

Company Registration No. 07448931 (England and Wales)

FORCE 24 LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
PAGES FOR FILING WITH REGISTRAR

FORCE 24 LTD

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FORCE 24 LTD

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	5	613,264		826,284	
Tangible assets	6	57,585		65,257	
			670,849		891,541
Current assets					
Debtors	7	1,160,246		1,260,879	
Cash at bank and in hand		3,400,983		221,727	
		4,561,229		1,482,606	
Creditors: amounts falling due within one year	8	(1,031,331)		(1,122,314)	
Net current assets			3,529,898		360,292
Total assets less current liabilities			4,200,747		1,251,833
Creditors: amounts falling due after more than one year	9	(538,378)		(415,617)	
Provisions for liabilities		(54,885)		(12,399)	
Net assets			3,607,484		823,817
Capital and reserves					
Called up share capital	10	1,514		1,000	
Share premium account	11	3,800,629		189,961	
Profit and loss reserves	12	(194,659)		632,856	
Total equity			3,607,484		823,817

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

FORCE 24 LTD

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

The financial statements were approved by the board of directors and authorised for issue on 24 August 2021 and are signed on its behalf by:

Mr A Oldfield
Director

Company Registration No. 07448931

FORCE 24 LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Force 24 Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 2 Indigo Blu, 14 Crown Point Road, Leeds, LS10 1EL.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 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.

Revenue from the sale of goods and services is recognised at the point the company fulfils its commercial obligations to the customer, the revenue and cost in respect of the transaction can be measured reliably and it is probable that the economic benefit associated with the transaction will flow to the entity.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of businesses 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.

On 31 December 2020 the Directors reassessed the useful life of goodwill and determined that in view of the evidence available a period of 4 years was more appropriate than the existing estimate of 10 years. Goodwill as at 31 December 2020 was therefore revalued; this change has been reflected in the profit and loss account in the form of an increased amortisation charge for the period. Amortisation in the period to 31 December 2020 under the existing estimate of useful life was £50,000 and the impact of the change in estimate resulted in an additional charge on 31 December 2020 of £262,667

1.5 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 where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

FORCE 24 LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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:

Development costs	Over 5 years
Customer lists	Over 2 years

Amortisation on development costs is classified as an administrative expense, as opposed to a cost of sale, as management deem that this cost cannot be directly attributed to the revenue it generates in its entirety.

In the current financial period the Directors have opted to re-present the classes of intangible assets by separately disclosing customer lists. In previous years this asset was included as part of goodwill. £40,000 of cost and £4,000 of accumulated amortisation as at 1 January 2020 have therefore been re-presented in Note 3. Furthermore, on 31 December 2020 the Directors reassessed the useful life of customer lists and in view of the evidence available concluded that a period of 2 years was more appropriate than the existing estimate of 10 years. Customer lists as at 31 December 2020 was therefore revalued; this change has been reflected in the profit and loss account in the form of an increased amortisation charge for the period. Amortisation in the period to 31 December 2020 under the existing estimate of useful life was £4,000 and the impact of the change in estimate resulted in an additional charge on 31 December 2020 of £32,000.

1.6 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:

Leasehold land and buildings	10% Straight line
Plant and equipment	33% Straight line
Fixtures and fittings	15% Straight line
Equipment	33% Straight line
Website	33% 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 credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company 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.

FORCE 24 LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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.

1.8 Cash and cash equivalents

Cash and cash equivalents 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.

1.9 Financial instruments

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

Financial assets and liabilities are offset, with 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.

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 company after deducting all of its liabilities.

FORCE 24 LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Basic financial liabilities

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

1.10 Equity instruments

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

Share premium

Share premium represents excess consideration paid for equity instruments over and above nominal value.

Deal costs capitalised

Where transactions costs are directly attributable to new equity instruments and would not have been incurred if the new equity was not issued, these costs are capitalised against share premium as opposed to being charged to the profit and loss account.

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

FORCE 24 LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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 when the company has 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.

1.12 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.

1.13 Retirement benefits

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

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.15 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 in the period are included in profit or loss.

1.16 Exceptional items

Where specific items of income or expense are sufficiently material to the financial statements and non-recurring in nature such that any reasonable understanding of the financial performance of the Company can only be achieved by understanding the specific impact that such items have had on the period's results, these items will be separately disclosed as exceptional items in the financial statements. Examples of such items may include non-recurring restructuring costs, transaction costs and changes in accounting estimate

FORCE 24 LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Judgements and key sources of estimation uncertainty

In the application of the company'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 Exceptional items

	2020	2019
	£	£
Expenditure		
Amortisation as a result of change in accounting estimates	294,667	-
Deal costs as a result of investment	89,804	-
	<u>384,471</u>	<u>-</u>

In 2020, the company revised its accounting estimates on both goodwill and customer lists, details of these changes are contained within the accounting policies of the financial statements. The overall impact of the changes was an additional amortisation charge of £294,667.

The company also received growth capital investment during 2020 in return for an issue of shares. The deal costs included in the profit and loss account as a result of the investment total £89,804.

Exceptional items are administrative expenses and total administrative expenses are £3,066,081 (2019: £2,140,018).

4 Employees

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

	2020	2019
	Number	Number
Total	<u>48</u>	<u>40</u>

FORCE 24 LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Intangible fixed assets

	Goodwill	Development costs	Customer lists	Total
	£	£	£	£
Cost				
At 1 January 2020	500,000	877,929	40,000	1,417,929
Additions	-	337,666	-	337,666
Disposals	-	(167,298)	-	(167,298)
At 31 December 2020	500,000	1,048,297	40,000	1,588,297
Amortisation and impairment				
At 1 January 2020	187,333	400,312	4,000	591,645
Amortisation charged for the year	312,667	188,825	36,000	537,492
Disposals	-	(154,104)	-	(154,104)
At 31 December 2020	500,000	435,033	40,000	975,033
Carrying amount				
At 31 December 2020	-	613,264	-	613,264
At 31 December 2019	312,667	477,617	36,000	826,284

6 Tangible fixed assets

	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Equipment	Website	Total
	£	£	£	£	£	£
Cost						
At 1 January 2020	44,412	48,709	112,080	56,413	18,369	279,983
Additions	-	542	5,191	29,547	767	36,047
Disposals	(44,412)	(48,391)	(1,950)	(19,725)	(17,590)	(132,068)
Transfers	-	(138)	138	-	-	-
At 31 December 2020	-	722	115,459	66,235	1,546	183,962
Depreciation and impairment						
At 1 January 2020	39,632	48,709	82,060	29,498	14,827	214,726
Depreciation charged in the year	4,780	320	16,985	17,336	3,656	43,077
Eliminated in respect of disposals	(44,412)	(48,391)	(1,950)	(19,083)	(17,590)	(131,426)
At 31 December 2020	-	638	97,095	27,751	893	126,377
Carrying amount						
At 31 December 2020	-	84	18,364	38,484	653	57,585
At 31 December 2019	4,780	-	30,020	26,915	3,542	65,257

FORCE 24 LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	759,314	873,663
Corporation tax recoverable	228,513	120,093
Amounts owed by group undertakings	10,277	41,783
Other debtors	162,142	225,340
	<u>1,160,246</u>	<u>1,260,879</u>

8 Creditors: amounts falling due within one year

	2020	2019
	£	£
Bank loans	153,740	404,862
Trade creditors	250,436	219,602
Taxation and social security	297,343	307,172
Other creditors	329,812	190,678
	<u>1,031,331</u>	<u>1,122,314</u>

9 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Bank loans and overdrafts	<u>538,378</u>	<u>415,617</u>

The long-term loans are secured by floating charges over the property owned by the company.

10 Called up share capital

	2020	2019	2020	2019
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 1p each	61,708	-	617	-
A Ordinary shares of 1p each	55,746	305	558	305
B Ordinary shares of 1p each	4,882	305	49	305
C Ordinary shares of 1p each	29,000	290	290	290
D Ordinary shares of £1 each	-	50	-	50
E Ordinare shares of £1 each	-	50	-	50
	<u>151,336</u>	<u>1,000</u>	<u>1,514</u>	<u>1,000</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Share premium account

	2020 £	2019 £
At the beginning of the year	189,961	189,961
Issue of new shares	4,030,690	-
Share issue expenses capitalised	(390,022)	-
Transfer to profit and loss reserve	(30,000)	-
	<hr/>	<hr/>
At the end of the year	3,800,629	189,961
	<hr/>	<hr/>

12 Profit and loss reserves

	2020 £	2019 £
At the beginning of the year	632,856	784,388
(Loss)/profit for the year	(478,261)	118,468
Dividends declared and paid in the year	(379,254)	(270,000)
Transfer from share premium	30,000	-
	<hr/>	<hr/>
At the end of the year	(194,659)	632,856
	<hr/>	<hr/>

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