

Company Registration No. 10000823 (England and Wales)

DOWNING IP LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2021
PAGES FOR FILING WITH REGISTRAR

DOWNING IP LIMITED

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DOWNING IP LIMITED

BALANCE SHEET

AS AT 31 JULY 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	3		112,500		-
Tangible assets	4		19,618		25,488
Investments	5		100		100
			<u>132,218</u>		<u>25,588</u>
Current assets					
Debtors	6	541,403		351,016	
Cash at bank and in hand		31,196		218,805	
		<u>572,599</u>		<u>569,821</u>	
Creditors: amounts falling due within one year	7	(215,068)		(482,029)	
Net current assets			<u>357,531</u>		<u>87,792</u>
Total assets less current liabilities			<u>489,749</u>		<u>113,380</u>
Creditors: amounts falling due after more than one year	8		-		(50,000)
Net assets			<u><u>489,749</u></u>		<u><u>63,380</u></u>
Capital and reserves					
Called up share capital	10		5,200		5,200
Profit and loss reserves			484,549		58,180
Total equity			<u><u>489,749</u></u>		<u><u>63,380</u></u>

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

For the financial year ended 31 July 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

DOWNING IP LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 JULY 2021

The financial statements were approved and signed by the director and authorised for issue on 19 May 2022

M P Downing
Director

Company Registration No. 1000823

DOWNING IP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies

Company information

Downing IP Limited is a private company limited by shares incorporated in England and Wales. The registered office is 166 College Road, Harrow, Middlesex, HA1 1RA.

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.

1.2 Turnover

Turnover represents revenue earned from providing professional services and advice to third parties.

Revenue is recognised as earned when, and to the extent that, the firm obtains the right to consideration in exchange for its performance under those contracts. It is measured at the fair value of the right to consideration, which represents amounts chargeable to clients, including recoverable expenses and disbursements, but excluding VAT.

For incomplete assignments, an assessment is made of the extent to which revenue has been earned. This assessment takes into account the nature of the assignment, its stage of completion, and the relevant contract terms.

Revenue recognised but not invoiced at the year end is included in debtors.

If, at the balance sheet date, completion of contractual obligations is dependent on external factors (and the outside the control of Downing IP Limited), then revenue is recognised only when the event occurs. In such cases, costs incurred up to the balance sheet date are carried forward as work in progress.

1.3 Goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is ten years. Refer to note 12 to the financial statements.

1.4 Tangible fixed assets

Tangible fixed assets are measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	Over the term of the lease
Office furniture and equipment	25% on reducing balance
Computer equipment	25% on cost

DOWNING IP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies **(Continued)**

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

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.

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 measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are 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.

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.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

1.8 Taxation

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

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.

1.9 Retirement benefits

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

DOWNING IP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

1 Accounting policies **(Continued)**

1.10 Leases

Rentals payable under operating leases are charged to income on a straight line basis over the term of the relevant lease.

1.11 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.13 Preference shares

The redeemable preference shares are classified as equity as they are redeemable at the option of the issuer and do not carry a right to a return.

2 Employees

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

	2021	2020
	Number	Number
Total	9	9
	==	==

DOWNING IP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

3 Intangible fixed assets		Goodwill			
		£			
Cost					
At 1 August 2020		-			
Additions		137,500			
At 31 July 2021		<u>137,500</u>			
Amortisation and impairment					
At 1 August 2020		-			
Amortisation charged for the year		25,000			
At 31 July 2021		<u>25,000</u>			
Carrying amount					
At 31 July 2021		<u>112,500</u>			
At 31 July 2020		<u>-</u>			
4 Tangible fixed assets		Leasehold land and buildings	Office furniture and equipment	Computer equipment	Total
		£	£	£	£
Cost					
At 1 August 2020		10,410	9,709	26,619	46,738
Additions		-	332	3,006	3,338
At 31 July 2021		<u>10,410</u>	<u>10,041</u>	<u>29,625</u>	<u>50,076</u>
Depreciation and impairment					
At 1 August 2020		3,763	5,358	12,129	21,250
Depreciation charged in the year		1,237	1,171	6,800	9,208
At 31 July 2021		<u>5,000</u>	<u>6,529</u>	<u>18,929</u>	<u>30,458</u>
Carrying amount					
At 31 July 2021		<u>5,410</u>	<u>3,512</u>	<u>10,696</u>	<u>19,618</u>
At 31 July 2020		<u>6,647</u>	<u>4,351</u>	<u>14,490</u>	<u>25,488</u>
5 Fixed asset investments				2021	2020
				£	£
Shares in group undertakings				<u>100</u>	<u>100</u>

DOWNING IP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

6 Debtors	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	320,143	184,525
Other debtors	221,260	166,491
	<u>541,403</u>	<u>351,016</u>

7 Creditors: amounts falling due within one year	2021	2020
	£	£
Trade creditors	104,850	90,446
Amounts owed to group undertakings	-	268,350
Corporation tax	19,862	6,481
Other taxation and social security	79,082	88,824
Other creditors	11,274	27,928
	<u>215,068</u>	<u>482,029</u>

8 Creditors: amounts falling due after more than one year	2021	2020
	£	£
Bank loan	-	50,000
	<u>-</u>	<u>50,000</u>

Included in other creditors is a bank loan amounting to £Nil (2020: £50,000) which is guaranteed by the government under the bounce back loan scheme. The loan was repaid in full during the year.

Creditors which fall due after five years are as follows:	2021	2020
	£	£
Payable by instalments	-	10,500
	<u>-</u>	<u>10,500</u>

9 Retirement benefit schemes	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	5,634	5,300
	<u>5,634</u>	<u>5,300</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

DOWNING IP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2021

10	Called up share capital	2021	2020	2021	2020
		Number	Number	£	£
	Ordinary share capital Issued and fully paid				
	Ordinary Shares of £1 each	200	200	200	200
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Preference share capital Issued and fully paid				
	Redeemable Preference Shares of £1 each	5,000	5,000	5,000	5,000
		<u> </u>	<u> </u>	<u> </u>	<u> </u>
	Preference shares classified as equity			5,000	5,000
				<u> </u>	<u> </u>
	Total equity share capital			5,200	5,200
				<u> </u>	<u> </u>

11 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases totalling £285,644 (2020: £350,644).

12 Related party transactions

Included within other debtors is £161,324 (2020: £101,018) owed to the company by the director as at the balance sheet date. Interest amounting to £3,424 (2020: £3,544) was charged on the loan during the year at HMRC's rate for beneficial loans. The maximum balance on the loan to the director during the year was £478,110 (2020: £228,276). The loan was repaid within nine months of the year end.

On 12 April 2021, Downing IP Limited purchased the trade and assets of Downing IP Services Limited such that, as of 12 April 2021, the trade of Downing IP Services Limited was carried on by Downing IP Limited.

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.