

# Financial Statements Edgespace Limited

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**For the Year Ended 31 May 2016**

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COMPANIES HOUSE

**Registered number: 04335661**

**Edgespace Limited**

## Company Information

**Director** M Connors

**Company secretary** M Connors

**Registered number** 04335661

**Registered office** Stafford Road  
Stone  
Staffordshire  
ST15 0DG

**Independent auditor** Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
The Colmore Building  
20 Colmore Circus  
Birmingham  
West Midlands  
B4 6AT

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## Director's Report

For the Year Ended 31 May 2016

The director presents his report and the financial statements for the year ended 31 May 2016.

### **Director**

The director who served during the year was:

M Connors

### **Results and dividends**

The profit for the year, after taxation, amounted to £88,883 (2015 - £86,262).

### **Going concern**

The company made a profit for the year of £88,883 and had net liabilities of £59,817 at the year end.

In considering the going concern position of the company the director has taken into consideration the position of the parent undertaking, Datel Holdings Limited. The Group continues to move away from its historical computer games products, and is reorganising itself to refocus on the smaller but more profitable technical solutions sector. However, the underlying trade of the group continues to be loss-making and cashflows are tight.

In addition, there also remain a number of historical debts, principally relating to the residual balance of a hire purchase contract and rent owed to the directors' pension scheme, and the group requires the continued support of these creditors, which the director believes to be likely.

Accordingly the director believes that it is appropriate to prepare the accounts on a going concern basis, albeit there remains a material uncertainty. The financial statements do not include any adjustments that would be necessary if this were not the case.

### **Director's responsibilities statement**

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that he gives a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## **Director's Report (continued)**

**For the Year Ended 31 May 2016**

### **Disclosure of information to auditor**

The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### **Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### **Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 21 February 2017 and signed on its behalf.



**M Connors**  
Director

## Independent Auditor's Report to the Members of Edgespace Limited

We have audited the financial statements of Edgespace Limited for the year ended 31 May 2016, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and Auditor**

As explained more fully in the Director's Responsibilities Statement on page 1, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2016 and of its profit 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.

## Independent Auditor's Report to the Members of Edgespace Limited (continued)

### **Emphasis of matter**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2.3 to the financial statements concerning the group's and the company's ability to continue as a going concern. The underlying trade of the group continues to be loss-making and cashflows are tight. In addition, there also remain a number of historical debts, principally relating to the residual balance of a hire purchase contract and rent owed to the directors' pension scheme, and the group requires the continued support of these creditors, which the director believes to be likely. These matters indicate the existence of material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

### **Opinion on other matter prescribed by the Companies Act 2006**

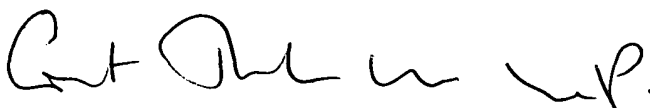
In our opinion, based on the work undertaken in the course of the audit, the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with those financial statements and this report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Director's Report.

### **Matters on which we are required to report by exception**

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.



David White (Senior Statutory Auditor)  
for and on behalf of  
Grant Thornton UK LLP  
Chartered Accountants  
Statutory Auditor  
Birmingham

21 February 2017

# Statement of Comprehensive Income

For the Year Ended 31 May 2016

	Note	2016 £	2015 £
Turnover		719,000	565,000
Cost of sales		(607,983)	(403,862)
<b>Gross profit</b>		<b>111,017</b>	<b>161,138</b>
Administrative expenses		(22,134)	(74,876)
<b>Operating profit and profit on ordinary activities before taxation</b>		<b>88,883</b>	<b>86,262</b>
Tax on profit on ordinary activities	5	-	-
<b>Profit for the year</b>		<b>88,883</b>	<b>86,262</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>88,883</b>	<b>86,262</b>

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

The notes on pages 8 to 13 form part of these financial statements.



# Statement of Financial Position

As at 31 May 2016

	Note	£	2016 £	£	2015 £
<b>Current assets</b>					
Properties held for resale	6	-		592,975	
		-		592,975	
Creditors: amounts falling due within one year	7	(59,817)		(741,675)	
<b>Net current liabilities</b>			(59,817)		(148,700)
<b>Total assets less current liabilities</b>			(59,817)		(148,700)
<b>Net liabilities</b>			(59,817)		(148,700)
<b>Capital and reserves</b>					
Called up share capital			1		1
Profit and loss account			(59,818)		(148,701)
<b>Shareholders' deficit</b>			(59,817)		(148,700)

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 were approved and authorised for issue by the board and were signed on its behalf on 21 February 2017.

  
M Connors  
Director

The notes on pages 8 to 13 form part of these financial statements.

## Statement of Changes in Equity

For the Year Ended 31 May 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 June 2015	1	(148,701)	(148,700)
<b>Comprehensive income for the year</b>			
Profit for the year	-	88,883	88,883
<b>Total comprehensive income for the year</b>	-	88,883	88,883
<b>At 31 May 2016</b>	<b>1</b>	<b>(59,818)</b>	<b>(59,817)</b>

## Statement of Changes in Equity

For the Year Ended 31 May 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 June 2014	1	(234,963)	(234,962)
<b>Comprehensive income for the year</b>			
Profit for the year	-	86,262	86,262
<b>Total comprehensive income for the year</b>	-	86,262	86,262
<b>At 31 May 2015</b>	<b>1</b>	<b>(148,701)</b>	<b>(148,700)</b>

The notes on pages 8 to 13 form part of these financial statements.

# Notes to the Financial Statements

For the Year Ended 31 May 2016

## 1. General information

Edgespace Limited is a private company limited by shares, incorporated in England and Wales, and with a registered address of Stafford Road, Stone, Staffordshire, ST15 0DG.

Edgespace Limited's principal activity is that of property ownership and development.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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.

Information on the impact of first-time adoption of FRS 102 is given in note 12.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Datel Holdings Limited as at 31st May 2016 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF12 3UZ.

# Notes to the Financial Statements

For the Year Ended 31 May 2016

## 2. Accounting policies (continued)

### 2.3 Going concern

The company made a profit for the year of £88,883 and had net liabilities of £59,817 at the year end.

In considering the going concern position of the company the director has taken into consideration the position of the parent undertaking, Datel Holdings Limited. The Group continues to move away from its historical computer games products, and is reorganising itself to refocus on the smaller but more profitable technical solutions sector. However, the underlying trade of the group continues to be loss-making and cashflows are tight.

In addition, there also remain a number of historical debts, principally relating to the residual balance of a hire purchase contract and rent owed to the directors' pension scheme, and the group requires the continued support of these creditors, which the director believes to be likely.

Accordingly the director believes that it is appropriate to prepare the accounts on a going concern basis, albeit there remains a material uncertainty. The financial statements do not include any adjustments that would be necessary if this were not the case.

### 2.4 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 properties

Revenue from the sale of properties 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 properties 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.

### 2.5 Stocks

Properties held for resale are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

### 2.6 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an

# Notes to the Financial Statements

For the Year Ended 31 May 2016

## 2. Accounting policies (continued)

### 2.6 Financial instruments (continued)

impairment loss is recognised in the Income Statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

### 2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

### 2.8 Taxation

Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

# Notes to the Financial Statements

For the Year Ended 31 May 2016

## 3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires the director to make significant judgements and estimates, including the following:

### Valuation of properties held for resale

Properties held for resale are valued at the lower of cost and net realisable value at each year end. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

## 4. Auditor's remuneration

Auditor's remuneration is borne by the parent undertaking.

## 5. Taxation

	2016 £	2015 £
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
<b>Total deferred tax</b>	-	-
<b>Taxation on profit on ordinary activities</b>	-	-

# Notes to the Financial Statements

For the Year Ended 31 May 2016

## 5. Taxation (continued)

### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20.00% (2015 - 20.83%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	88,883	86,262
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 20.83%)	17,777	17,968
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	4,035
Losses arising in the year not relieviable against current tax	(11,650)	(22,003)
Changes in provisions leading to an increase (decrease) in the tax charge	(662)	-
Other differences leading to an increase (decrease) in the tax charge	3,873	-
Group relief	(9,338)	-
<b>Total tax charge for the year</b>	-	-

### Factors that may affect future tax charges

The company has an unprovided deferred tax asset of £1,015 (2015: £5,693) comprising fixed asset timing differences of £1,015 (2015: £1,375) and losses of £nil (2015: £4,318).

The deferred tax asset has not been recognised as the director does not envisage a reversal in the foreseeable future.

## 6. Stocks

	2016 £	2015 £
Properties held for resale	-	592,975

## 7. Creditors: Amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	59,817	741,675

# Notes to the Financial Statements

For the Year Ended 31 May 2016

## 8. Financial instruments

	2016	2015
	£	£

### Financial liabilities

Financial liabilities measured at amortised cost	(59,817)	(741,675)
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Financial liabilities measured at amortised cost comprise amounts owed to group undertakings.

## 9. Contingent liabilities

Loans advanced by other group companies amounting to £NIL (2015: £NIL) are secured by a legal charge over the company's properties held for resale and investment properties.

## 10. Related party transactions

The company is a wholly owned subsidiary of Datel Electronics Limited which is ultimately controlled by Datel Holdings Limited. The company has taken advantage of the exemption under FRS 102 Section 33.7 not to disclose transactions with other wholly owned group companies.

## 11. Controlling party

The company's parent company is Datel Electronics Limited which is wholly owned subsidiary of the ultimate parent company, Datel Holdings Limited, a company incorporated in the United Kingdom and registered in England and Wales. The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Datel Holdings Limited. Copies of the financial statements of this company are available from Companies House, Crown Way, Maindy, Cardiff, CF12 3UZ.

The company's controlling party is M Connors, the sole shareholder of the ultimate parent company, Datel Holdings Limited.

## 12. First time adoption of FRS 102

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