

Harlequin Software Limited
Annual Report and Unaudited Financial Statements
for the Year Ended 31 July 2019

Harlequin Software Limited

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Harlequin Software Limited
(Registration number: 02012615)
Balance Sheet as at 31 July 2019

| | Note | 2019 £ | 2018 £ |
|--|----------|-----------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | <u>4</u> | 16,790 | 25,680 |
| Current assets | | | |
| Debtors | <u>5</u> | 1,565,397 | 1,476,831 |
| Cash at bank and in hand | | 18 | 28,804 |
| | | <u>1,565,415</u> | <u>1,505,635</u> |
| Creditors: Amounts falling due within one year | <u>6</u> | <u>(658,249)</u> | <u>(670,060)</u> |
| Net current assets | | <u>907,166</u> | <u>835,575</u> |
| Total assets less current liabilities | | 923,956 | 861,255 |
| Creditors: Amounts falling due after more than one year | <u>6</u> | (86,400) | (120,000) |
| Provisions for liabilities | | <u>(3,190)</u> | <u>(2,017)</u> |
| Net assets | | <u><u>834,366</u></u> | <u><u>739,238</u></u> |
| Capital and reserves | | | |
| Called up share capital | | 2 | 2 |
| Profit and loss account | | <u>834,364</u> | <u>739,236</u> |
| Shareholders' funds | | <u><u>834,366</u></u> | <u><u>739,238</u></u> |

Harlequin Software Limited
(Registration number: 02012615)
Balance Sheet as at 31 July 2019

For the financial year ending 31 July 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

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 provisions 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 7 October 2020 and signed on its behalf by:

.....
T J W Ellis
Director

Harlequin Software Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2019

1 General information

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

The address of its registered office is:

The Old Vicarage
Finches Lane
Baydon
Marlborough
Wiltshire
SN8 2JJ
United Kingdom

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 have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

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.

Going concern

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

The directors acknowledge the potential impact of the global coronavirus pandemic and believe that the business is well placed to manage its business risks successfully despite the current uncertain economic outlook created by the pandemic. The directors believe the company has adequate resources to continue in operational existence such that they believe the continued use of the going concern basis to be appropriate.

Revenue recognition

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

Tax

The tax expense for the period comprises current tax payable and deferred tax.

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 company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Harlequin Software Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2019

Tangible assets

Tangible assets are stated in the balance sheet 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 |
|-----------------------|------------------------------|
| Motor vehicles | 25% reducing balance |
| Fixtures and fittings | 25% reducing balance |
| Office equipment | 25% reducing balance |
| Computer equipment | 25% reducing balance |

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.

Debtors

Trade debtors are amounts due from customers for charity software services performed in the ordinary course of business.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

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 company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Harlequin Software Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2019

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company 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.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 8 (2018 - 10).

4 Tangible assets

| | Fixtures and fittings £ | Computer equipment £ | Office equipment £ | Motor vehicles £ | Total £ |
|--------------------------|-------------------------------|----------------------------|--------------------------|------------------------|------------|
| Cost or valuation | | | | | |
| At 1 August 2018 | 7,475 | 39,265 | 46,012 | 31,087 | 123,839 |
| Additions | - | 1,398 | - | - | 1,398 |
| At 31 July 2019 | 7,475 | 40,663 | 46,012 | 31,087 | 125,237 |
| Depreciation | | | | | |
| At 1 August 2018 | 6,801 | 17,849 | 42,422 | 31,087 | 98,159 |
| Charge for the year | 168 | 9,222 | 898 | - | 10,288 |
| At 31 July 2019 | 6,969 | 27,071 | 43,320 | 31,087 | 108,447 |
| Carrying amount | | | | | |
| At 31 July 2019 | 506 | 13,592 | 2,692 | - | 16,790 |
| At 31 July 2018 | 674 | 21,416 | 3,590 | - | 25,680 |

Harlequin Software Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2019

5 Debtors

| | 2019 | 2018 |
|---------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 74,707 | 129,515 |
| Other debtors | 1,490,690 | 1,347,316 |
| | 1,565,397 | 1,476,831 |
| | 1,565,397 | 1,476,831 |

6 Creditors

Creditors: amounts falling due within one year

| | 2019 | 2018 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Due within one year | | |
| Loans and borrowings | 80,705 | 30,000 |
| Trade creditors | 38,374 | 24,521 |
| Taxation and social security | 200,477 | 265,969 |
| Other creditors | 338,693 | 349,570 |
| | 658,249 | 670,060 |
| | 658,249 | 670,060 |

Creditors: amounts falling due after more than one year

| | | 2019 | 2018 |
|---------------------------|-------------|---------------|----------------|
| | Note | £ | £ |
| Due after one year | | | |
| Loans and borrowings | <u>7</u> | 86,400 | 120,000 |
| | | 86,400 | 120,000 |
| | | 86,400 | 120,000 |

Harlequin Software Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 July 2019

7 Loans and borrowings

| | 2019 £ | 2018 £ |
|-------------------------------------|---------------|---------------|
| Current loans and borrowings | | |
| Bank overdrafts | 26,931 | - |
| Other borrowings | 53,774 | 30,000 |
| | <u>80,705</u> | <u>30,000</u> |

| | 2019 £ | 2018 £ |
|---|---------------|----------------|
| Non-current loans and borrowings | | |
| Other borrowings | 86,400 | 120,000 |
| | <u>86,400</u> | <u>120,000</u> |

8 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £28,475 (2018 - £35,594).

9 Related party transactions

Transactions with directors

| | At 1 August 2018 £ | Advances to directors £ | Repayments by director £ | At 31 July 2019 £ |
|------------------------|--------------------------|-------------------------------|--------------------------------|-------------------------|
| 2019 | | | | |
| Directors loan account | 1,105,544 | 351,568 | (199,418) | 1,257,694 |
| | <u>1,105,544</u> | <u>351,568</u> | <u>(199,418)</u> | <u>1,257,694</u> |

| | At 1 August 2017 £ | Advances to directors £ | Repayments by director £ | At 31 July 2018 £ |
|------------------------|--------------------------|-------------------------------|--------------------------------|-------------------------|
| 2018 | | | | |
| Directors loan account | 1,002,812 | 281,296 | (178,564) | 1,105,544 |
| | <u>1,002,812</u> | <u>281,296</u> | <u>(178,564)</u> | <u>1,105,544</u> |

Other transactions with directors

T J W Ellis and K A Ellis (directors) had a loan account with the company on which interest has been charged at the HMRC official rate. At the balance sheet date the amount due from T J W Ellis and K A Ellis was £1,257,694 (2018 - £1,105,544).

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.