

Company Registration No. 08833635 (England and Wales)

SMARTPIPE TECHNOLOGIES LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
PAGES FOR FILING WITH REGISTRAR

SMARTPIPE TECHNOLOGIES LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2017**

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Intangible assets	4		60,049		16,960
Tangible assets	5		27,712		62,232
Current assets					
Debtors	6	9,041		160,310	
Cash at bank and in hand		38,242		16,802	
		<u>47,283</u>		<u>177,112</u>	
Creditors: amounts falling due within one year	7	<u>(4,675,198)</u>		<u>(3,193,240)</u>	
Net current liabilities			<u>(4,627,915)</u>		<u>(3,016,128)</u>
Total assets less current liabilities			<u>(4,540,154)</u>		<u>(2,936,936)</u>
Capital and reserves					
Called up share capital	8		1		1
Profit and loss reserves		(4,540,155)		(2,936,937)	
Total equity			<u>(4,540,154)</u>		<u>(2,936,936)</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 December 2017 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 Act 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 and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved by the board of directors and authorised for issue on 16 April 2018 and are signed on its behalf by:

Mr F Park
Director

Company Registration No. 08833635

SMARTPIPE TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Smartpipe Technologies Limited is a limited company domiciled and incorporated in England and Wales. The registered office is :

Craven House, 16 Northumberland Avenue, London, WC2N 5AP

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 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives and only begins when the intangible asset is available for use.

Patents	Over the life of the patent from first use not exceeding 10 years
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1.3 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:

Computer equipment	1 to 3 years straight line
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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.

1.4 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.

Intangible assets not yet available for use are tested for impairment annually and whenever there is an indication that the asset may be impaired.

SMARTPIPE TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies **(Continued)**

1.5 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.

1.6 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 initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method less any impairment. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

SMARTPIPE TECHNOLOGIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Basic financial liabilities

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

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Equity instruments

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

1.8 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.

1.9 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.

1.10 Retirement benefits

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

SMARTPIPE TECHNOLOGIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2017****1 Accounting policies (Continued)****1.11 Going Concern**

The company is a wholly owned subsidiary of Smartpipe Holdings Limited, a company incorporated in England and Wales. The company is dependent on loans from Smartpipe Holdings Limited to meet its operating cash requirements on a day to day basis and therefore its ability to continue as a going concern is dependent upon this financial support continuing. The directors consider that it is reasonable to assume that this financial support will continue in the future and on this basis the company is considered a going concern.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was 19 (2016:15).

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	1,049,991	895,662
Social security costs	117,358	101,424
Pension costs	19,810	-
	<u>1,187,159</u>	<u>997,086</u>

SMARTPIPE TECHNOLOGIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2017****4 Intangible fixed assets**

	Other £
Cost	
At 1 January 2017	16,960
Additions	46,322
	<u>63,282</u>
At 31 December 2017	<u>63,282</u>
Amortisation and impairment	
At 1 January 2017	-
Amortisation charged for the year	3,233
	<u>3,233</u>
At 31 December 2017	<u>3,233</u>
Carrying amount	
At 31 December 2017	60,049
	<u>60,049</u>
At 31 December 2016	<u>16,960</u>

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2017	204,819
Additions	13,028
	<u>217,847</u>
At 31 December 2017	<u>217,847</u>
Depreciation and impairment	
At 1 January 2017	142,586
Depreciation charged in the year	47,549
	<u>190,135</u>
At 31 December 2017	<u>190,135</u>
Carrying amount	
At 31 December 2017	27,712
	<u>27,712</u>
At 31 December 2016	<u>62,232</u>

6 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Other debtors	9,041	160,310
	<u>9,041</u>	<u>160,310</u>

SMARTPIPE TECHNOLOGIES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2017****7 Creditors: amounts falling due within one year**

	2017	2016
	£	£
Trade creditors	30,994	50,486
Amounts due to group undertakings	4,566,033	3,084,754
Other taxation and social security	34,754	31,140
Other creditors	43,417	26,860
	<u>4,675,198</u>	<u>3,193,240</u>

8 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
1 Ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

9 Financial commitments, guarantees and contingent liabilities

On 21 December 2017, the company provided a charge over its assets to the convertible loan note creditor of its parent, Smartpipe Holdings Limited.

10 Related Party Transactions

In accordance with Financial Reporting Standard 102 Section 1A (paragraph 1AC.35), transactions entered into between two or more members of the group headed by Smartpipe Holdings Limited are exempt from disclosure by virtue of being between entities wholly owned by Smartpipe Holdings Limited.

