

INCENTIVESMART LIMITED

UNAUDITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 APRIL 2021

INCENTIVESMART LIMITED

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INCENTIVESMART LIMITED

COMPANY INFORMATION

Director	R White
Company secretary	R White
Registered number	06556915
Registered office	Moorgate House 201 Silbury Boulevard Central Milton Keynes MK9 1LZ
Trading Address	7 Moulsoe Business Centre Cranfield Road Milton Keynes MK16 0FJ

INCENTIVESMART LIMITED

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 30 APRIL 2021**

The director presents his report and the financial statements for the year ended 30 April 2021.

Director's responsibilities statement

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity and business review

The principal activity of the company during the year was the development and management of corporate incentive schemes.

The company achieved strong revenue and margin growth, 23% and 29% respectively, despite the negative impact of Covid. During the year we invested in our infrastructure to position ourselves for further growth, and this strategy is successfully driving increasing revenue and margin.

Post balance sheet our strong cash position has enabled early and full repayment of a business development loan further strengthening our financial position.

Director

The director who served during the year was:

R White

Small companies note

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

INCENTIVESMART LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2021**

This report was approved by the board and signed on its behalf.

R White
Director

Date: 26 January 2022

BALANCE SHEET
AS AT 30 APRIL 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	47,772	34,444
		<u>47,772</u>	<u>34,444</u>
Current assets			
Debtors: amounts falling due within one year	5	603,841	209,836
Cash at bank and in hand	6	857,844	621,890
		<u>1,461,685</u>	<u>831,726</u>
Creditors: amounts falling due within one year	7	(635,539)	(319,072)
		<u>826,146</u>	<u>512,654</u>
Net current assets		826,146	512,654
Total assets less current liabilities		873,918	547,098
Creditors: amounts falling due after more than one year	8	(390,146)	(235,547)
Provisions for liabilities			
Deferred tax	10	(7,642)	(6,544)
		<u>(7,642)</u>	<u>(6,544)</u>
Net assets		476,130	305,007
Capital and reserves			
Called up share capital		100	100
Profit and loss account		476,030	304,907
		<u>476,130</u>	<u>305,007</u>

BALANCE SHEET (CONTINUED)
AS AT 30 APRIL 2021

The director considers 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 director acknowledges his 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 income and retained earnings 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:

R White
Director

Date: 26 January 2022

The notes on pages 6 to 13 form part of these financial statements.

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

1. General information

Incentivesmart Limited is a private company, limited by shares, incorporated in England. Its registered number is 06556915. The address of its registered office is Moorgate House, 201 Silbury Boulevard, Central Milton Keynes, MK9 1LZ, United Kingdom. The company's trading address is 7 Moulsoe Business Centre, Cranfield Road, Milton Keynes, MK16 0FJ.

The principal activity of the company during the year was the development and management of corporate incentive schemes.

The financial statements are presented in Sterling, which is also the functional currency of the Company.

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 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.

2.3 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.

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

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

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	-	15% straight line
Computer equipment	-	15% 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 the Statement of Income and Retained Earnings.

2.4 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.

2.5 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.

2.6 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 ordinary shares.

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.

2.7 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.

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

2. Accounting policies (continued)

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

2.9 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.10 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings 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.

2.11 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

2. Accounting policies (continued)

2.12 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings 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.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 May 2019 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.13 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 the Statement of Income and Retained Earnings 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.

2.14 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.15 Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

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

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, 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.

3. Employees

The average monthly number of employees, including directors, during the year was 12 (2020 - 8).

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

4. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 May 2020	18,403	35,954	54,357
Additions	13,538	8,894	22,432
At 30 April 2021	<u>31,941</u>	<u>44,848</u>	<u>76,789</u>
Depreciation			
At 1 May 2020	8,655	11,258	19,913
Charge for the year on owned assets	2,847	6,257	9,104
At 30 April 2021	<u>11,502</u>	<u>17,515</u>	<u>29,017</u>
Net book value			
At 30 April 2021	<u>20,439</u>	<u>27,333</u>	<u>47,772</u>
At 30 April 2020	<u>9,748</u>	<u>24,696</u>	<u>34,444</u>

5. Debtors

	2021 £	2020 £
Trade debtors	561,624	164,217
Other debtors	-	27,424
Prepayments and accrued income	42,217	18,195
	<u>603,841</u>	<u>209,836</u>

6. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>857,844</u>	<u>621,890</u>

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

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Bank loans	95,401	57,209
Trade creditors	170,390	87,093
Corporation tax	8,095	7,380
Other taxation and social security	221,885	91,753
Other creditors	3,451	1,330
Accruals and deferred income	136,317	74,307
	<u>635,539</u>	<u>319,072</u>

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

	2021 £	2020 £
Bank loans	<u>390,146</u>	<u>235,547</u>

9. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Bank loans	95,401	57,209
Amounts falling due 1-2 years		
Bank loans	109,238	60,737
Amounts falling due 2-5 years		
Bank loans	268,141	174,810
Amounts falling due after more than 5 years		
Bank loans	12,767	-
	<u>485,547</u>	<u>292,756</u>

On 19 January 2022 one of the bank loans with a balance outstanding of £235,547 as at 30 April 2021 was repaid in full ahead of the agreed repayment terms.

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

10. Deferred taxation

	2021 £	2020 £
At beginning of year	6,544	4,719
Charged to profit or loss	1,098	1,825
At end of year	<u><u>7,642</u></u>	<u><u>6,544</u></u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	<u>7,642</u>	6,544
	<u><u>7,642</u></u>	<u><u>6,544</u></u>

11. Commitments under operating leases

At 30 April 2021 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Not later than 1 year	7,242	25,736
Later than 1 year and not later than 5 years	-	9,271
	<u><u>7,242</u></u>	<u><u>35,007</u></u>

12. Related party transactions

At 30 April 2021 the company owes £500 to R White (2020: £977 owed by R White). The loan is interest free and repayable on demand.

During the year, dividends of £84,336 (2020: £92,700) were paid to R White, the director.

13. Controlling party

The ultimate controlling party is R White, by virtue of his majority shareholding.

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.