

Company Registration No. 04160275 (England and Wales)

SAFETY SOFTWARE LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2018
PAGES FOR FILING WITH REGISTRAR



SAFETY SOFTWARE LIMITED

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SAFETY SOFTWARE LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2018

		2018		2017 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		710,250		155,064
Tangible assets	5		87,931		85,336
			<u>798,181</u>		<u>240,400</u>
Current assets					
Debtors - deferred tax		102,156		9,462	
Debtors - other	6	1,708,662		1,311,248	
Cash at bank and in hand		438,531		402,146	
		<u>2,249,349</u>		<u>1,722,856</u>	
Creditors: amounts falling due within one year	7	<u>(2,041,517)</u>		<u>(1,674,462)</u>	
Net current assets			<u>207,832</u>		<u>48,394</u>
Total assets less current liabilities			<u>1,006,013</u>		<u>288,794</u>
Capital and reserves					
Called up share capital	8		4		4
Profit and loss reserves			1,006,009		288,790
Total equity			<u>1,006,013</u>		<u>288,794</u>

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

For the financial year ended 31 October 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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 members have 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.

SAFETY SOFTWARE LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 OCTOBER 2018

The financial statements were approved by the board of directors and authorised for issue on 5 July 2019 and are signed on its behalf by:



M S Swithenbank
Director

Company Registration No. 04160275

SAFETY SOFTWARE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2018

	Share capital	Profit and loss reserves	Total
	£	£	£
As restated for the period ended 31 October 2017:			
Balance at 1 November 2016	4	865,737	865,741
Year ended 31 October 2017:			
Loss and total comprehensive income for the year	-	(576,947)	(576,947)
Balance at 31 October 2017	4	288,790	288,794
Year ended 31 October 2018:			
Profit and total comprehensive income for the year	-	717,219	717,219
Balance at 31 October 2018	4	1,006,009	1,006,013

SAFETY SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

Company information

Safety Software Limited is a private company limited by shares incorporated in England and Wales. The registered office is Rockland House, View Road, Rainhill, Prescot, Merseyside, L35 0LG.

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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes.

1.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.4 Intangible fixed assets - 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 20 years.

1.5 Intangible fixed assets other than goodwill

Amortisation 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:

Development Costs	5 to 10 years
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1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, 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:

Fixtures, fittings and equipment	25% and 33% reducing balance
Computer equipment	33% reducing balance

SAFETY SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

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.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 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 initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

SAFETY SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially 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.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

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

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.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

SAFETY SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 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 are included in the profit and loss account for the period.

2 Change in accounting policy

Turnover recognition

During the year to 31 October 2018 the company reviewed its revenue recognition policy and changed the recognition criteria in relation to income from software licences. The impact of this is disclosed at note 14 to the accounts.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 51 (2017 - 47).

SAFETY SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

4 Intangible fixed assets

	Goodwill £	Other £	Total £
Cost			
At 1 November 2017	250,000	815,074	1,065,074
Additions	-	731,562	731,562
At 31 October 2018	<u>250,000</u>	<u>1,546,636</u>	<u>1,796,636</u>
Amortisation and impairment			
At 1 November 2017	112,500	797,510	910,010
Amortisation charged for the year	12,500	163,876	176,376
At 31 October 2018	<u>125,000</u>	<u>961,386</u>	<u>1,086,386</u>
Carrying amount			
At 31 October 2018	<u>125,000</u>	<u>585,250</u>	<u>710,250</u>
At 31 October 2017	<u>137,500</u>	<u>17,564</u>	<u>155,064</u>

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 November 2017	269,741
Additions	34,529
At 31 October 2018	<u>304,270</u>
Depreciation and impairment	
At 1 November 2017	184,405
Depreciation charged in the year	31,934
At 31 October 2018	<u>216,339</u>
Carrying amount	
At 31 October 2018	<u>87,931</u>
At 31 October 2017	<u>85,336</u>

SAFETY SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2018

6 Debtors	2018	2017
Amounts falling due within one year:	£	£
Trade debtors	1,454,390	1,280,772
Other debtors	254,272	30,476
	<u>1,708,662</u>	<u>1,311,248</u>
Deferred tax asset	102,156	9,462
	<u>1,810,818</u>	<u>1,320,710</u>

7 Creditors: amounts falling due within one year	2018	2017
	£	£
Trade creditors	136,608	81,620
Amounts owed to group undertakings	74,865	74,865
Taxation and social security	201,399	258,363
Other creditors	1,628,645	1,259,614
	<u>2,041,517</u>	<u>1,674,462</u>

The bank borrowings are secured by a guarantee and debenture that has been provided by the company together with Airsweb Limited and Safety Management Software Limited under which each company secures the bank borrowings of the company.

Guarantees have been provided by certain directors in respect of the bank borrowings.

8 Called up share capital	2018	2017
	£	£
Ordinary share capital Issued and fully paid 4 Ordinary shares of £1 each	<u>4</u>	<u>4</u>

9 Prior year adjustment

During the year to 31 October 2018 the company reviewed their revenue recognition accounting policy and changed their recognition in relation to income from software licences. A portion of this should be deferred over the period of the licence agreement and the prior year has been restated to reflect this change. The impact of this in respect of the year ended 31 October 2017 was to decrease income by £1,016,088 and decrease net assets by £1,016,088.

SAFETY SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 OCTOBER 2018**

10 Parent company

The company's ultimate parent company is Airsweb Limited (formerly named Ran Systems Limited), a company incorporated in England and Wales.

Airsweb Limited has no controlling party.