

REGISTERED NUMBER: 04848068 (England and Wales)

**UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
FOR
MACRANET LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2017

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MACRANET LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017**

DIRECTORS:

K A Bone
L M Chaddock
M E W Jackson

SECRETARY:

L M Chaddock

REGISTERED OFFICE:

T/A Sentiment, Suite 11A
The Hub, Fowler Avenue
IQ Farnborough
Farnborough
Hampshire
GU14 7JF

REGISTERED NUMBER:

04848068 (England and Wales)

ACCOUNTANTS:

Hartley Fowler LLP
Chartered Accountants
4th Floor Tuition House
27-37 St George's Road
Wimbledon
London
SW19 4EU

BALANCE SHEET
31 DECEMBER 2017

		2017		2016	
	Notes	£	£	as restated	£
FIXED ASSETS					
Tangible assets	4		6,448		3,244
Investments	5		<u>205</u>		<u>201</u>
			6,653		3,445
CURRENT ASSETS					
Debtors	6	251,521		92,856	
Cash at bank		<u>372,156</u>		<u>22,928</u>	
		623,677		115,784	
CREDITORS					
Amounts falling due within one year	7	<u>221,654</u>		<u>696,769</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>402,023</u>		<u>(580,985)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			408,676		(577,540)
CREDITORS					
Amounts falling due after more than one year	8		-		1,152,000
NET ASSETS/(LIABILITIES)			<u>408,676</u>		<u>(1,729,540)</u>
CAPITAL AND RESERVES					
Called up share capital	11		2,293		1,057
Share premium	12		2,751,933		127,965
Retained earnings	12		<u>(2,345,550)</u>		<u>(1,858,562)</u>
SHAREHOLDERS' FUNDS			<u>408,676</u>		<u>(1,729,540)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.
- (b)

BALANCE SHEET - continued
31 DECEMBER 2017

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the Board of Directors on 18 December 2018 and were signed on its behalf by:

L M Chaddock - Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

1. **STATUTORY INFORMATION**

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

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

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

Going concern

The company has put in place agreements which give rise to future contracted revenue and has built a pipeline of future opportunities. The company's principal investors have in the past supported the company with investment funding as required.

Based on the achievement of management's forecasts for the business, the directors are of the opinion that the company has adequate working capital to cover its foreseeable requirements and is a going concern. Accordingly these financial statements are prepared on a going concern basis.

Preparation of consolidated financial statements

The financial statements contain information about Macranet Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax, except in respect of service contracts where turnover is recognised when the company obtains the right to consideration.

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for products and/or services delivered in the normal course of business. Revenue is reduced for estimated customer returns, rebates and other similar allowances whenever applicable based on historical data and expectations of future sales.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 25% on cost
Computer equipment	- 33% on reducing balance

Investments in subsidiaries

Investments in subsidiary undertakings are stated at cost less any provisions for impairment in value.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. ACCOUNTING POLICIES - continued

Deferred tax

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

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

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivables or payables within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Impairments

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

Loan notes

Loan notes are initially recorded at cost net of issue costs associated with the borrowing. These financial instruments are recognised in liabilities at cost plus any unpaid accrued interest. The loan notes can be either repaid in cash on the due date or can be converted to share capital at 20 days notice.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 8 (2016 - 8) .

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

4. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2017	5,518	80,872	86,390
Additions	323	4,888	5,211
At 31 December 2017	<u>5,841</u>	<u>85,760</u>	<u>91,601</u>
DEPRECIATION			
At 1 January 2017	5,518	77,628	83,146
Charge for year	13	1,994	2,007
At 31 December 2017	<u>5,531</u>	<u>79,622</u>	<u>85,153</u>
NET BOOK VALUE			
At 31 December 2017	<u>310</u>	<u>6,138</u>	<u>6,448</u>
At 31 December 2016	<u>-</u>	<u>3,244</u>	<u>3,244</u>

5. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2017	201
Additions	4
At 31 December 2017	<u>205</u>
NET BOOK VALUE	
At 31 December 2017	<u>205</u>
At 31 December 2016	<u>201</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 as restated £
Trade debtors	101,214	81,191
Amounts owed by group undertakings	9,996	-
Other debtors	140,311	11,665
	<u>251,521</u>	<u>92,856</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 as restated £
Trade creditors	71,842	103,493
Taxation and social security	22,206	39,556
Other creditors	127,606	553,720
	<u>221,654</u>	<u>696,769</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2017	2016 as restated
	£	£
Other creditors	-	1,152,000

On 27th January 2014 the company issued £675,000 10% unsecured convertible loan notes. These are redeemable on 28th January 2019. The loan notes are convertible to ordinary shares at 20 days' notice.

On 24th December 2014 the company issued £477,000 10% secured convertible loan notes. These are redeemable on 25 December 2019. The loan notes are convertible to ordinary shares at 20 days' notice.

During the year all of the loan notes were converted to ordinary shares.

9. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016 as restated
	£	£
Within one year	20,516	20,516
Between one and five years	27,486	48,002
	<u>48,002</u>	<u>68,518</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	2017	2016 as restated
	£	£
Secured 10% loan notes	-	477,000

£477,000 10% convertible loan notes are secured by way of a debenture over the assets of the company.

11. CALLED UP SHARE CAPITAL

Allotted and issued:

Number:	Class:	Nominal value:	2017	2016 as restated
			£	£
1,056,683	Ordinary	£0.001	1,280	1,057
1,013,127	A Ordinary	£0.001	1,013	-
			<u>2,293</u>	<u>1,057</u>

The following were allotted during the year at a premium as shown below:

222,901 Ordinary shares of £0.001 each at £1.9056 per share
1,013,127 A Ordinary shares of £0.001 each at £2.17 per share

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

12. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2017	(1,858,562)	127,965	(1,730,597)
Deficit for the year	(486,988)		(486,988)
Bonus share issue	-	2,623,968	2,623,968
At 31 December 2017	<u>(2,345,550)</u>	<u>2,751,933</u>	<u>406,383</u>

13. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2017 and 31 December 2016:

	2017 £	2016 as restated £
L M Chaddock		
Balance outstanding at start of year	-	-
Amounts advanced	557	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>557</u>	<u>-</u>

The balance is not secured, has no repayment terms and bears interest at 2.5%.

14. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is L M Chaddock.

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.