sterling which is the functional currency of the company and the financial statements are rounded to the nearest £1.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Cash flow

Under Financial Reporting Standard 102, the company is exempt from the requirement to prepare a cash flow statement on the grounds that it qualifies as a small company.

2.2 Going concern

During the year the company made a loss and as a result has net liabilities as at 31 October 2018. The director and shareholders will continue to support the company and therefore the accounts have been prepared on a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

2. Accounting policies (continued)

2.3 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.

2.4 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

2. Accounting policies (continued)

2.5 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, 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 balance sheet 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 Balance sheet 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 balance sheet date.

2.6 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.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.8 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.

2.9 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

2. Accounting policies (continued)

2.10 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 income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet 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 Balance sheet.

2.11 Financial instruments

The Company only enters into basic financial instrument 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

| | 2018 | <i>2017</i> |
|-----------|-------------|-------------|
| | No. | <i>No.</i> |
| | 2 | <i>2</i> |
| Employees | <u>2</u> | <u>2</u> |

4. Taxation

As at 31 October 2018 the company had trading tax losses of £76,674 (2017 - £14,100) available to be offset against future trading profits.

RSG INNOVATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018

5. Intangible assets

| | Develop-ment £ |
|---------------------------|-------------------|
| Cost | |
| At 1 November 2017 | 30,952 |
| Additions | 53,990 |
| | <u>84,942</u> |
| At 31 October 2018 | |
| | <u>84,942</u> |
| Net book value | |
| At 31 October 2018 | <u>84,942</u> |
| <i>At 31 October 2017</i> | <u>30,952</u> |

6. Debtors

| | 2018 £ | 2017 £ |
|---------------|---------------|---------------|
| Other debtors | 20,171 | 12,151 |
| | <u>20,171</u> | <u>12,151</u> |

7. Creditors: Amounts falling due within one year

| | 2018 £ | 2017 £ |
|------------------------------------|----------------|---------------|
| Trade creditors | 10,722 | 400 |
| Amounts owed to group undertakings | 110,942 | 14,916 |
| Other creditors | 22,844 | 23,235 |
| Accruals and deferred income | 1,900 | 2,270 |
| | <u>146,408</u> | <u>40,821</u> |

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018**

8. Deferred taxation

| | 2018 £ |
|---------------------------|---------------------|
| At beginning of year | 3,202 |
| Charged to profit or loss | - |
| Utilised in year | (1,631) |
| At end of year | <u>1,571</u> |

The provision for deferred taxation is made up as follows:

| | 2018 £ | 2017 £ |
|---|---------------------|---------------------|
| Tax losses carried forward | (14,568) | - |
| R&D claim on intangible development costs | 16,139 | 3,202 |
| | <u>1,571</u> | <u>3,202</u> |

9. Share capital

| | 2018 £ | 2017 £ |
|--|---------------------|---------------------|
| Allotted, called up and fully paid | | |
| 1,000 (2017 - 1,000) Ordinary shares of £1.00 each | <u>1,000</u> | <u>1,000</u> |

10. Related party transactions

During the year the company received £96,026 from the parent company and as at 31 October 2018 £110,942 (2017 - £14,916) was owed by the company.

All loans are interest free and repayable on demand.

11. Controlling party

The ultimate and immediate parent company is Saville Estates Limited a company registered in England and Wales. The registered office of the parent company is Forward House, 17 High Street, Henley In Arden, Warwickshire, B95 5AA.

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