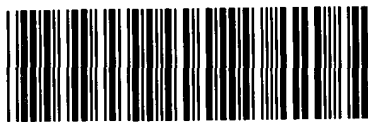


NETCRAFT LTD

**DIRECTOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 SEPTEMBER 2021**

**REGISTRATION NUMBER
02161164**

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NETCRAFT LTD

Contents

	Page
Directors and other information	1
Strategic report	2
Director's report	3
Independent auditor's report to the members	4 - 7
Statement of comprehensive income	8
Statement of financial position	9 - 10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13 - 22

NETCRAFT LTD

DIRECTORS AND OTHER INFORMATION

Director	Mr M H Prettejohn
Secretary	Mrs F J Prettejohn
Company number	02161164
Registered office	2 Belmont Bath BA1 5DZ
Business address	2 Belmont Bath BA1 5DZ
Auditor	Thomas Westcott Plym House 3 Longbridge Road Plymouth Devon PL6 8LT

NETCRAFT LTD

STRATEGIC REPORT YEAR ENDED 30 SEPTEMBER 2021

Business review

Netcraft has made good progress during the past year.

Cybercrime has continued to increase and diversify in many forms, from ransomware to survey scams, Android malware to web shells, and parcel delivery themed Smishing to fraudulent billing and support phone numbers. We innovate to help our customers keep pace with the diversity and scale of attacks and now provide countermeasures against approaching a hundred different forms of cybercrime.

We now have seven governments, including five of the top thirty countries when ranked by GDP, using our detection and countermeasures to inhibit cybercrime and protect their citizens, whilst we attract substantial enterprises as new clients and extend the range of services taken by existing customers.

During the pandemic we have refurbished our offices in both Bath and Westminster and seek to balance the enjoyment of in person conversation with our colleagues whilst taking every reasonable and responsible precaution against Covid.

Future developments

The company is in a strong financial position, recruiting well and since the year end we have secured new contracts to disrupt cybercrime at scale.

Research and Development

We innovate to solve problems and to take advantage of opportunities we see and a large proportion of our payroll is invested in R & D.

Principal risks and uncertainties

The company faces many risks and uncertainties, some outside of our control. Key risks include the pandemic, competition from very large companies or investor financed companies who may be prepared to sustain a loss making service which restricts our ability to profit from our services; competition for staff which may limit our ability to recruit successfully and any increase in barriers to trade which may constrain sales of our services globally.

Financial instruments

We have customers in over fifty countries and consequently are exposed to foreign exchange rate risk. We mitigate this by accepting payment in a set of currencies which are widely traded. The company did not make use of formally designated hedging arrangements or derivatives during the year.

This report was approved by the board of directors on and signed on behalf of the board by:



Mr M H Prettejohn
Director

NETCRAFT LTD

DIRECTOR'S REPORT YEAR ENDED 30 SEPTEMBER 2021

The director presents his report and the financial statements of the company for the year ended 30 September 2021.

Director

The director who served the company during the year was as follows:

Mr M H Prettejohn

Dividends

Director's responsibilities statement

The director is responsible for preparing the strategic report, director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 company will continue in business.

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

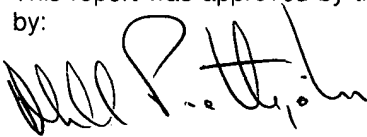
Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 4 February 2022 and signed on behalf of the board by:



Mr M H Prettejohn
Director

NETCRAFT LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NETCRAFT LTD YEAR ENDED 30 SEPTEMBER 2021

Opinion

We have audited the financial statements of Netcraft Ltd (the 'company') for the year ended 30 September 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of 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 company's affairs as at 30 September 2021 and of its 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 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

In auditing the financial statements, we have concluded that the director's 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 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.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information. 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.

NETCRAFT LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NETCRAFT LTD (CONTINUED) YEAR ENDED 30 SEPTEMBER 2021

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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the director's report.

We have nothing to report in respect of the following matters where 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 the returns; or
- certain disclosures of director's 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 director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing the 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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.

NETCRAFT LTD

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NETCRAFT LTD (CONTINUED) YEAR ENDED 30 SEPTEMBER 2021

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management. We communicated identified laws and regulations throughout our team, and remained alert to any indications of non-compliance throughout the audit.
- The company is subject to laws and regulations that govern the preparation of the financial statements, including financial reporting legislation, and other companies legislation. The company is also subject to other laws and regulations where the consequences of non-compliance could have a material impact on the amounts or disclosures within the financial statements, including employment, anti-bribery, anti-money laundering and certain aspects of companies legislation.
- Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. In any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. we also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

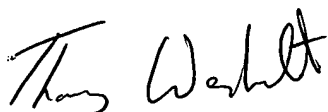
NETCRAFT LTD

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NETCRAFT LTD (CONTINUED)
YEAR ENDED 30 SEPTEMBER 2021**

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Use of our report

This report is made solely to the 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 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Adam Croney ACA (Senior Statutory Auditor)

For and on behalf of
Thomas Westcott
Chartered Accountants and Statutory Auditor
Plym House
3 Longbridge Road
Plymouth
Devon
PL6 8LT

7 Feb 2022

NETCRAFT LTD**STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 30 SEPTEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	14,539,544	12,374,722
Cost of sales		<u>(895,746)</u>	<u>(717,708)</u>
Gross profit		13,643,798	11,657,014
Administrative expenses		(8,465,542)	(7,771,767)
Other operating income	5	<u>513,625</u>	<u>587,656</u>
Operating profit	6	5,691,881	4,472,903
Other interest receivable and similar income	9	<u>821</u>	<u>10,671</u>
Profit before taxation		5,692,702	4,483,574
Tax on profit	10	<u>(741,012)</u>	<u>13,181</u>
Profit for the financial year and total comprehensive income		<u><u>4,951,690</u></u>	<u><u>4,496,755</u></u>

All the activities of the company are from continuing operations.

The notes on pages 13 to 22 form part of these financial statements.

NETCRAFT LTD

**STATEMENT OF FINANCIAL POSITION
30 SEPTEMBER 2021**

	Note	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	11	15,366,589		14,949,332	
			<u>15,366,589</u>		<u>14,949,332</u>
Current assets					
Debtors	12	587,592		532,342	
Cash at bank and in hand		15,821,574		8,361,806	
			<u>16,409,166</u>		<u>8,894,148</u>
Creditors: amounts falling due within one year	13	<u>(7,955,241)</u>		<u>(5,635,668)</u>	
Net current assets			<u>8,453,925</u>		<u>3,258,480</u>
Total assets less current liabilities			<u>23,820,514</u>		<u>18,207,812</u>
Provisions for liabilities	14		<u>(1,354,775)</u>		<u>(613,763)</u>
Net assets			<u><u>22,465,739</u></u>		<u><u>17,594,049</u></u>
Capital and reserves					
Called up share capital	18		1,000		1,000
Profit and loss account	19		22,464,739		17,593,049
Shareholders funds			<u><u>22,465,739</u></u>		<u><u>17,594,049</u></u>

The notes on pages 13 to 22 form part of these financial statements.

NETCRAFT LTD

STATEMENT OF FINANCIAL POSITION (CONTINUED)
30 SEPTEMBER 2021

These financial statements were approved by board of directors and authorised for issue on
are signed on behalf of the board by:

4th February 2022



Mr M H Prettejohn
Director

Company registration number: 02161164

The notes on pages 13 to 22 form part of these financial statements.

NETCRAFT LTD

**STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 SEPTEMBER 2021**

	Called up share capital	Profit and loss account	Total
	£	£	£
At 1 October 2019	1,000	13,186,294	13,187,294
Profit for the year		4,496,755	4,496,755
Total comprehensive income for the year	-	4,496,755	4,496,755
Dividends paid and payable		(90,000)	(90,000)
Total investments by and distributions to owners	-	(90,000)	(90,000)
At 30 September 2020 and 1 October 2020	1,000	17,593,049	17,594,049
Profit for the year		4,951,690	4,951,690
Total comprehensive income for the year	-	4,951,690	4,951,690
Dividends paid and payable		(80,000)	(80,000)
Total investments by and distributions to owners	-	(80,000)	(80,000)
At 30 September 2021	1,000	22,464,739	22,465,739

NETCRAFT LTD**STATEMENT OF CASH FLOWS
YEAR ENDED 30 SEPTEMBER 2021**

	2021	2020
	£	£
Cash flows from operating activities		
Profit for the financial year	4,951,690	4,496,755
<i>Adjustments for:</i>		
Depreciation of tangible assets	111,851	230,232
Other interest receivable and similar income	(821)	(10,671)
Gain/(loss) on disposal of tangible assets	(371,919)	237
Tax on profit	741,012	(13,181)
Accrued expenses	67,881	95,875
<i>Changes in:</i>		
Trade and other debtors	(55,250)	42,444
Trade and other creditors	2,251,692	700,702
Cash generated from operations	<u>7,696,136</u>	<u>5,542,393</u>
Interest received	821	10,671
Tax paid	-	12,985
Net cash from operating activities	<u><u>7,696,957</u></u>	<u><u>5,566,049</u></u>
Cash flows from investing activities		
Purchase of tangible assets	(1,513,112)	(7,169,169)
Proceeds from sale of tangible assets	1,355,923	200
Net cash used in investing activities	<u><u>(157,189)</u></u>	<u><u>(7,168,969)</u></u>
Cash flows from financing activities		
Equity dividends paid	(80,000)	(90,000)
Net cash used in financing activities	<u><u>(80,000)</u></u>	<u><u>(90,000)</u></u>
Net increase/(decrease) in cash and cash equivalents	7,459,768	(1,692,920)
Cash and cash equivalents at beginning of year	<u>8,361,806</u>	<u>10,054,726</u>
Cash and cash equivalents at end of year	<u><u>15,821,574</u></u>	<u><u>8,361,806</u></u>

NETCRAFT LTD

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 SEPTEMBER 2021

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 2 Belmont, Bath, BA1 5DZ.

Principal activity

The principal activity of the company continued to be the provision of internet security services.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the rendering of services through long-term contracts is recognised by reference to the stage of completion of the contract.

NETCRAFT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 30 SEPTEMBER 2021

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	- 2%	straight line
Plant and machinery	- 33%	straight line
Fittings fixtures and equipment	- 15%	straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

NETCRAFT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 30 SEPTEMBER 2021

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand, demand deposits with banks and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statement of financial position, bank overdrafts are shown within borrowing or current liabilities.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

NETCRAFT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 30 SEPTEMBER 2021

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2021	2020
	£	£
Rendering of services	14,539,544	12,374,722

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Other operating income

	2021	2020
	£	£
Rental income	513,625	587,656

6. Operating profit

Operating profit is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation of tangible assets	315,368	230,232
(Gain)/loss on disposal of tangible assets	(371,919)	237
Foreign exchange differences	503,820	421,407

NETCRAFT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) YEAR ENDED 30 SEPTEMBER 2021

7. Staff costs

The average number of persons employed by the company during the year, including the director, amounted to:

	2021	2020
Technical Staff	97	96

The aggregate payroll costs incurred during the year were:

	2021	2020
	£	£
Wages and salaries	5,814,693	4,939,967
Social security costs	660,683	510,936
Other pension costs	514,460	590,594
	<u>6,989,836</u>	<u>6,041,497</u>

8. Directors remuneration

The director's aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	<u>10,045</u>	<u>8,896</u>

9. Other interest receivable and similar income

	2021	2020
	£	£
Bank deposits	<u>821</u>	<u>10,671</u>

NETCRAFT LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 SEPTEMBER 2021****10. Tax on profit****Major components of tax expense/income**

	2021	2020
	£	£
Current tax:		
Adjustments in respect of previous periods	-	(6,365)
Deferred tax:		
Origination and reversal of timing differences	741,012	(6,816)
Tax on profit	<u>741,012</u>	<u>(13,181)</u>

Reconciliation of tax expense/income

The tax assessed on the profit for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%).

	2021	2020
	£	£
Profit before taxation	<u>5,692,702</u>	<u>4,483,574</u>
Profit multiplied by rate of tax	1,081,613	851,879
Adjustments in respect of prior periods	-	(6,365)
Effect of capital allowances and depreciation	33,803	775,466
Research and Development Expenditure Credit Adjustment	(924,255)	(1,634,161)
Prior year movements	(10,035)	-
Capital gain not reflected	(71,154)	-
Deferred tax on assets recategorised	641,074	-
Pension accrual	(10,034)	-
Tax on profit	<u>741,012</u>	<u>(13,181)</u>

NETCRAFT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 SEPTEMBER 2021

11. Tangible assets

	Freehold property	Plant and machinery	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 October 2020	15,407,285	505,967	103,407	16,016,659
Additions	1,231,530	251,140	30,442	1,513,112
Disposals	(968,781)	(14,025)	(1,198)	(984,004)
At 30 September 2021	<u>15,670,034</u>	<u>743,082</u>	<u>132,651</u>	<u>16,545,767</u>
Depreciation				
At 1 October 2020	577,284	417,339	72,704	1,067,327
Charge for the year	161,981	141,826	11,561	315,368
Disposals	(193,278)	(9,879)	(360)	(203,517)
At 30 September 2021	<u>545,987</u>	<u>549,286</u>	<u>83,905</u>	<u>1,179,178</u>
Carrying amount				
At 30 September 2021	<u>15,124,047</u>	<u>193,796</u>	<u>48,746</u>	<u>15,366,589</u>
At 30 September 2020	<u>14,830,001</u>	<u>88,628</u>	<u>30,703</u>	<u>14,949,332</u>

Included within Freehold Property is £6,692,084 (2020: £8,981,120) of investment property.

12. Debtors

	2021	2020
	£	£
Trade debtors	327,538	306,111
Prepayments and accrued income	208,834	160,318
Other debtors	51,220	65,913
	<u>587,592</u>	<u>532,342</u>

13. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	27,756	2,213
Accruals and deferred income	7,094,881	4,892,157
Social security and other taxes	641,352	528,117
Other creditors	191,252	213,181
	<u>7,955,241</u>	<u>5,635,668</u>

NETCRAFT LTD**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 SEPTEMBER 2021****14. Provisions**

	Deferred tax (note 15)	Total
	£	£
At 1 October 2020	613,763	613,763
Additions	741,012	741,012
At 30 September 2021	<u>1,354,775</u>	<u>1,354,775</u>

15. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2021	2020
	£	£
Included in provisions (note 14)	<u>1,354,775</u>	<u>613,763</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2021	2020
	£	£
Accelerated capital allowances	1,924,798	613,763
Unused tax losses	(559,988)	-
Taxable temporary differences	(10,035)	-
	<u>1,354,775</u>	<u>613,763</u>

16. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £514,460 (2020: £590,594).

NETCRAFT LTD

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 SEPTEMBER 2021**

17. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2021	2020
	£	£
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	288,102	306,002
Other debtors	53,211	80,480
	<u>341,313</u>	<u>386,482</u>
Financial liabilities measured at amortised cost		
Trade creditors	30,354	1,202
Other creditors	214,767	349,350
Deferred income	7,003,485	4,755,988
	<u>7,248,606</u>	<u>5,106,540</u>

**18. Called up share capital
Issued, called up and fully paid**

	2021		2020	
	No	£	No	£
	1,000	1,000	1,000	1,000
Ordinary shares of £ 1.00 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

19. Reserves

Profit and loss account:

This reserve records retained earnings and accumulated losses.

20. Analysis of changes in net debt

	At 1 October 2020	Cash flows	At 30 September 2021
	£	£	£
Cash and cash equivalents	8,361,806	7,459,768	15,821,574

NETCRAFT LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 SEPTEMBER 2021

21. Related party transactions

During the year the company entered into the following transactions with related parties:

	Transaction value		Balance owed by/(owed to)	
	2021	2020	2021	2020
	£	£	£	£
N K Prettejohn	1,150,000	-	-	-

N K Prettejohn is the son of the sole director of the reporting entity. On 23 December 2020, freehold property with a book value of £775,564 was sold to N K Prettejohn at market value of £1,150,000, and this transaction is reflected in the financial statements of the current year.