

Unaudited Financial Statements for the Year Ended 31 December 2020

for

Gearset Limited

Contents of the Financial Statements
for the Year Ended 31 December 2020

	Page
Company Information	1
Statement of Financial Position	2
Notes to the Financial Statements	4

Company Information
for the Year Ended 31 December 2020

DIRECTORS: Mr K Boyle
Dr S D Galbraith

SECRETARY: Tech CFO Limited

REGISTERED OFFICE: The Bradfield Centre
Cambridge Science Park Road
Cambridge
United Kingdom
CB4 0GA

REGISTERED NUMBER: 10345423 (England and Wales)

ACCOUNTANTS: Wheeler Accountancy
Unit 5, Avenue Business Park
Brockley Road
Elsworth
Cambridgeshire
CB23 4EY

Statement of Financial Position
31 December 2020

	Notes	31.12.20 £	£	31.12.19 £	£
FIXED ASSETS					
Tangible assets	4		102,475		63,301
CURRENT ASSETS					
Debtors	5	537,655		526,108	
Cash at bank		<u>3,226,359</u>		<u>1,668,907</u>	
		3,764,014		2,195,015	
CREDITORS					
Amounts falling due within one year	6	<u>2,719,659</u>		<u>2,098,743</u>	
NET CURRENT ASSETS			<u>1,044,355</u>		<u>96,272</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,146,830		159,573
CREDITORS					
Amounts falling due after more than one year	7		<u>496,457</u>		<u>57,960</u>
NET ASSETS			<u>650,373</u>		<u>101,613</u>
CAPITAL AND RESERVES					
Called up share capital	8		25,052		20,230
Share premium			420,043		420,043
Share option reserve			15,097		18,117
Retained earnings			<u>190,181</u>		<u>(356,777)</u>
SHAREHOLDERS' FUNDS			<u>650,373</u>		<u>101,613</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

Gearset Limited (Registered number: 10345423)

Statement of Financial Position - continued

31 December 2020

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 8 June 2021 and were signed on its behalf by:

Mr K Boyle - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2020

1. **STATUTORY INFORMATION**

Gearset Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Significant judgements and estimates

Share based payments as set out in note 10 to the accounts have been made to employees of the company. As disclosed in Share Based Payments accounting policy note below, the fair value of options are recognised in the income statement at the vesting date. The fair value estimate is based on value of the shares at the date of the grant.

There have been no other significant judgements or estimates applied to the numbers contained within these financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and sales taxes.

The Company offers a subscription model, the subscriptions are agreements with customers to provide access to software. The revenue is recognised as a service on a straight-line basis over the subscription period.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 50% on cost
Computer equipment	- 50% on cost

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

2. **ACCOUNTING POLICIES - continued**

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Share based payments

The Company operates an equity settled share-based payment scheme, whereby certain personnel render services in exchange for shares or rights over shares. Under the scheme, share options have been granted to certain personnel at an exercise price equal to the fair value market price of the Company's shares at the date of grant.

The fair value of the employee services received in exchange for the grant of the share options is recognised as an expense at the vesting date, the credit entry is taken to reserves as the share options are equity-settled.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 65 (2019 - 41) .

4. **TANGIBLE FIXED ASSETS**

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2020	23,454	99,702	123,156
Additions	4,699	103,064	107,763
At 31 December 2020	<u>28,153</u>	<u>202,766</u>	<u>230,919</u>
DEPRECIATION			
At 1 January 2020	6,877	52,978	59,855
Charge for year	12,224	56,365	68,589
At 31 December 2020	<u>19,101</u>	<u>109,343</u>	<u>128,444</u>
NET BOOK VALUE			
At 31 December 2020	<u>9,052</u>	<u>93,423</u>	<u>102,475</u>
At 31 December 2019	<u>16,577</u>	<u>46,724</u>	<u>63,301</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.20	31.12.19
	£	£
Trade debtors	292,654	250,623
Directors' current accounts	-	12,000
VAT	73,306	78,652
Prepayments	<u>171,695</u>	<u>184,833</u>
	<u>537,655</u>	<u>526,108</u>

6. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.20	31.12.19
	£	£
Trade creditors	144,523	90,381
Social security and other taxes	189,465	210,761
Other creditors	57,061	34,422
Deferred income	2,128,364	1,667,773
Accrued expenses	<u>200,246</u>	<u>95,406</u>
	<u>2,719,659</u>	<u>2,098,743</u>

7. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.12.20	31.12.19
	£	£
Deferred income	<u>496,457</u>	<u>57,960</u>

8. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			31.12.20	31.12.19
Number:	Class:	Nominal value:	£	£
1,689,551	Ordinary A	£0.01	16,896	16,896
333,448	Ordinary B	£0.01	3,334	3,334
482,175	Ordinary C	£0.01	<u>4,822</u>	-
			<u>25,052</u>	<u>20,230</u>

482,175 Ordinary C shares of £0.01 each were allotted and fully paid for cash at par during the year.

9. **SHARE BASED PAYMENT TRANSACTIONS**

The Company operates an EMI qualifying share option scheme for certain personnel of the company. As at the date of the Statement of Financial Position, the company had granted 301,942 EMI qualifying shares options to seven employees with an exercise price of £0.15 per share. At the date of the Statement of Financial Position 301,942 options have vested, of which 291,877 have been exercised. Share options vested 444 days from the date of the grant. The share options expire 10 years after the grant date, the remaining life of the options at the statement of financial position date is 7 years.

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.