

Calex Group Limited

Unaudited Financial Statements

Year Ended

28 February 2020

Company Number SC500841



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Calex Group Limited

Company Information

Directors	L P Benzies P D Johnston
Registered number	SC500841
Registered office	Caledonian Exchange 19a Canning Street Edinburgh EH3 8HE
Accountants	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD

Calex Group Limited

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Calex Group Limited

Chartered accountants' report to the board of directors on the preparation of the unaudited statutory financial statements of Calex Group Limited for the year ended 28 February 2020

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Calex Group Limited for the year ended 28 February 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation>.

It is your duty to ensure that Calex Group Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Calex Group Limited. You consider that Calex Group Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Calex Group Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

This report is made solely to the board of directors of Calex Group Limited, in accordance with the terms of our engagement letter dated 21 September 2018. Our work has been undertaken solely to prepare for your approval the financial statements of Calex Group Limited and state those matters that we have agreed to state to the board of directors of Calex Group Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Calex Group Limited and its board of directors, as a body, for our work or for this report.

BDO LLP

BDO LLP

Chartered Accountants
Edinburgh
United Kingdom
Date: 2 February 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Calex Group Limited
Registered number: SC500841

Balance sheet
as at 28 February 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	7	9,107	10,538
Tangible assets	8	6,594	1,726
Investments	9	201	201
		<u>15,902</u>	<u>12,465</u>
Current assets			
Debtors: amounts falling due within one year	10	383,032	352,206
Cash at bank and in hand	11	100,000	100,000
		<u>483,032</u>	<u>452,206</u>
Creditors: amounts falling due within one year	12	(1,433,619)	(1,139,408)
Net current liabilities		<u>(950,587)</u>	<u>(687,202)</u>
Total assets less current liabilities		<u>(934,685)</u>	<u>(674,737)</u>
Net liabilities		<u>(934,685)</u>	<u>(674,737)</u>
Capital and reserves			
Called up share capital	13	100	100
Profit and loss account	14	(934,785)	(674,837)
		<u>(934,685)</u>	<u>(674,737)</u>

Calex Group Limited
Registered number: SC500841

Balance sheet (continued)
as at 28 February 2020

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
2 February 2021.



P D Johnston
Director

The notes on pages 5 to 13 form part of these financial statements.

Calex Group Limited

Statement of changes in equity for the year ended 28 February 2020

	Called up share capital £	Profit and loss account £	Total equity £
At 1 March 2018	100	(512,620)	(512,520)
Comprehensive income for the year			
Loss for the year	-	(162,217)	(162,217)
Total comprehensive income for the year	-	(162,217)	(162,217)
At 1 March 2019	100	(674,837)	(674,737)
Comprehensive income for the year			
Loss for the year	-	(259,948)	(259,948)
Total comprehensive income for the year	-	(259,948)	(259,948)
At 28 February 2020	100	(934,785)	(934,685)

The notes on pages 5 to 13 form part of these financial statements.

Calex Group Limited

Notes to the financial statements for the year ended 28 February 2020

1. General information

Calex Group Limited is a private company limited by shares, incorporated in Scotland under the Companies Act. The address of the registered office is given on the information page and the nature of the company's principal activities is set out in the director's report.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Exemption from preparing consolidated financial statements

The company is exempt from the requirement to prepare consolidated financial statements as all of its subsidiaries are required to be excluded from consolidation by section 402 of the Companies Act 2006.

2.3 Going concern

The company made a loss of £259,948 (2019 - £162,217), has net current liabilities of £950,587 (2019 - £687,202) and net liabilities of £934,685 (2019 - £674,737). The director has confirmed the loan to be in place and to maintain financial support to the company for the foreseeable future to enable the company to continue. The financial statements are therefore drawn up on a going concern basis. The financial statements do not include any adjustment that would result if this support was to be withdrawn.

The directors of the company are currently assessing the impact of COVID-19. The directors are continually reviewing their plans and forecasts and directors believe that the going concern basis is appropriate as the company has the continued support of related parties and the controlling party. This support has confirmed as being in place. These financial statements do not include any adjustment that would be necessary should this support be withdrawn.

Calex Group Limited

Notes to the financial statements for the year ended 28 February 2020

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Operating leases: the company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Domain name	-	10	years
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Calex Group Limited

Notes to the financial statements for the year ended 28 February 2020

2. Accounting policies (continued)

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	25% straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Calex Group Limited

Notes to the financial statements for the year ended 28 February 2020

2. Accounting policies (continued)

2.13 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements the director has had to make the following judgments:

Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

Tangible fixed assets (note 8)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

All turnover arose within the United Kingdom.

Calex Group Limited

Notes to the financial statements for the year ended 28 February 2020

5. Operating loss

The operating loss is stated after charging:

	2020	2019
	£	£
Depreciation - office equipment	1,216	2,418
Amortisation - domain name	1,744	1,739
Rent - operating leases	6,500	1,479

6. Employees

The average monthly number of employees, including directors, during the year was 2 (2019 - 3).

7. Intangible assets

	Domain name £
Cost	
At 1 March 2019	17,390
Additions	313
At 28 February 2020	17,703
Amortisation	
At 1 March 2019	6,852
Charge for the year on owned assets	1,744
At 28 February 2020	8,596
Net book value	
At 28 February 2020	9,107
At 28 February 2019	10,538

Calex Group Limited

Notes to the financial statements for the year ended 28 February 2020

8. Tangible fixed assets

	Office equipment £
Cost	
At 1 March 2019	9,763
Additions	6,084
At 28 February 2020	<u>15,847</u>
Depreciation	
At 1 March 2019	8,037
Charge for the year on owned assets	1,216
At 28 February 2020	<u>9,253</u>
Net book value	
At 28 February 2020	<u><u>6,594</u></u>
At 28 February 2019	<u><u>1,726</u></u>

Calex Group Limited

Notes to the financial statements for the year ended 28 February 2020

9. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 March 2019	201
At 28 February 2020	<u>201</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
LPBZ Commercial Ltd	Property development and rentals	Ordinary	100%
LPBZ Limited	Property development and rentals	Ordinary	100%
VR-Chitect Limited	Development of virtual reality software	Ordinary	100%

The aggregate of the share capital and reserves as at 28 February 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
LPBZ Commercial Ltd	3,100,486	269,360
LPBZ Limited	85,073	65,938
VR-Chitect Limited	(150,628)	(5,072)

10. Debtors

	2020 £	2019 £
Trade debtors	2,562	-
Amounts owed by group undertakings	350,679	320,021
Other debtors	29,791	32,185
	<u>383,032</u>	<u>352,206</u>

Calex Group Limited

Notes to the financial statements for the year ended 28 February 2020

11. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	100,000	100,000

12. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	12,039	4,673
Amounts owed to group undertakings	1,401,204	1,119,738
Other taxation and social security	7,569	-
Other creditors	5,931	11,189
Accruals and deferred income	6,876	3,808
	1,433,619	1,139,408

13. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
100 (2019 - 100) Ordinary shares of £1 each	100	100

14. Reserves

Profit and loss account

The profit and loss account represents the accumulated profits and losses on the activities of the company.

Calex Group Limited

Notes to the financial statements for the year ended 28 February 2020

15. Related party transactions

The entity has taken advantage of the exemption included within FRS 102 not to disclose transactions with wholly owned subsidiaries within the group.

Included within trade debtor is a balance of £2,562 (2019 - £nil) due from Build A Rocket Boy Limited, a company under the same control as Calex Group Limited.

Included within other debtor is a balance of £18,596 (2019 - £18,596) due from Build A Rocket Boy Limited, a company under the same control as Calex Group Limited.

Included within other debtor is a balance of £11,167 (2019 - £11,167) due from Build A Rocket Boy Technologies Limited, a company under the same control as Calex Group Limited.

Included within other creditors is a balance of £639 (2019 - £639), due to Build A Rocket Boy Games Limited, a company under the same control as Calex Group Limited.

Included within other creditors is a balance of £1,711 (2019 - £1,867) due to L P Benzies, the director. During the year the director repaid £156 (2019 - received £30).

16. Controlling party

The company is controlled by L P Benzies, a director and sole shareholder.