

Registered number: 02905072

FELLOWS INTERNATIONAL LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 SEPTEMBER 2021



FELLOWS INTERNATIONAL LIMITED
REGISTERED NUMBER: 02905072

BALANCE SHEET
AS AT 30 SEPTEMBER 2021

		2021 £	2020 £
Fixed assets			
Tangible assets	4	262,904	279,923
		<u>262,904</u>	<u>279,923</u>
Current assets			
Stocks		64,707	-
Debtors: amounts falling due within one year	5	215,476	454,278
Cash at bank and in hand	6	538	9,304
		<u>280,721</u>	<u>463,582</u>
Creditors: amounts falling due within one year	7	(1,075,545)	(1,339,810)
Net current liabilities		<u>(794,824)</u>	<u>(876,228)</u>
Total assets less current liabilities		<u>(531,920)</u>	<u>(596,305)</u>
Creditors: amounts falling due after more than one year	8	(253,714)	(288,829)
Net liabilities		<u>(785,634)</u>	<u>(885,134)</u>
Capital and reserves			
Called up share capital	10	50	50
Capital redemption reserve		50	50
Profit and loss account		(785,734)	(885,234)
		<u>(785,634)</u>	<u>(885,134)</u>

FELLOWS INTERNATIONAL LIMITED
REGISTERED NUMBER: 02905072

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2021

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 by:

S Bishop

Steve Bishop 26 Jul 2023 12:06:44 BST (UTC +1)

.....
S R Bishop
Director

Date: 26 July 2023

The notes on pages 3 to 9 form part of these financial statements.

FELLOWS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1. General information

Fellows International Limited is a limited liability company incorporated in England and Wales. The address of its registered office is 160 Ordnance Park Aerodrome Road, Gosport, Hampshire, England, PO13 0FG.

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 following principal accounting policies have been applied:

2.2 Going concern

The Company generated a profit before tax of £118,441 during the year ended 30 September 2021 (2020: loss before tax of £500,486), has net liabilities of £785,634 (2020: £885,134), of which cash represents £538 (2020: £9,304).

The Directors have prepared forecasts and projections for a period covering more than 12 months from date of their approval of these financial statements. The Directors have used assumptions that they consider to be reasonable assumptions relating to the Company's financial performance, current financial position and existing financial resources.

On 3rd April 2023 the Company entered into a Company Voluntary Arrangement (CVA) agreed by HMRC. The conditions of the CVA state that a payment schedule is required to be met, and all outstanding financial statements need to be filed within a 3 month deadline plus a 30 day rectification period to 2nd August 2023.

Based on these forecasts and despite the impact of Covid on 2020 and 2021 performance and the subsequent delay in Contracts to be awarded, the Directors consider the pipeline and order book to be strong. Several key strategic relationships have been built during this time which will deliver large contracts in the future. Accordingly with continued support from the lenders of the CVA the Directors have concluded that the Company will have sufficient resources available to it and as a result continue to prepare the financial statements on the going concern basis. However, the Directors recognise that these circumstances represent a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern.

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

FELLOWS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

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:

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

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 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

FELLOWS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. Accounting policies (continued)

2.8 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 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:

Freehold property	- 50 years straight line
Plant and machinery	- 4 years straight line
Motor vehicles	- 4 years straight line

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.

2.10 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.

FELLOWS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

2. Accounting policies (continued)

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.

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.

3. Employees

The average monthly number of employees, including directors, during the year was 6 (2020 - 8).

4. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 October 2020	271,335	104,758	1,823	7,691	385,607
Additions	-	1,574	-	-	1,574
At 30 September 2021	<u>271,335</u>	<u>106,332</u>	<u>1,823</u>	<u>7,691</u>	<u>387,181</u>
Depreciation					
At 1 October 2020	12,331	88,049	729	4,575	105,684
Charge for the year on owned assets	5,427	10,238	365	2,563	18,593
At 30 September 2021	<u>17,758</u>	<u>98,287</u>	<u>1,094</u>	<u>7,138</u>	<u>124,277</u>
Net book value					
At 30 September 2021	<u>253,577</u>	<u>8,045</u>	<u>729</u>	<u>553</u>	<u>262,904</u>
At 30 September 2020	<u>259,004</u>	<u>16,709</u>	<u>1,094</u>	<u>3,116</u>	<u>279,923</u>

FELLOWS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

5. Debtors

	2021 £	2020 £
Trade debtors	179,213	121,425
Amounts owed by group undertakings	22,404	67,893
Other debtors	1,850	1,850
Prepayments and accrued income	6,854	257,955
Deferred taxation	5,155	5,155
	<u>215,476</u>	<u>454,278</u>

6. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>538</u>	<u>9,304</u>

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	10,840	10,546
Other loans	136,651	173,874
Trade creditors	439,743	836,995
Corporation tax	62,288	43,326
Other taxation and social security	323,827	164,676
Other creditors	55,000	23,738
Accruals and deferred income	47,196	86,655
	<u>1,075,545</u>	<u>1,339,810</u>

FELLOWS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

8. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Bank loans	134,617	134,911
Other loans	119,097	153,918
	<u>253,714</u>	<u>288,829</u>

The bank loan is payable over a 5 year term which matures in 2023. The loan is secured against a legal charge over Unit 160 Ordnance Business Park Aerodrome Road Gosport Hampshire and debentures granted by the Company and Optima Group Ltd.

9. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	10,840	10,546
Other loans	136,651	173,874
Amounts falling due 1-2 years		
Bank loans	134,617	134,911
Other loans	119,097	153,918
	<u>401,205</u>	<u>473,249</u>

10. Share capital

	2021 £	2020 £
Authorised, allotted, called up and fully paid		
50 (2020 - 50) Ordinary shares of £1.00 each	50	50
	<u>50</u>	<u>50</u>

11. Related party transactions

The company is exempt under Paragraph 33.1A of FRS 102 from disclosing related party transactions with entities that are part of the group headed by Disrupta Holdings Limited, where 100% of the voting rights are controlled within the group.

12. Post balance sheet events

On the 16 February 2023 the directors passed a special resolution to voluntary wind-up Optima Defence and Security Group Limited. As a result, the Company's intercompany debtor balance of £1,054,299 is irrecoverable and has been fully provided for during the year ended 30 September 2020.

FELLOWS INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

13. Controlling party

The parent company of Fellows International Limited is Optima Shield Limited and its registered office is 160 Ordnance Park, Aerodrome Road, Gosport, England, PO13 0FG.

The ultimate parent company of Fellows International Limited is Disrupta Holdings Limited and its registered office is 160 Ordnance Park, Aerodrome Road, Gosport, England, PO13 0FG.