

Registration number: 09510974

Redline Worldwide Limited

Consolidated Financial Statements

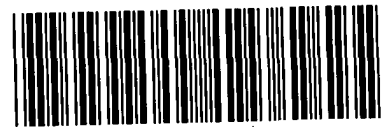
for the Year Ended 31 March 2019



HALLIDAYS
MORE THAN JUST ACCOUNTANTS

Hallidays Group Limited
Statutory Auditor
Riverside House
Kings Reach Business Park
Yew Street
Stockport
Cheshire
SK4 2HD

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28/09/2019

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COMPANIES HOUSE

Redline Worldwide Limited

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Redline Worldwide Limited

(Registration number: 09510974)

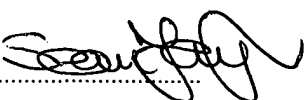
Consolidated Balance Sheet as at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	4	1,758,075	1,906,620
Tangible assets	5	128,549	162,525
Investments	6	-	888
		<u>1,886,624</u>	<u>2,070,033</u>
Current assets			
Debtors	7	1,119,239	1,127,235
Cash at bank and in hand		<u>1,238,387</u>	<u>1,548,473</u>
		2,357,626	2,675,708
Creditors: Amounts falling due within one year	8	<u>(1,005,868)</u>	<u>(1,041,932)</u>
Net current assets		<u>1,351,758</u>	<u>1,633,776</u>
Total assets less current liabilities		3,238,382	3,703,809
Creditors: Amounts falling due after more than one year	8	<u>(2,986,706)</u>	<u>(2,809,931)</u>
Provisions for liabilities		<u>(18,498)</u>	<u>(6,031)</u>
Net assets		<u>233,178</u>	<u>887,847</u>
Capital and reserves			
Called up share capital		6,958	6,958
Share premium reserve		1,651,834	1,651,834
Other reserves		62,000	62,000
Profit and loss account		<u>(1,487,614)</u>	<u>(832,945)</u>
Equity attributable to owners of the company		<u>233,178</u>	<u>887,847</u>
Total equity		<u>233,178</u>	<u>887,847</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provision applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 02/04/19 and signed on its behalf by:



Mr Sean Taylor

Director

The notes on pages 3 to 13 form an integral part of these financial statements.

Redline Worldwide Limited

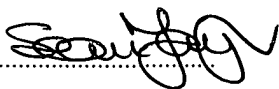
(Registration number: 09510974)
Balance Sheet as at 31 March 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	6	3,148,316	3,045,708
Current assets			
Debtors	7	500	365,208
Creditors: Amounts falling due within one year	8	<u>(205,169)</u>	<u>(97,513)</u>
Net current (liabilities)/assets		<u>(204,669)</u>	<u>267,695</u>
Total assets less current liabilities		2,943,647	3,313,403
Creditors: Amounts falling due after more than one year	8	<u>(2,986,706)</u>	<u>(2,809,931)</u>
Net (liabilities)/assets		<u>(43,059)</u>	<u>503,472</u>
Capital and reserves			
Called up share capital		6,958	6,958
Share premium reserve		1,651,834	1,651,834
Other reserves		62,000	62,000
Profit and loss account		<u>(1,763,851)</u>	<u>(1,217,320)</u>
Total equity		<u>(43,059)</u>	<u>503,472</u>

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provision applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 02/09/19 and signed on its behalf by:



Mr Sean Taylor

Director

Redline Worldwide Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

1 General information

The company is a private company limited by share capital incorporated in England.

The address of its registered office is:

The National Security Training Centre

First Avenue

Robin Hood Airport

Doncaster

South Yorkshire

DN9 3RH

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Basis of consolidation

The consolidated financial statements present the results of Redline Worldwide Limited and its subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

Redline Worldwide Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

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

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Going concern

The financial statements have been prepared on a going concern basis.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the group's activities.

Other grants

Grant income is included on an accruals basis with revenue grants credited to the profit and loss account.

Foreign currency transactions and balances

The financial statements are presented in Sterling, which is also the functional currency of the Company. Transactions in currencies, other than the functional currency of the Company, are recorded at the rate of exchange on the date the transaction occurred. Monetary items denominated in other currencies are translated at the rate prevailing at the end of the reporting period. All differences are taken to the statement of comprehensive income. Non-monetary items that are measured at historic cost in a foreign currency are not retranslated.

Redline Worldwide Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 group operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold property improvements	Depreciated over the life of the lease
Computer equipment	33% on cost
Fixture and fittings	25% on cost
Motor vehicles	20% on cost
Plant & Equipment	25% on cost

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Redline Worldwide Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

Intangible assets

Separately acquired trademarks and licences are shown at historical cost / fair value.

Trademarks, licences and customer-related intangible assets have an infinite useful life and are carried at cost less any accumulated impairment losses.

Trade marks, licences and customer-related intangible assets are reviewed for impairment on an annual basis.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Patents, trademarks, licences	25% on cost
Goodwill	10 years straight line

Development Costs

Research and development expenditure is written off in the year in which it is incurred apart from development expenditure incurred on intellectual property relating to clearly defined projects and whose outcome can be assessed with reasonable certainty. Such expenditure is carried forward as an intangible asset and amortised from the time that turnover commences over the life of the project.

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Redline Worldwide Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Share based payments

The group has issued equity settled, share-based payments to certain employees of its subsidiary undertakings within the group.

Equity-settled share-based payments are measured at fair value at the date of grant. In accordance with FRS 102 Section 26; in the absence of an observable market price, the fair value of the equity settled share-based payments have been arrived at using entity specific observable market data, namely a recent independent valuation of the shares.

Equity-settled, share-based payments that have been made available to the employees of the company's subsidiary are treated as an expense with the corresponding increase in equity.

3 Staff costs

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2019 No.	2018 No.
Administration and support	<u>95</u>	<u>105</u>

Redline Worldwide Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

4 Intangible assets

Group

	Goodwill £	Trademarks, patents and licenses £	Total £
Cost or valuation			
At 1 April 2018	2,383,275	410	2,383,685
Revaluations	<u>102,608</u>	<u>-</u>	<u>102,608</u>
At 31 March 2019	<u>2,485,883</u>	<u>410</u>	<u>2,486,293</u>
Amortisation			
At 1 April 2018	476,655	410	477,065
Amortisation charge	<u>251,153</u>	<u>-</u>	<u>251,153</u>
At 31 March 2019	<u>727,808</u>	<u>410</u>	<u>728,218</u>
Carrying amount			
At 31 March 2019	<u>1,758,075</u>	<u>-</u>	<u>1,758,075</u>
At 31 March 2018	<u>1,906,620</u>	<u>-</u>	<u>1,906,620</u>

Redline Worldwide Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

5 Tangible assets

Group

	Leasehold property improvements £	Computer Equipment £	Fixtures & Fittings £	Motor vehicles £	Plant & Equipment £	Total £
Cost or valuation						
At 1 April 2018	88,245	186,583	75,665	8,000	39,858	398,351
Additions	3,330	25,085	1,346	-	1,583	31,344
Disposals	-	-	-	-	(833)	(833)
At 31 March 2019	91,575	211,668	77,011	8,000	40,608	428,862
Depreciation						
At 1 April 2018	27,942	127,545	33,311	8,000	39,028	235,826
Charge for the year	8,517	40,496	15,035	-	524	64,572
Eliminated on disposal	-	-	-	-	(85)	(85)
At 31 March 2019	36,459	168,041	48,346	8,000	39,467	300,313
Carrying amount						
At 31 March 2019	55,116	43,627	28,665	-	1,141	128,549
At 31 March 2018	60,303	59,038	42,354	-	830	162,525

Redline Worldwide Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

6 Investments

Company

	2019 £	2018 £
Investments in subsidiaries	<u>3,148,316</u>	<u>3,045,708</u>

Subsidiaries

£

Fair value

At 1 April 2018

3,045,708

Fair value adjustments

102,608

At 31 March 2019

3,148,316

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
Redline Aviation Security Limited	NSTC First Avenue Robin Hood Airport Doncaster DN9 3RH UK	Ordinary	100%	100%

The principal activity of Redline Aviation Security Limited is that of the provision of security training.

Redline Worldwide Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

7 Debtors

		Group		Company	
	Note	2019 £	2018 £	2019 £	2018 £
Trade debtors		852,407	747,210	-	-
Amounts owed by related parties	12	42,900	51,859	-	364,708
Other debtors		22,058	48,384	500	500
Prepayments		<u>201,874</u>	<u>279,782</u>	<u>-</u>	<u>-</u>
Total current trade and other debtors		<u>1,119,239</u>	<u>1,127,235</u>	<u>500</u>	<u>365,208</u>

8 Creditors

		Group		Company	
	Note	2019 £	2018 £	2019 £	2018 £
Due within one year					
Trade creditors		223,787	244,244	-	-
Amounts due to related parties		17,854	-	202,149	-
Social security and other taxes		408,466	434,326	-	-
Outstanding defined contribution pension costs		13,077	5,882	-	-
Other payables		53,044	40,905	3,020	3,020
Accrued expenses		<u>289,640</u>	<u>316,575</u>	<u>-</u>	<u>94,493</u>
		<u>1,005,868</u>	<u>1,041,932</u>	<u>205,169</u>	<u>97,513</u>
Due after one year					
Loans and borrowings	9	<u>2,986,706</u>	<u>2,809,931</u>	<u>2,986,706</u>	<u>2,809,931</u>

Creditors amounts falling due after one year includes the following liabilities, on which security has been given by the company:

Loan note security:

Shareholder Loan Note with a carrying amount of £2,986,706 (2018 £2,809,931) is denominated in £ Sterling with a nominal interest rate of 14.34%. The final instalment is due on 27th February 2021.

The shareholder loan notes are secured by group companies granting security and guarantees in favour of the note holders for the repayment of the notes in the form of the loan note security and the loan note guarantee contemporaneously with the issue of the notes.

Redline Worldwide Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

9 Loans and borrowings

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Non-current loans and borrowings				
Other borrowings	<u>2,986,706</u>	<u>2,809,931</u>	<u>2,986,706</u>	<u>2,809,931</u>

10 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

	2019	2018
	£	£
Not later than one year	176,037	170,939
Later than one year and not later than five years	708,084	754,942
Later than five years	<u>285,918</u>	<u>408,738</u>
	<u>1,170,039</u>	<u>1,334,619</u>

11 Share-based payments

Redline Worldwide ESS Shares

Scheme details and movements

The Company has issued equity settled, share-based payments to certain employees of subsidiary undertakings within the group.

Equity-settled, share-based payments are measured at fair value at the date of grant. In accordance with FRS102 Section 26; in the absence of an observable market price, the fair value of the equity settled share-based payments has been arrived at using entity specific observable market data, namely a recent independent valuation of the shares.

The fair value of the total charge for the year relating to equity-settled share-based transactions was £nil (2018 £31,000). The fair value per share was 62p.

Equity-settled, share-based payments that have been made available to the employees of the Company's subsidiary are treated as an expense with the corresponding increase in equity.

Redline Worldwide Limited

Notes to the Financial Statements for the Year Ended 31 March 2019

12 Related party transactions

Group

Summary of transactions with key management

At the balance sheet date, Directors' Loan Accounts were overdrawn by £42,900 (2018: £31,900). The balances are due within 1 year, on an interest free basis and repayable on demand.

13 Control

There is no ultimate controlling party by virtue of the shareholding.

14 Auditor's disclosure

These financial statements have been audited for the year ended 31st March 2019 and the auditor can confirm an unqualified report was issued. The name of senior auditor is Nigel Bennett FCA (Senior Statutory Auditor) For and on behalf of Hallidays, Statutory auditor.