

Company Registration No. 09941723 (England and Wales)

ALLAY CONNECT LTD
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 JUNE 2019
PAGES FOR FILING WITH REGISTRAR

ALLAY CONNECT LTD

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ALLAY CONNECT LTD

BALANCE SHEET

AS AT 30 JUNE 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Investments	3		100		100
Current assets					
Debtors	4	2,463,175		89,991	
Cash at bank and in hand		1,216		4,308	
		<u>2,464,391</u>		<u>94,299</u>	
Creditors: amounts falling due within one year	5	<u>(2,949,839)</u>		<u>(1,316,224)</u>	
Net current liabilities			(485,448)		(1,221,925)
Total assets less current liabilities			<u>(485,348)</u>		<u>(1,221,825)</u>
Capital and reserves					
Called up share capital	6		100		100
Profit and loss reserves			(485,448)		(1,221,925)
Total equity			<u>(485,348)</u>		<u>(1,221,825)</u>

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

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

The financial statements were approved and signed by the director and authorised for issue on 29 September 2020

S P Bell
Director

Company Registration No. 09941723

ALLAY CONNECT LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 JUNE 2019

1 Accounting policies

Company information

Allay Connect Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Generator Studios, Trafalgar Street, Newcastle upon Tyne, NE1 2LA.

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. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' - Carrying amounts.

The financial statements of the company are consolidated in the financial statements of Allay (UK) Ltd, the ultimate parent company. These consolidated financial statements are available from its registered office, 3rd Floor Generator Studios, Trafalgar Street, Newcastle upon Tyne, NE1 2LA.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has access to adequate resources across the group to continue in operational existence for the foreseeable future. The shareholder and parent company has confirmed it can and will support the company if required. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Reporting period

The reporting period in the prior period was shortened to 6 months and 5 days ended 5 July 2018 for commercial reasons. Therefore the prior period financial statements (including the related notes) are not entirely comparable.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services rendered stated net of discounts and Value Added Tax.

ALLAY CONNECT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

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

1.6 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, and loans from fellow group companies, 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.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

ALLAY CONNECT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2019

1 Accounting policies

(Continued)

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.

1.8 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, if considered material to the financial statements.

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.

1.9 Retirement benefits

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

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Employees

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

	2019 Number	2018 Number
Total	44	47

ALLAY CONNECT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2019

3 Fixed asset investments

	2019 £	2018 £
Investments	100	100

4 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Amounts owed by group undertakings	2,395,801	25,734
Other debtors	67,374	64,257
	<u>2,463,175</u>	<u>89,991</u>

5 Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	2,662,841	1,161,579
Corporation tax	172,217	-
Other taxation and social security	8,473	23,503
Other creditors	106,308	131,142
	<u>2,949,839</u>	<u>1,316,224</u>

6 Called up share capital

	2019 £	2018 £
Ordinary share capital Issued and fully paid		
100 Ordinary shares of £1 each	100	100

7 Related party transactions

	2019 £	2018 £
Amounts due to related parties		
Companies under common control	102,308	90,896

Other information

The company is a wholly owned subsidiary and has taken advantage of the exemption permitted by Section 33 Related Party Disclosures not to provide disclosures of transactions entered into with other wholly owned members of the group.

ALLAY CONNECT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2019

8 Parent company

The company's ultimate parent undertaking is Allay (UK) Ltd, a company incorporated in England and Wales.

9 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Paul Gainford.

The auditor was RMT Accountants & Business Advisors Ltd.

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.