

Registered number: 03863609

G FORCES WEB MANAGEMENT LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2020

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G FORCES WEB MANAGEMENT LIMITED

COMPANY INFORMATION

Directors	G S Smith K A Robins N D Smith T O Smith S J Upton
Company secretary	N D Smith
Registered number	03863609
Registered office	Corbin Business Park Caring Lane Bearsted Maidstone Kent ME14 4NJ
Independent auditor	Nexia Smith & Williamson Chartered Accountants & Statutory Auditors 4th Floor Cumberland House 15 - 17 Cumberland Place Southampton Hampshire SO15 2BG

G FORCES WEB MANAGEMENT LIMITED

CONTENTS

	Page
Group Strategic Report	1 - 2
Directors' Report	3 - 4
Directors' Responsibilities Statement	5
Independent Auditor's Report	6 - 8
Consolidated Statement of Comprehensive Income	9
Consolidated Balance Sheet	10 - 11
Company Balance Sheet	12 - 13
Consolidated Statement of Changes in Equity	14
Company Statement of Changes in Equity	15
Consolidated Statement of Cash Flows	16 - 17
Analysis of Net Debt	18
Notes to the Financial Statements	19 - 41

G FORCES WEB MANAGEMENT LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2020

The directors present the Strategic Report of the Company and the Group for the year ended 31 October 2020.

Business review

Despite unprecedented market conditions brought on by the COVID-19 global pandemic, the Group performed exceptionally well, delivering solid revenues and an increased profit, with profit before tax having increased by 98% when compared with the prior year. Performance is largely down to the company being perfectly positioned to satisfy the sudden and increased demand from OEM's and dealers urgently seeking to develop online vehicle sales channels during repeated national lockdowns.

As Europe's only true end-to-end ecommerce SAAS platform, NetDirector Auto-e outperformed all of its rivals domestically and expanded rapidly internationally. NetDirector Auto-e is now widely accepted as a market leading online vehicle sales platform, trusted by OEM's and dealers globally.

The company will continue to invest in Research and Development of its ecommerce platform to ensure that it remains aligned to the changing consumer buying behaviours.

Principal risks and uncertainties

The directors consider that the principal risks and uncertainties faced by the Group are as follows:

Economic risk

The risk of a downturn in the economy and the motor industry in particular having an adverse impact on the Group's market.

These risks are managed by careful review of the market in which the Group operates and the management of relationships and contracts with customers. Here the extensive staff resources of the Group play an important role.

Competition and IP risks

These are managed at director level by close customer liaison, benchmarking and the use of skilled staff.

Financial risk

The Group continues to develop regular financial reporting and budgeting procedures which are reviewed by the directors to assess and manage the credit terms applicable to customer contracts, together with overall liquidity and other financial risk.

Exchange rate risk

This is a financial risk that exists due to financial transactions in a subsidiary company being denominated in United Arab Emirates Dirhams (AED), rather than Sterling (GBP). This risk is managed through careful planning of large transactions, coupled with regular review of currency fluctuations.

Financial key performance indicators

	2020	2019
Gross profit margin	35.8%	34.8%
Net profit margin	11.2%	7.0%
Sales per £ of direct staff cost	£4.42	£4.22
Current ratio	2.24	2.02
Return on Capital Employed	21.2%	13.7%

G FORCES WEB MANAGEMENT LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020**

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

G Smith

G Smith (Jun 25, 2021 15:15 GMT+1)

G S Smith
Director

Date: 25/06/2021

G FORCES WEB MANAGEMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2020

The directors present their report and the financial statements for the year ended 31 October 2020.

Principal activity

The principal activity of the Group in the year under review was that of the provision of web management services.

Results and dividends

The profit for the year, after taxation, amounted to £2,724,795 (2019 restated: £1,725,343).

Dividends of £1,157,070 (2019: £1,317,604) have been paid in the year.

Directors

The directors who served during the year were:

G S Smith
K A Robins
N D Smith
T O Smith
S J Upton

Future developments

The directors intend to continue with the current principal activity and will continue to invest substantially in research and development in order to complete its innovative software portfolio. It is also the intention of the business to invest in expansion of the business into both UK and overseas markets.

Employee involvement

The Parent Company of the Group maintains regular investment in staff training and development, across the Group. Regular meetings are held between senior management and employees' representatives to discuss matters of concern. Employees are kept well-informed about the progress and position of the Group by means of regular departmental meetings, newsletters and emails. The directors wish to thank the Group's staff for the very high standards of service provided to clients.

Disabled employees

The Group's policy is to give full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities. Disabled employees receive appropriate training to promote their career development within the Group. Employees who become disabled are retained in their existing posts where possible or retrained for suitable alternative posts.

Matters covered in the strategic report

Where necessary, disclosures relating to principal risks & uncertainties have been made in the Strategic Report and have not been repeated here in accordance with Section 414C of the Companies Act 2006.

G FORCES WEB MANAGEMENT LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Post balance sheet events

In November 2020, the Group was subject to a change of control transaction resulting in Rhea Bidco Limited becoming the immediate parent company and Rhea Topco Limited becoming the ultimate parent company of the Group.

In April 2021, the Group was subject to a further change of control transaction resulting in ATG Topco Limited becoming the ultimate parent company of the Group.

Auditor

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



G Smith (Jun 25, 2021 15:15 GMT+1)

G S Smith
Director

Date: 25/06/2021

G FORCES WEB MANAGEMENT LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2020**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

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

The directors are 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF G FORCES WEB MANAGEMENT LIMITED

Opinion

We have audited the financial statements of G Forces Web Management Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 October 2020 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Consolidated Net Debt Analysis and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 October 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
- Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF G FORCES WEB MANAGEMENT LIMITED
(CONTINUED)**

Other information

The other information comprises the information included in the Annual Report and financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF G FORCES WEB MANAGEMENT LIMITED
(CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Parent Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Nexia Smith & Williamson

Nexia Smith & Williamson (Jun 25, 2021 15:24 GMT+1)

Andrew Edmonds (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants

Statutory Auditors

4th Floor Cumberland House

15 - 17 Cumberland Place

Southampton

Hampshire

SO15 2BG

Date: 25/06/2021

G FORCES WEB MANAGEMENT LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2020**

	Note	2020 £	<i>As restated</i> 2019 £
Turnover	4	24,304,138	24,513,650
Cost of sales		(15,602,667)	(15,980,180)
Gross profit		8,701,471	8,533,470
Administrative expenses		(7,834,758)	(7,787,834)
Other operating income	5	611,635	-
Operating profit	6	1,478,348	745,636
Interest receivable and similar income		29	3,844
Interest payable and expenses		-	(2,616)
Profit before taxation		1,478,377	746,864
Tax on profit	10	1,246,418	978,479
Profit for the financial year		2,724,795	1,725,343
Currency translation difference		(33,385)	(23,482)
Other comprehensive income for the year		(33,385)	(23,482)
Total comprehensive income for the year		2,691,410	1,701,861

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of comprehensive income.

There were no profits attributable to non-controlling interests for 2020 or 2019.

The notes on pages 19 to 41 form part of these financial statements.

G FORCES WEB MANAGEMENT LIMITED
REGISTERED NUMBER:03863609

CONSOLIDATED BALANCE SHEET
AS AT 31 OCTOBER 2020

	Note	2020 £	As restated 2019 £
Fixed assets			
Intangible assets	12	486,696	566,696
Tangible assets	13	177,570	323,377
Investments	14	291,086	291,086
		<u>955,352</u>	<u>1,181,159</u>
Current assets			
Debtors	15	7,714,338	6,886,843
Cash at bank and in hand	16	3,164,773	1,640,599
		<u>10,879,111</u>	<u>8,527,442</u>
Creditors: amounts falling due within one year	17	(4,860,000)	(4,231,760)
		<u>6,019,111</u>	<u>4,295,682</u>
Net current assets		<u>6,019,111</u>	<u>4,295,682</u>
Total assets less current liabilities		<u>6,974,463</u>	<u>5,476,841</u>
Provisions for liabilities			
Deferred taxation	18	-	(36,718)
Net assets		<u><u>6,974,463</u></u>	<u><u>5,440,123</u></u>
Capital and reserves			
Called up share capital	19	16,239	16,239
Share premium account	20	21,052	21,052
Revaluation reserve	20	87,597	87,597
Capital redemption reserve	20	2,768	2,768
Foreign exchange reserve	20	15,626	49,011
Profit and loss account	20	6,831,181	5,263,456
Shareholders' funds		<u><u>6,974,463</u></u>	<u><u>5,440,123</u></u>

G FORCES WEB MANAGEMENT LIMITED
REGISTERED NUMBER:03863609

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 OCTOBER 2020

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

G Smith

G Smith (Jun 25, 2021 15:15 GMT+1)

G S Smith
Director

Date: 25/06/2021

The notes on pages 19 to 41 form part of these financial statements.

G FORCES WEB MANAGEMENT LIMITED
REGISTERED NUMBER:03863609

COMPANY BALANCE SHEET
AS AT 31 OCTOBER 2020

	Note	2020 £	As restated 2019 £
Fixed assets			
Intangible assets	12	486,696	566,696
Tangible assets	13	107,538	246,253
Investments	14	331,781	331,781
		<u>926,015</u>	<u>1,144,730</u>
Current assets			
Debtors	15	6,441,191	5,812,002
Cash at bank and in hand	16	2,112,005	916,854
		<u>8,553,196</u>	<u>6,728,856</u>
Creditors: amounts falling due within one year	17	(4,396,976)	(3,848,333)
Net current assets		<u>4,156,220</u>	<u>2,880,523</u>
Total assets less current liabilities		<u>5,082,235</u>	<u>4,025,253</u>
Provisions for liabilities			
Deferred taxation	18	-	(36,718)
Net assets		<u><u>5,082,235</u></u>	<u><u>3,988,535</u></u>
Capital and reserves			
Called up share capital	19	16,239	16,239
Share premium account	20	21,052	21,052
Revaluation reserve	20	87,597	87,597
Capital redemption reserve	20	2,768	2,768
Profit and loss account	20	4,954,579	3,860,879
Shareholders' funds		<u><u>5,082,235</u></u>	<u><u>3,988,535</u></u>

G FORCES WEB MANAGEMENT LIMITED
REGISTERED NUMBER:03863609

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 OCTOBER 2020

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the Company for the year was £2,250,770 (2019 restated: £1,121,257).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

G Smith

G Smith (Jun 25, 2021 15:15 GMT+1)

G S Smith
Director

Date: 25/06/2021

The notes on pages 19 to 41 form part of these financial statements.

G FORCES WEB MANAGEMENT LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2020**

	Called up share capital	Share premium account	Capital redemption reserve	Revaluation reserve	Foreign exchange reserve	Profit and loss account	Total equity
	£	£	£	£	£	£	£
At 1 November 2018 (as previously stated)	16,239	21,052	2,768	87,597	72,493	9,183,577	9,383,726
Prior year adjustment - Change in accounting policy	-	-	-	-	-	(4,327,860)	(4,327,860)
At 1 November 2018 (as restated)	16,239	21,052	2,768	87,597	72,493	4,855,717	5,055,866
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	1,725,343	1,725,343
Foreign exchange loss	-	-	-	-	(23,482)	-	(23,482)
Dividends: Equity capital	-	-	-	-	-	(1,317,604)	(1,317,604)
At 1 November 2019	16,239	21,052	2,768	87,597	49,011	5,263,456	5,440,123
Comprehensive income for the year							
Profit for the year	-	-	-	-	-	2,724,795	2,724,795
Foreign exchange loss	-	-	-	-	(33,385)	-	(33,385)
Dividends: Equity capital	-	-	-	-	-	(1,157,070)	(1,157,070)
At 31 October 2020	16,239	21,052	2,768	87,597	15,626	6,831,181	6,974,463

All equity is attributable to the owners of the Parent Company. There are no amounts owed to non-controlling interests.

G FORCES WEB MANAGEMENT LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2020

	Called up share capital £	Share premium account £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 November 2018 (as previously stated)	16,239	21,052	2,768	87,597	7,529,920	7,657,576
Prior year adjustment - Change in accounting policy	-	-	-	-	(3,472,694)	(3,472,694)
At 1 November 2018 (as restated)	16,239	21,052	2,768	87,597	4,057,226	4,184,882
Comprehensive income for the year						
Profit for the year	-	-	-	-	1,121,257	1,121,257
Dividends: Equity capital	-	-	-	-	(1,317,604)	(1,317,604)
At 1 November 2019	16,239	21,052	2,768	87,597	3,860,879	3,988,535
Comprehensive income for the year						
Profit for the year	-	-	-	-	2,250,770	2,250,770
Dividends: Equity capital	-	-	-	-	(1,157,070)	(1,157,070)
At 31 October 2020	16,239	21,052	2,768	87,597	4,954,579	5,082,235

G FORCES WEB MANAGEMENT LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2020**

	2020 £	<i>As restated</i> 2019 £
Cash flows from operating activities		
Profit for the financial year	2,724,795	1,725,343
Adjustments for:		
Amortisation of intangible assets	80,000	-
Depreciation of tangible assets	208,827	201,445
Interest paid	-	2,616
Interest received	(29)	(3,844)
Taxation charge	(1,246,418)	(978,479)
(Increase) in debtors	(591,082)	(930,662)
Increase in creditors	810,466	169,187
Corporation tax received	951,181	958,895
Foreign exchange variances	(33,385)	(23,482)
Net cash generated from operating activities	2,904,355	1,121,019
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(400,000)
Purchase of tangible fixed assets	(63,020)	(148,045)
Interest received	29	3,844
Net cash from investing activities	(62,991)	(544,201)
Cash flows from financing activities		
Repayment of loans	-	(102,870)
Dividends paid	(1,157,070)	(1,317,604)
Interest paid	-	(2,616)
Amounts withdrawn by directors	(561,806)	(1,035,326)
Amounts introduced by directors	401,611	615,474
Net cash used in financing activities	(1,317,265)	(1,842,942)

G FORCES WEB MANAGEMENT LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2020

	2020 £	<i>As restated</i> 2019 £
Net increase/(decrease) in cash and cash equivalents	<u>1,524,099</u>	<u>(1,266,124)</u>
Cash and cash equivalents at beginning of year	1,640,599	2,906,723
Cash and cash equivalents at the end of year	<u><u>3,164,698</u></u>	<u><u>1,640,599</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,164,773	1,640,599
Bank overdrafts	(75)	-
	<u><u>3,164,698</u></u>	<u><u>1,640,599</u></u>

The notes on pages 19 to 41 form part of these financial statements.

G FORCES WEB MANAGEMENT LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 OCTOBER 2020**

	At 1 November 2019 £	Cash flows £	At 31 October 2020 £
Cash at bank and in hand	1,640,599	1,524,174	3,164,773
Bank overdrafts	-	(75)	(75)
Debt due within 1 year	(320,655)	172,040	(148,615)
	<u>1,319,944</u>	<u>1,696,139</u>	<u>3,016,083</u>

G FORCES WEB MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

1. General information

G Forces Web Management Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 03863609). The registered office address is Corbin Business Park, Caring Lane, Bearsted, Maidstone, Kent, ME14 4NJ.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

In preparing the separate financial statements of the Parent Company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No Statement of Cash Flows has been presented for the Parent Company; and
- No disclosures have been given for the aggregate remuneration of the key management personnel of the Parent Company as their remuneration is included in the totals for the Group as a whole.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in profit or loss from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102.

G FORCES WEB MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis.

The directors have carefully reviewed the future prospects of the Group and its future cash flows, including an assessment of the potential impact of the COVID-19 pandemic. The full impact of the COVID-19 pandemic on our business remains uncertain and as a result unquantifiable at this stage. Nevertheless, having assessed this the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future being at least the next 12 months from signing of these financial statements.

2.4 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.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

G FORCES WEB MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

2. Accounting policies (continued)

2.5 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 in the form of subscription based software products is recognised on a straight-line basis in the period in which the services are provided and when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract; and
- the stage of completion of the contract at the end of the reporting period can be measured reliably.

Revenue also includes entitlement to sales-related commission, which is recognised when a customer makes use of certain software products.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.7 Research and development

Expenditure on research and development is written off in the year in which it is incurred. Tax refunds in excess of current year taxable profits are accounted for in the year that the claims relate to, i.e. the refund re the year to 31 October 2020 is accounted for in the year to 31 October 2020.

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102.

Grants of a revenue nature are recognised in profit or loss in the same period as the related expenditure.

2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.10 Finance costs

Finance costs are charged to profit or loss 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 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

G FORCES WEB MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

2. Accounting policies (continued)

2.12 Intangible assets

Domain names will be subjected to annual revaluations, in accordance with FRS102 s. 18, due to the asset having a readily ascertainable market value.

Computer software assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is provided straight line over a 5 year useful economic life.

2.13 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the methods below.

Depreciation is provided on the following basis:

Short-term leasehold property	- In accordance with the property
Motor vehicles	- 25% straight-line
Fixtures and fittings	- 25% straight-line
Office equipment	- 33% 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 profit or loss.

In the UK, there is an 8 year lease in place, starting from October 2013, regarding the rental of the main business premises. The calculation of depreciation relating to leasehold improvements has been made using the period under lease.

G FORCES WEB MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

2. Accounting policies (continued)

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 Associates

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets.

2.16 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss 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 Group in independently administered funds.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

G FORCES WEB MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

2. Accounting policies (continued)

2.18 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Group becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Group's cash management.

Financial liabilities and equity instruments issued by the Group are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

2.19 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.

2.20 Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

G FORCES WEB MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2020

2. Accounting policies (continued)

2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Group's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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. Revision to the accounting estimates are recognised in the period in which the estimate is revised if the revisions affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Key estimates and assumptions made by management are:

Useful economic lives of tangible fixed assets

Tangible fixed assets are depreciated to their estimated residual values over their estimated useful lives. The Group exercises judgement to determine these useful lives and residual values.

Bad debt provision

The trade debtors balance recorded in the Group's Balance Sheet is reviewed for bad debts by management on a regular basis. Any bad debts discovered are provided for via a specific provision. The bad debt provision at the balance sheet date was £Nil (2019: £Nil).

G FORCES WEB MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

4. Turnover

The whole of the turnover is attributable to the one principal activity of the Group.

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	17,482,005	19,800,196
Rest of Europe	1,937,342	910,070
Rest of the world	4,884,791	3,803,384
	<u>24,304,138</u>	<u>24,513,650</u>

5. Other operating income

	2020 £	2019 £
Furlough scheme	<u>611,635</u>	<u>-</u>

6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Research & development charged as an expense	4,807,566	5,328,255
Depreciation of tangible fixed assets	208,827	201,445
Amortisation of intangible fixed assets	80,000	-
Exchange differences	3,219	(330)
Other operating lease rentals	587,830	599,748
Bad debts	<u>82,126</u>	<u>59,109</u>

G FORCES WEB MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

7. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	31,000	25,134
Fees payable to the Group's auditor and its associates in respect of:		
All other services	6,500	25,325
	6,500	25,325

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	9,497,496	9,651,279	7,893,910	8,314,266
Social security costs	804,441	866,278	799,816	866,278
Cost of defined contribution scheme	191,153	183,776	191,153	183,776
	10,493,090	10,701,333	8,884,879	9,364,320

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2020 No.	Group 2019 No.	Company 2020 No.	Company 2019 No.
Directors and senior management	6	6	5	5
Office and administrative	16	25	14	20
Support services	40	45	36	46
Sales and marketing	55	65	45	54
Research and development	101	85	71	57
Project management	23	27	20	24
	241	253	191	206

G FORCES WEB MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

9. Directors' remuneration

	2020 £	2019 £
Directors' emoluments	<u>261,850</u>	<u>261,850</u>

The highest paid director received remuneration of £61,850 (2019: £61,850).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2019: £Nil).

10. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	(1,209,775)	(953,360)
Adjustments in respect of previous periods	75	(5,559)
Total current tax	<u>(1,209,700)</u>	<u>(958,919)</u>
Deferred tax		
Origination and reversal of timing differences	(36,718)	(19,560)
Total deferred tax	<u>(36,718)</u>	<u>(19,560)</u>
Taxation on profit on ordinary activities	<u>(1,246,418)</u>	<u>(978,479)</u>

G FORCES WEB MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>1,478,377</u>	<u>746,864</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	280,892	141,904
Effects of:		
Expenses not deductible for tax purposes	52,759	11,047
Capital allowances for year in excess of depreciation	-	21,522
Adjustments to tax charge in respect of prior periods - deferred tax	147	-
Adjustments to tax charge in respect of prior periods	75	(5,559)
Income not taxable for tax purposes	(666,384)	-
Short term timing difference leading to an increase / (decrease) in taxation	-	580
Other permanent differences	105	-
Research and development tax credit received	(1,187,469)	(953,360)
Enhanced research and development expenditure	-	(1,316,079)
Losses surrendered for tax credit	375,448	1,249,230
Double taxation relief	-	(100,700)
Remeasurement of deferred tax for changes in tax rates	(2,936)	-
Deferred tax not recognised	(21,684)	-
Other differences leading to an increase / (decrease) in the tax charge	(77,371)	(27,064)
Total tax charge for the year	<u>(1,246,418)</u>	<u>(978,479)</u>

Factors that may affect future tax charges

The Parent Company of the Group intends to submit a claim for R&D tax credit enhanced expenditure of £11.1m for the year ended 31 October 2020 (2019: £12.2 mil). Subject to the agreement of HM Revenue & Customs, this assists in the elimination of any corporation tax liability for the year and should give rise to a cash credit of £1,209,775 (2019: c.£951,000). In accordance with the accounting policy, this cash credit has been accrued into the year to 31 October 2020.

G FORCES WEB MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

11. Dividends

	2020 £	2019 £
Dividends paid	1,157,070	1,317,604
	1,157,070	1,317,604

12. Intangible assets

Group and Company

	Domain name £	Computer software £	Total £
Cost			
At 1 November 2019	166,696	400,000	566,696
At 31 October 2020	166,696	400,000	566,696
Amortisation			
Charge for the year	-	80,000	80,000
At 31 October 2020	-	80,000	80,000
Net book value			
At 31 October 2020	166,696	320,000	486,696
At 31 October 2019	166,696	400,000	566,696

G FORCES WEB MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

13. Tangible fixed assets

Group

	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 November 2019	710,351	6,760	606,006	484,587	1,807,704
Additions	-	-	46,207	16,813	63,020
At 31 October 2020	<u>710,351</u>	<u>6,760</u>	<u>652,213</u>	<u>501,400</u>	<u>1,870,724</u>
Depreciation					
At 1 November 2019	561,858	2,859	501,970	417,640	1,484,327
Charge for the year	100,735	1,692	55,310	51,090	208,827
At 31 October 2020	<u>662,593</u>	<u>4,551</u>	<u>557,280</u>	<u>468,730</u>	<u>1,693,154</u>
Net book value					
At 31 October 2020	<u>47,758</u>	<u>2,209</u>	<u>94,933</u>	<u>32,670</u>	<u>177,570</u>
At 31 October 2019	<u>148,493</u>	<u>3,901</u>	<u>104,036</u>	<u>66,947</u>	<u>323,377</u>

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Short leasehold	<u>47,758</u>	<u>148,493</u>

G FORCES WEB MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

13. Tangible fixed assets (continued)

Company

	Short-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost					
At 1 November 2019	624,770	6,760	566,089	484,587	1,682,206
Additions	-	-	13,341	16,813	30,154
At 31 October 2020	<u>624,770</u>	<u>6,760</u>	<u>579,430</u>	<u>501,400</u>	<u>1,712,360</u>
Depreciation					
At 1 November 2019	537,496	2,859	477,958	417,640	1,435,953
Charge for the year	75,579	1,692	40,508	51,090	168,869
At 31 October 2020	<u>613,075</u>	<u>4,551</u>	<u>518,466</u>	<u>468,730</u>	<u>1,604,822</u>
Net book value					
At 31 October 2020	<u>11,695</u>	<u>2,209</u>	<u>60,964</u>	<u>32,670</u>	<u>107,538</u>
At 31 October 2019	<u>87,274</u>	<u>3,901</u>	<u>88,131</u>	<u>66,947</u>	<u>246,253</u>

14. Fixed asset investments

Group

	Investments in associates £
Cost or valuation	
At 1 November 2019	291,086
At 31 October 2020	<u>291,086</u>

G FORCES WEB MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

14. Fixed asset investments (continued)

Company

Company	Investments in subsidiary companies £	Investments in associates £	Total £
Cost or valuation			
At 1 November 2019	40,695	291,086	331,781
At 31 October 2020	<u>40,695</u>	<u>291,086</u>	<u>331,781</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company and are included within the consolidation:

Name	Registered office	Class of shares	Holding
NetDirector Limited	Corbin Business Park, Caring Lane, Bearsted, Maidstone, Kent, ME14 4NJ, England	Ordinary	100%
G Forces Web Management FZ-LLC	B307 Innovation Hub Building 2, Dubai Internet City, Dubai UAE	Ordinary	100%
G Forces Vietnam Web Management Company Limited	Anh Minh Tower, 9th Floor, 56 Nguyen Dinh Chieu, Da Kao Ward, District 1, Ho Chi Minh City, Vietnam	Ordinary	100%
G Forces USA INC	Corbin Business Park, Caring Lane, Bearsted, Maidstone, Kent, ME14 4NJ, England	Ordinary	100%
G Forces Web Management Australia PTY Ltd	Suite 2, Ground Floor, 651 Doncaster Road, Doncaster, Victoria, 3108, Australia	Ordinary	100%
Car Cloud Ventures Limited	Corbin Business Park, Caring Lane, Bearsted, Maidstone, Kent, ME14 4NJ, England	Ordinary	95%
Associates	Registered office	Class of shares	Holding
Snapcell Inc	400 N Ashley Drive, Suite 2600, Tampa, Florida, 33602	Ordinary	32%

G FORCES WEB MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

14. Fixed asset investments (continued)

Subsidiary undertakings (continued)

The aggregate of the share capital and reserves as at 31 October 2020 and the profit or loss for the year ended on that date for the associate were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Snapcell Inc	92,840	55,357

15. Debtors

	Group 2020 £	Group As restated 2019 £	Company 2020 £	Company As restated 2019 £
Due after more than one year				
Other debtors	-	1,870	-	-
Prepayments and accrued income	36,539	31,255	-	-
	<u>36,539</u>	<u>33,125</u>	<u>-</u>	<u>-</u>
Due within one year				
Trade debtors	5,659,656	5,087,512	4,285,462	3,826,775
Amounts owed by group undertakings	-	-	322,513	428,547
Other debtors	525,486	556,190	473,110	466,215
Prepayments and accrued income	282,882	256,656	150,331	137,105
Tax recoverable	1,209,775	953,360	1,209,775	953,360
	<u>7,714,338</u>	<u>6,886,843</u>	<u>6,441,191</u>	<u>5,812,002</u>

G FORCES WEB MANAGEMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

16. Cash and cash equivalents

	Group 2020 £	<i>Group</i> <i>2019</i> £	Company 2020 £	<i>Company</i> <i>2019</i> £
Cash at bank and in hand	3,164,773	1,640,599	2,112,005	916,854
Less: bank overdrafts	(75)	-	-	-
	<u>3,164,698</u>	<u>1,640,599</u>	<u>2,112,005</u>	<u>916,854</u>

G FORCES WEB MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

17. Creditors: Amounts falling due within one year

	Group	<i>Group As restated</i>	Company	<i>Company As restated</i>
	2020	2019	2020	2019
	£	£	£	£
Bank overdrafts	75	-	-	-
Trade creditors	1,778,798	1,694,737	1,737,956	1,654,155
Amounts owed to group undertakings	-	-	101,979	7,700
Corporation tax	-	2,104	-	-
Other taxation and social security	1,288,733	689,174	1,246,335	656,412
Other creditors	307,671	623,103	199,775	515,015
Accruals and deferred income	1,484,723	1,222,642	1,110,931	1,015,051
	4,860,000	4,231,760	4,396,976	3,848,333

18. Deferred taxation

Group

	2020	2019
	£	£
At beginning of year	36,718	56,278
Charged to profit or loss	(36,718)	(19,560)
At end of year	-	36,718

G FORCES WEB MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

18. Deferred taxation (continued)

Company

	2020 £	2019 £
At beginning of year	36,718	56,278
Charged to profit or loss	(36,718)	(19,560)
At end of year	-	36,718

The deferred taxation balance is made up as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Accelerated capital allowances	-	20,747	-	20,747
Pension provision	-	(2,643)	-	(2,643)
Anticipated tax on intangible fixed asset revaluation	-	18,614	-	18,614
	-	36,718	-	36,718

19. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
9,234 Ordinary A shares of £1.00 each	9,234	9,234
5,538 Ordinary B shares of £1.00 each	5,538	5,538
922 Ordinary C shares of £1.00 each	922	922
84 Ordinary D shares of £1.00 each	84	84
461 Ordinary E shares of £1.00 each	461	461
	16,239	16,239

All classes of shares have the same rights as to voting and participation in a sale or winding-up, other than D and E shares which are non-voting. The Articles empower the directors to declare dividends separately on each class of share. All shares rank *pari passu* in the event of a sale of winding up.

G FORCES WEB MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

20. Reserves

Share premium account

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Revaluation reserve

The revaluation reserve represents the cumulative value of revaluations movements from cost.

Capital redemption reserve

This reserve relates to the nominal value of shares that the Company has bought back.

Foreign exchange reserve

The foreign exchange reserve represents the cumulative movements in foreign exchange.

Profit and loss account

The reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

21. Share based payments

Certain senior company executives hold EMI options over Ordinary shares of £1 each in the Company under the G Forces Web Management Limited 2015 options scheme, or the G Forces Web Management Limited 2018 options scheme - details on these schemes are given below.

2015 options scheme

At the beginning of the period, a total of 378 options were outstanding. The weighted average exercise price of the outstanding options was £97.80. There was no movement in the scheme throughout the period.

The fair value of the equity based instrument at the end of the reporting period is £7,889, determined through the use of the indirect valuation methodology.

2018 options scheme

At the beginning of the period, a total of 910 options were outstanding. The weighted average exercise price of the outstanding options was £153.15. There was no movement in this scheme throughout the period.

The fair value of the equity based instrument at the end of the reporting period is £11,246, determined through the use of the indirect valuation methodology.

G FORCES WEB MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

22. Prior year adjustment

During the year, the Directors have revisited the accounting policy for revenue recognition for long term contracts for on-going services. Historically revenue in respect of long-term contracts for on-going services represented the value of work done in the year, including amounts not yet invoiced, recognised by reference to the stage of completion of each contract. Amounts not invoiced were recognised in current assets as 'amounts recoverable on long term contracts'. The Directors now believe that the revenue relating on contracts for on-going services should be recognised straight-line over the period the service is provided.

In respect of the consolidated financial statements, the impact of the above change in accounting policy is a reduction in the profit and loss account of £4,327,860 at 1 November 2018, a reduction in amounts recoverable on long term contracts of £3,410,100 at 31 October 2019, an increase in deferred income of £871,675 at 31 October 2019 and an increase in profit for the year ended 31 October 2019 of £46,087.

In respect of the parent entity financial statements, the impact of the above change in accounting policy is a reduction in the profit and loss account of £3,472,694 at 1 November 2018, a reduction in amounts recoverable on long term contracts of £2,843,199 at 31 October 2019, an increase in deferred income of £664,084 at 31 October 2019 and a reduction in profit for the year ended 31 October 2019 of £34,589.

23. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administrated fund. The pension cost charge represents contributions payable by the Group to the fund amounted to £191,153 (2019: £183,776). There were £38,835 pension contributions accrued at the balance sheet date (2019: £38,407).

24. Commitments under operating leases

At 31 October 2020 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Not later than 1 year	309,994	445,229	392,169	335,070
Later than 1 year and not later than 5 years	206,060	505,417	-	312,580
	516,054	950,646	392,169	647,650

G FORCES WEB MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

25. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

Dividends

Dividends were paid to directors, in their capacity as shareholders, totalling £1,073,610 (2019: £1,267,474). The remaining dividends were paid to employees who hold shares after exercising options under a previous EMI scheme.

Connected companies

Companies controlled by the directors.

The Company purchased the vidbuild platform from Car Cloud Ventures Limited, a connected company (prior to becoming a subsidiary undertaking), for £400,000 in the prior year. At the balance sheet date the Company owed Car Cloud Ventures Limited £Nil (2019: £80,056).

Transactions with directors

The following advances and credits to directors subsisted during the years ended 31 October 2020:

	Balance at 01 November 2019 £	Amounts repaid £	Balance at 31 October 2020 £
G S Smith	100,000	-	100,000
T O Smith	101,000	-	101,000
K A Robins	159,000	-	159,000
S J Upton	99,000	(20,001)	78,999
	<u>459,000</u>	<u>(20,001)</u>	<u>438,999</u>

The advances made to the directors, above, are interest free and repayable on demand.

The directors also permit the Group to retain monies from dividend payments in order to settle future personal tax liabilities of the directors. There were various director loan accounts in place during the year in respect of this. At the year end £120,457 (2019: £300,653) was owed to the directors.

26. Post balance sheet events

In November 2020, the Group was subject to a change of control transaction resulting in Rhea Bidco Limited becoming the immediate parent company and Rhea Topco Limited becoming the ultimate parent company of the Group.

In April 2021, the Group was subject to a further change of control transaction resulting in ATG Topco Limited becoming the ultimate parent company of the Group.

G FORCES WEB MANAGEMENT LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020**

27. Controlling party

Funds advised by Inflexion Private Equity Partners LLP are the majority shareholders and the ultimate controlling party of ATG Topco Limited, the ultimate parent undertaking. The registered address of Inflexion Equity Partners LLP is 47 Queen Anne Street, London, W1G 9JG, United Kingdom.