

Company Registration No. 03730687 (England and Wales)

RIDGMOUNT HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

RIDGMOUNT HOLDINGS LIMITED

COMPANY INFORMATION

Directors	D Immanuel R Immanuel
Secretary	J M Dent
Company number	03730687
Registered office	21-23 East Street Fareham Hampshire PO16 0BZ
Auditor	Heywards 2nd Floor 21-22 Great Castle Street London W1G 0HZ

RIDGMOUNT HOLDINGS LIMITED

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RIDGMOUNT HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2019

The directors present the strategic report for the year ended 30 June 2019.

Fair review of business

The principal activity of the group of companies is varied and identified below;

InterRegs Limited - An online resource for up-to-date, global vehicle safety and emissions regulations.

Intereurope Communications Limited - A marketing, creative and PR agency.

Intonation Limited - A company providing professional translation and interpreting services to local and global companies.

Intereurope Limited - A holding company

Lacrosse Language Solutions Sp. z.o.o - A company providing professional translation services in Poland

Lacrosse Language Consultancy Ltd - A company providing professional translation services

In October 2018, a company within group acquired two businesses providing translation services - one registered in Poland and another one registered in Scotland.

The group made a profit in the year, the directors anticipate little change in activity levels in future periods. No dividends were paid in the year

Principal risks and uncertainties

Risk management and internal control systems exist throughout Ridgmount Holdings Limited and its associated companies to ensure that risks affecting the future development and performance are mitigated.

A number of risks generic to the service profession are also relevant to the future development and performance of the group, specifically retaining and attracting new clients and the ability to recruit talented individuals who can help the future performance of the group.

These risks, along with other factors affecting the group are considered by the board of Ridgmount Holdings Limited as part of overall risk management.

Key Performance Indicators

The group is a trading group and therefore the key performance indicators of the group are Turnover and Net Profit.

Turnover: £6,044,415 (2018: £5,038,984) an increase of 19.95%

Profit before taxation: £797,020 (2018: £672,981) an increase of 18.43%

On behalf of the board

D Immanuel

Director

20 March 2020

RIDGMOUNT HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2019

The directors present their annual report and financial statements for the year ended 30 June 2019.

Principal activities

The principal activity of the company and group continued to be that as disclosed in the subsidiaries note in the accounts. The company is a holding company only.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D Immanuel

R Immanuel

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

The auditor, Heywards, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Branches outside the UK

One of the subsidiaries of the group is registered and operates in Poland.

On behalf of the board

D Immanuel

Director

20 March 2020

RIDGMOUNT HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RIDGMOUNT HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RIDGMOUNT HOLDINGS LIMITED

Opinion

We have audited the financial statements of Ridgmount Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2019 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2019 and of its profits for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

RIDGMOUNT HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF RIDGMOUNT HOLDINGS LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RIDGMOUNT HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF RIDGMOUNT HOLDINGS LIMITED

Paul Samuels (Senior Statutory Auditor)
for and on behalf of Heywards

20 March 2020

Chartered Accountants
Statutory Auditor

2nd Floor
21-22 Great Castle Street
London
W1G 0HZ

RIDGMOUNT HOLDINGS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2019

		2019	2018
	Notes	£	£
Turnover	3	6,044,415	5,038,984
Cost of sales		(3,411,748)	(2,877,232)
Gross profit		<u>2,632,667</u>	<u>2,161,752</u>
Administrative expenses		(1,948,689)	(1,525,753)
Other operating income		76,129	98,197
Operating profit	4	<u>760,107</u>	<u>734,196</u>
Interest receivable and similar income	8	36,921	30,897
Interest payable and similar expenses	9	(8)	(673)
Amounts written off investments		-	(91,439)
Profit before taxation		<u>797,020</u>	<u>672,981</u>
Tax on profit	10	(162,795)	(144,804)
Profit for the financial year		<u><u>634,225</u></u>	<u><u>528,177</u></u>

Profit for the financial year is all attributable to the owners of the parent company.

RIDGMOUNT HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	£	£
Profit for the year	634,225	528,177
Other comprehensive income	-	-
Total comprehensive income for the year	<u>634,225</u>	<u>528,177</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

RIDGMOUNT HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 30 JUNE 2019

		2019		2018	
	Notes	£	£	£	£
Fixed assets					
Goodwill	11		515,507		139,782
Other intangible assets	11		8,989		-
Total intangible assets			524,496		139,782
Tangible assets	12		862,457		831,191
			1,386,953		970,973
Current assets					
Debtors	16	1,064,463		1,141,429	
Cash at bank and in hand		5,096,439		4,675,942	
			6,160,902		5,817,371
Creditors: amounts falling due within one year	17	(1,540,507)		(1,539,972)	
Net current assets			4,620,395		4,277,399
Total assets less current liabilities			6,007,348		5,248,372
Creditors: amounts falling due after more than one year	18		(124,019)		-
Provisions for liabilities	19		(13,305)		(12,573)
Net assets			5,870,024		5,235,799
Capital and reserves					
Called up share capital	22		997,330		997,330
Revaluation reserve			76,403		76,403
Capital redemption reserve			609,884		609,884
Profit and loss reserves			4,186,407		3,552,182
Total equity			5,870,024		5,235,799

The financial statements were approved by the board of directors and authorised for issue on 20 March 2020 and are signed on its behalf by:

D Immanuel
Director

RIDGMOUNT HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 30 JUNE 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Investments	13		2,919,340		2,919,340
Current assets					
Debtors	16	536		536	
Creditors: amounts falling due within one year	17	(214,770)		(214,770)	
Net current liabilities			(214,234)		(214,234)
Total assets less current liabilities			2,705,106		2,705,106
Capital and reserves					
Called up share capital	22		997,330		997,330
Capital redemption reserve			427,384		427,384
Profit and loss reserves			1,280,392		1,280,392
Total equity			2,705,106		2,705,106

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £0 (2018 - £1,450 loss).

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

The financial statements were approved by the board of directors and authorised for issue on 20 March 2020 and are signed on its behalf by:

D Immanuel
Director

Company Registration No. 03730687

RIDGMOUNT HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Share capital	Revaluation reserve	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£	£
Balance at 1 July 2017	997,330	76,403	609,884	3,024,005	4,707,622
Year ended 30 June 2018:					
Profit and total comprehensive income for the year	-	-	-	528,177	528,177
Balance at 30 June 2018	997,330	76,403	609,884	3,552,182	5,235,799
Year ended 30 June 2019:					
Profit and total comprehensive income for the year	-	-	-	634,225	634,225
Balance at 30 June 2019	997,330	76,403	609,884	4,186,407	5,870,024

RIDGMOUNT HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Share capital	Capital redemption reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 July 2017	997,330	427,384	1,281,842	2,706,556
Year ended 30 June 2018:				
Loss and total comprehensive income for the year	-	-	(1,450)	(1,450)
Balance at 30 June 2018	997,330	427,384	1,280,392	2,705,106
Year ended 30 June 2019:				
Profit and total comprehensive income for the year	-	-	-	-
Balance at 30 June 2019	997,330	427,384	1,280,392	2,705,106

RIDGMOUNT HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2019

		2019		2018	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	24	1,151,279		848,532	
Interest paid		(8)		(673)	
Corporation taxes paid		(190,396)		(109,140)	
Net cash inflow from operating activities		960,875		738,719	
Investing activities					
Purchase of intangible assets		(473,372)		-	
Purchase of tangible fixed assets		(111,427)		(102,059)	
Proceeds on disposal of tangible fixed assets		7,500		295	
Interest received		36,921		30,897	
Net cash used in investing activities		(540,378)		(70,867)	
Net cash used in financing activities		-		-	
Net increase in cash and cash equivalents		420,497		667,852	
Cash and cash equivalents at beginning of year		4,675,942		4,008,090	
Cash and cash equivalents at end of year		5,096,439		4,675,942	

RIDGMOUNT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

Company information

Ridgmount Holdings Limited ("the company") is a private limited company incorporated in England and Wales.

The address of its registered office is 21-23 East Street, Fareham, Hampshire, PO16 0BZ

The group consists of Ridgmount Holdings Limited and all of its subsidiaries.

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.

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.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

RIDGMOUNT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

The consolidated financial statements incorporate those of Ridgmount Holdings Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 June 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a systematic basis over its expected life which is considered to be 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.6 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. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

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

Software and IT system	30% to 50%
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RIDGMOUNT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

1.7 Tangible fixed assets

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

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

Freehold land and buildings	Not depreciated
Plant and equipment	20% - 33% straight line
Motor vehicles	25% straight line

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 recognised in the profit and loss account.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

RIDGMOUNT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

1.9 Impairment of fixed assets

At each reporting period end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Cash at bank and in hand

Cash at bank and in hand 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.

1.11 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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.

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.

RIDGMOUNT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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 group 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 group after deducting all of its liabilities.

Basic financial liabilities, including creditors and loans from fellow group companies 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.

RIDGMOUNT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.12 Equity instruments

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

1.13 Taxation

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

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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

RIDGMOUNT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

1.14 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.

1.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 lease asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

1.17 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 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2019	2018
	£	£
Turnover analysed by class of business		
Sales of Services	6,044,415	5,038,984

RIDGMOUNT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

3	Turnover and other revenue	(Continued)	
		2019	2018
		£	£
	Other significant revenue		
	Interest income	36,921	30,897
	Rental income	73,974	81,108
		<u> </u>	<u> </u>
		2019	2018
		£	£
	Turnover analysed by geographical market		
	U.K	3,686,457	3,183,668
	Europe	1,491,068	1,016,102
	Rest of the World	866,890	839,214
		<u> </u>	<u> </u>
		<u>6,044,415</u>	<u>5,038,984</u>
4	Operating profit	2019	2018
		£	£
	Operating profit for the year is stated after charging/(crediting):		
	Exchange gains	(42,612)	(37,321)
	Depreciation of owned tangible fixed assets	80,161	80,588
	Profit on disposal of tangible fixed assets	(7,500)	(295)
	Amortisation of intangible assets	88,658	23,713
	Operating lease charges	18,456	(12)
		<u> </u>	<u> </u>
	Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £42,612 (2018 - £37,321).		
5	Auditor's remuneration	2019	2018
		£	£
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the group and company	-	500
	Audit of the financial statements of the company's subsidiaries	19,742	12,400
		<u> </u>	<u> </u>
		<u>19,742</u>	<u>12,900</u>

RIDGMOUNT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
83	65	2	2

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	2,218,777	1,890,729	-	-
Social security costs	200,126	169,808	-	-
Pension costs	68,193	45,247	-	-
	2,487,096	2,105,784	-	-

7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	318,680	242,997
Directors' fees	28,550	-
Company pension contributions to defined contribution schemes	12,102	4,994
Compensation for loss of office	-	19,313
	359,332	267,304

The remuneration paid to the highest paid director was £96,899 (2018: £109,973) as well as pension contributions of £nil (2018: £1,885).

8 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	36,921	30,897
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	36,921	30,897

RIDGMOUNT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

9 Interest payable and similar expenses

	2019	2018
	£	£
Other finance costs:		
Other interest	8	673
	<u>8</u>	<u>673</u>

10 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax on profits for the current period	162,036	139,033
Adjustments in respect of prior periods	(275)	-
	<u>161,761</u>	<u>139,033</u>
Deferred tax		
Origination and reversal of timing differences	1,034	5,771
	<u>1,034</u>	<u>5,771</u>
Total tax charge for the year	<u>162,795</u>	<u>144,804</u>

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2019	2018
	£	£
Profit before taxation	797,020	672,981
	<u>797,020</u>	<u>672,981</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	151,434	127,866
Tax effect of expenses that are not deductible in determining taxable profit	108	166
Group relief	-	275
Depreciation on assets not qualifying for tax allowances	12,876	15,312
Under/(over) provided in prior years	(275)	-
Other adjustments	11,275	-
Intercompany loans written off	-	17,373
Capital allowances	(13,657)	(21,903)
Profit/(Loss) on disposal of fixed assets	-	(56)
Deferred tax movement	1,034	5,771
	<u>162,795</u>	<u>144,804</u>
Taxation charge for the year	<u>162,795</u>	<u>144,804</u>

RIDGMOUNT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

11 Intangible fixed assets

Group	Goodwill £	Software & IT system £	Total £
Cost			
At 1 July 2018	218,462	-	218,462
Additions	460,891	12,481	473,372
At 30 June 2019	679,353	12,481	691,834
Amortisation and impairment			
At 1 July 2018	78,680	-	78,680
Amortisation charged for the year	85,166	3,492	88,658
At 30 June 2019	163,846	3,492	167,338
Carrying amount			
At 30 June 2019	515,507	8,989	524,496
At 30 June 2018	139,782	-	139,782

The company had no intangible fixed assets at 30 June 2019 or 30 June 2018.

12 Tangible fixed assets

Group	Freehold land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost				
At 1 July 2018	1,049,693	631,528	62,518	1,743,739
Additions	-	84,037	27,390	111,427
Disposals	-	-	(22,098)	(22,098)
At 30 June 2019	1,049,693	715,565	67,810	1,833,068
Depreciation and impairment				
At 1 July 2018	343,304	518,876	50,368	912,548
Depreciation charged in the year	-	69,121	11,040	80,161
Eliminated in respect of disposals	-	-	(22,098)	(22,098)
At 30 June 2019	343,304	587,997	39,310	970,611
Carrying amount				
At 30 June 2019	706,389	127,568	28,500	862,457
At 30 June 2018	706,389	112,652	12,150	831,191

The company had no tangible fixed assets at 30 June 2019 or 30 June 2018.

RIDGMOUNT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

12 Tangible fixed assets

(Continued)

The freehold properties include both mixed use property and investment property. The directors consider that obtaining annual valuations of the investment properties would entail undue cost and effort, and as such these properties are accounted for under the rules applicable to tangible fixed assets.

At 30 June 2019 and 30 June 2018 the historical cost net book value of the properties was £460,000.

Land and buildings include £198,000 of land which is not depreciated. At present no further depreciation is provided on the buildings because the directors consider their net book values to be lower than or equal to their residual values. This, and any potential impairment, is reviewed annually by the directors.

13 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	14	-	-	2,919,340	2,919,340

Movements in fixed asset investments

Company	Shares in group undertakings £
Cost or valuation	
At 1 July 2018 and 30 June 2019	2,919,340
Carrying amount	
At 30 June 2019	2,919,340
At 30 June 2018	2,919,340

RIDGMOUNT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

14 Subsidiaries

Details of the company's subsidiaries at 30 June 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
APA Translations Ltd	21-23 East Street, Dormant Fareham, Hampshire, PO16 0B		Ordinary shares	99.99	
City Legal Translations Limited	21-23 East Street, Dormant Fareham, Hampshire, PO16 0B		Ordinary shares	99.99	
Intereurope Communications Limited	21-23 East Street, Marketing and P.R. Fareham, Hampshire, PO16 0B		Ordinary shares	99.99	
Intereurope Creative Graphics Limited	21-23 East Street, Dormant Fareham, Hampshire, PO16 0B		Ordinary shares	99.99	
Intereurope Limited	21-23 East Street, Holding company Fareham, Hampshire, PO16 0B		Ordinary shares	99.99	
Intereurope Regulations Ltd	21-23 East Street, Dormant Fareham, Hampshire, PO16 0B		Ordinary shares	99.99	
Intereurope Technology Services Ltd	21-23 East Street, Dormant Fareham, Hampshire, PO16 0B		Ordinary shares	99.99	
Intereurope translations Ltd	21-23 East Street, Dormant Fareham, Hampshire, PO16 0B		Ordinary shares	99.99	
InterRecruit Limited	21-23 East Street, Dormant Fareham, Hampshire, PO16 0B		Ordinary shares	99.99	
InterRegs Limited	21-23 East Street, Automotive regulation Fareham, Hampshire, PO16 0B		Ordinary shares	99.99	
Intonation Limited	21-23 East Street, Translation services Fareham, Hampshire, PO16 0BZ		Ordinary shares	99.99	
UPS Translations Ltd	21-23 East Street, Dormant Fareham, Hampshire, PO16 0B		Ordinary shares	99.99	

RIDGMOUNT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

14 Subsidiaries (Continued)

Lacrosse Language Consultancy Ltd	23 Melville Street, Translation services Edinburgh, EH3 7PE	Ordinary shares	99.99
Lacrosse Language Solutions Sp. z o.o.	Al. Ujazdowskie 39 Translation services lok.5, Warsaw, Poland	Ordinary shares	99.99

15 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	975,189	1,039,764	536	536
Carrying amount of financial liabilities				
Measured at amortised cost	684,884	541,080	214,770	214,770

16 Debtors

	Group 2019 £	2018 £	Company 2019 £	2018 £
Amounts falling due within one year:				
Trade debtors	880,737	932,067	-	-
Amounts owed by group undertakings	-	-	536	536
Other debtors	75,722	97,297	-	-
Prepayments and accrued income	108,004	111,763	-	-
	1,064,463	1,141,127	536	536
Deferred tax asset (note 19)	-	302	-	-
	1,064,463	1,141,429	536	536

RIDGMOUNT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

17 Creditors: amounts falling due within one year

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Trade creditors		203,570	170,160	-	-
Amounts due to group undertakings		-	-	208,420	208,420
Corporation tax payable		109,998	138,633	-	-
Other taxation and social security		224,795	195,191	-	-
Deferred income	20	644,849	665,068	-	-
Other creditors		107,550	99,951	4,900	4,900
Accruals and deferred income		249,745	270,969	1,450	1,450
		<u>1,540,507</u>	<u>1,539,972</u>	<u>214,770</u>	<u>214,770</u>

18 Creditors: amounts falling due after more than one year

	Group 2019 £	2018 £	Company 2019 £	2018 £
Other creditors	124,019	-	-	-
	<u>124,019</u>	<u>-</u>	<u>-</u>	<u>-</u>

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2019 £	Liabilities 2018 £	Assets 2019 £	Assets 2018 £
Group				
Accelerated capital allowances	13,305	12,573	-	302
	<u>13,305</u>	<u>12,573</u>	<u>-</u>	<u>302</u>

The company has no deferred tax assets or liabilities.

	Group 2019 £	Company 2019 £
Movements in the year:		
Liability at 1 July 2018	12,271	-
Charge to profit or loss	1,034	-
Liability at 30 June 2019	<u>13,305</u>	<u>-</u>

RIDGMOUNT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

20 Deferred income

	Group 2019 £	2018 £	Company 2019 £	2018 £
Other deferred income	644,849	665,068	-	-

Deferred income is included in the financial statements as follows:

Current liabilities	644,849	665,068	-	-
	644,849	665,068	-	-

21 Retirement benefit schemes

Defined contribution schemes	2019 £	2018 £
Charge to profit or loss in respect of defined contribution schemes	68,193	45,247

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

22 Share capital

	Group and company 2019 £	2018 £
Ordinary share capital Issued and fully paid 997,330 Ordinary of £1 each	997,330	997,330

23 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sales of services 2019 £	2018 £
Group Other related parties	143,192	165,352

At the balance sheet date a total of £nil (2018: £nil) was owed by related parties.

Other than the disclosures noted above all other related party transactions were with wholly owned subsidiaries.

RIDGMOUNT HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2019

24 Cash generated from group operations

	2019	2018
	£	£
Profit for the year after tax	634,225	528,177
Adjustments for:		
Taxation charged	162,795	144,804
Finance costs	8	673
Investment income	(36,921)	(30,897)
Gain on disposal of tangible fixed assets	(7,500)	(295)
Amortisation and impairment of intangible assets	88,658	23,713
Depreciation and impairment of tangible fixed assets	80,161	80,588
Movements in working capital:		
(Increase)/decrease in stocks	-	3,723
Decrease in debtors	77,944	117,300
Increase/(decrease) in creditors	172,128	(108,175)
(Decrease)/increase in deferred income	(20,219)	88,921
Cash generated from operations	1,151,279	848,532

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.