

Company registration number 07463039 (England and Wales)

RUNAGOOD.COM LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

RUNAGOOD.COM LTD

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RUNAGOOD.COM LTD

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The director presents his report and financial statements for the year ended 31 December 2022.

The Company's mission is to "make practical advice quick, affordable and (therefore) sustained by any size of business to make lasting improvements to its performance and value". This has been achieved technically by automating the Founding team's consulting and training methods developed during a 23-year period when it led Government strategy that raised the international competitiveness of the UK's small businesses from 21st to 7th place.

Distribution of the service is via accountant practices licensed as Runagood® Business Centres, working online with users in the 5.8m small business market. These constitute 94% of all businesses, employ 48% of the workforce, but generate only 36% of GDP and can't improve on that because of the cost of manually provided consultancy and training. This is the root of the UK small business productivity problem with which the government struggles. Runagood® technology in the hands of a certified AI Business Advisor® uniquely overcomes it because of low human time inputs that release the capacity to handle small clients in volume, providing them with constant rather than sporadic support.

2021 saw us implementing activities 100% online for the first time and with deeper training to give partners the confidence to pivot their focus from clients' pasts to their futures.

We introduced a new range of financial management products as an intermediate step for compliance only accountants (the majority) to scale up their operating experience in stages towards business consultancy, ie providing clients with strategic advice.

We also developed a business pathway framework that takes any business from start up to exit, dealing with all their advisory needs. These were implemented successfully, so will be converted to new software funded by the shareholders for launch in early 2023. The major benefit will be a client management framework that pulls together all the strands of compliance, financial and business improvement interventions from which any accountant can profit.

Runagood® remains the only player in the automated financial and business consultancy market (worth £10bn+ per annum in its manual form), which is both opportunity and problem as the marketing budget needed to grow any faster than organically exceeds our internal funding capability. We therefore remain open to outside investors with business 'nous' and imagination to 'get it'. We seek £1m for up to 20% of the ordinary shares, sufficient to achieve profitable, national roll out.

The company achieved a gross profit for the first time as sales increased and development costs fell away which since the formation of Runagood.com Ltd have always been written off in the Profit and Loss Account rather than being added to the Balance Sheet as assets, amounting to £656,000 since the company was founded. Because of compliance treatment, we are unable to capitalise any of this expenditure hence our decision to obtain a professional valuation of the company's Intellectual Property which is reflected in the assets listed in the balance sheet. The apparently low net worth is explained by the existence of a major director's loan representing 98% of long term creditors which will not be capitalised.

Principal activities

The principal activity of the company continued to be that of Interactive Online Business Consultancy.

Director

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

Mr D Collins

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

RUNAGOOD.COM LTD

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

On behalf of the board

Mr D Collins
Director

11 July 2023

RUNAGOOD.COM LTD

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Fixed assets			
Intangible assets	4	668,800	689,700
Tangible assets	5	3,760	5,012
		<u>672,560</u>	<u>694,712</u>
Current assets			
Debtors	6	2,300	9,461
Cash at bank and in hand		5,250	3,044
		<u>7,550</u>	<u>12,505</u>
Creditors: amounts falling due within one year	7	<u>(531)</u>	<u>(557)</u>
Net current assets		<u>7,019</u>	<u>11,948</u>
Total assets less current liabilities		<u>679,579</u>	<u>706,660</u>
Creditors: amounts falling due after more than one year	8	<u>(673,549)</u>	<u>(665,496)</u>
Net assets		<u><u>6,030</u></u>	<u><u>41,164</u></u>
Capital and reserves			
Called up share capital	9	100	100
Revaluation reserve	10	836,000	836,000
Profit and loss reserves		<u>(830,070)</u>	<u>(794,936)</u>
Total equity		<u><u>6,030</u></u>	<u><u>41,164</u></u>

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

For the financial year ended 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his 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.

RUNAGOOD.COM LTD

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The financial statements were approved and signed by the director and authorised for issue on 11 July 2023

Mr D Collins
Director

Company Registration No. 07463039

RUNAGOOD.COM LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Runagood.com Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Duncombe Place, 11 Church Street, Helmsley, York, United Kingdom, YO62 5AD.

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. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.3 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.

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:

Intellectual property	30 years
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1.4 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:

Fixtures, fittings & equipment	25% reducing balance
Computer equipment	straight line over 3 years

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.

RUNAGOOD.COM LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

Where a reasonable and consistent basis of allocation can be identified, assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

1.6 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.

1.7 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.

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.

1.8 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.

RUNAGOOD.COM LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.9 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.10 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.

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.

1.11 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.

1.12 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.

RUNAGOOD.COM LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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 Employees

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

	2022 Number	2021 Number
Total	1	1

4 Intangible fixed assets

	Other £
Cost	
At 1 January 2022 and 31 December 2022	836,000
Amortisation and impairment	
At 1 January 2022	146,300
Amortisation charged for the year	20,900
At 31 December 2022	167,200
Carrying amount	
At 31 December 2022	668,800
At 31 December 2021	689,700

RUNAGOOD.COM LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

5 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 January 2022 and 31 December 2022	37,973
Depreciation and impairment	
At 1 January 2022	32,961
Depreciation charged in the year	1,252
At 31 December 2022	34,213
Carrying amount	
At 31 December 2022	3,760
At 31 December 2021	5,012

6 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	98	98
Corporation tax recoverable	2,202	9,363
	2,300	9,461

7 Creditors: amounts falling due within one year

	2022	2021
	£	£
Taxation and social security	529	558
Other creditors	2	(1)
	531	557

8 Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts	14,816	14,820
Other creditors	658,733	650,676
	673,549	665,496

RUNAGOOD.COM LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Called up share capital

	2022	2021
	£	£
Ordinary share capital		
Issued and fully paid		
1,000,256 Ordinary Shares of 0.01p each	100	100
	<u>100</u>	<u>100</u>

10 Revaluation reserve

	2022	2021
	£	£
At the beginning and end of the year	836,000	836,000
	<u>836,000</u>	<u>836,000</u>

11 Related party transactions

The Long Term Director's loan account has a credit balance of £657,732 as at the year end 31/12/2022.

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.