

Company registration number: 06784391

Linn Systems Ltd

Unaudited filleted financial statements

31 December 2021

LINN SYSTEMS LTD

STATEMENT OF FINANCIAL POSITION

31 DECEMBER 2021

	Note	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	5	24,494		24,494	
Tangible assets	6	379,239		338,232	
Investments	7	4,453,436		9,756	
		<u> </u>		<u> </u>	
			4,857,169		372,482
Current assets					
Debtors	8	3,308,868		3,294,074	
Cash at bank and in hand		2,794,574		2,119,613	
		<u> </u>		<u> </u>	
		6,103,442		5,413,687	
Creditors: amounts falling due within one year	9	(18,488,207)		(3,857,443)	
		<u> </u>		<u> </u>	
Net current (liabilities)/assets			(12,384,765)		1,556,244
			<u> </u>		<u> </u>
Total assets less current liabilities			(7,527,596)		1,928,726
			<u> </u>		<u> </u>
Net (liabilities)/assets			(7,527,596)		1,928,726
			<u> </u>		<u> </u>
Capital and reserves					
Called up share capital			118		106
Share premium account	10		986,864		986,390
Profit and loss account	10		(8,514,578)		942,230
			<u> </u>		<u> </u>
Shareholders (deficit)/funds			(7,527,596)		1,928,726
			<u> </u>		<u> </u>

For the year ending 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 24 December 2022 , and are signed on behalf of the board by:

Mr Callum Campbell

Director

Company registration number: 06784391

LINN SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2021

1. General information

The company is a private company limited by shares, registered in England. The address of the registered office is Suite 3, 2-4 Southgate, Chichester, West Sussex, PO19 8DJ.

Principal activity

The principal activity of the company is that of software authors

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102, Section 1A, '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 sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

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.

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.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at a revalued amount, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses. Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 10 % straight line

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

Tangible assets

tangible assets are initially 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. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

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:

Leasehold improvements	-	2 % straight line
Office equipment	-	Over 5 years
Computer equipment and software	-	Over 5 years
Motor vehicles	-	25 %

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.

Fixed asset investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

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.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model and the performance model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable. Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset. Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

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.

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. Employee numbers

The average number of persons employed by the company during the year amounted to 66 (2020: 66).

5. Intangible assets

	Other intangible assets £	Total £
Cost		
At 1 January 2021 and 31 December 2021	24,494	24,494
	<u> </u>	<u> </u>
Amortisation		
At 1 January 2021 and 31 December 2021	-	-
	<u> </u>	<u> </u>
Carrying amount		
At 31 December 2021	24,494	24,494
	<u> </u>	<u> </u>
At 31 December 2020	24,494	24,494
	<u> </u>	<u> </u>

6. Tangible assets

	Leasehold improvements £	Office equipment £	Computer equipment and software £	Motor vehicles £	Total £
Cost					
At 1 January 2021	200,952	28,876	264,623	224,633	719,084
Additions	-	200	117,175	-	117,375
Disposals	-	-	-	(224,633)	(224,633)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2021	200,952	29,076	381,798	-	611,826
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation					
At 1 January 2021	7,250	13,545	144,781	215,276	380,852
Charge for the year	3,872	3,881	59,258	-	67,011
Disposals	-	-	-	(215,276)	(215,276)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2021	11,122	17,426	204,039	-	232,587
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount					
At 31 December 2021	189,830	11,650	177,759	-	379,239
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020	193,702	15,331	119,842	9,357	338,232
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

7. Investments

	Shares in group undertakings and participating interests £	Total £
Cost		
At 1 January 2021	9,756	9,756
Additions	4,443,680	4,443,680
At 31 December 2021	4,453,436	4,453,436
Impairment		
At 1 January 2021 and 31 December 2021	-	-
Carrying amount		
At 31 December 2021	4,453,436	4,453,436
At 31 December 2020	9,756	9,756

8. Debtors

	2021 £	2020 £
Trade debtors	2,105,426	319,827
Amounts owed by group undertakings and undertakings in which the company has a participating interest	177,955	1,807,783
Other debtors	1,025,487	1,166,464
	3,308,868	3,294,074

9. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	-	145,687
Trade creditors	1,765,568	724,408
Amounts owed to group undertakings and undertakings in which the company has a participating interest	11,717,923	-
Accruals and deferred income	3,407,165	2,115,090
Social security and other taxes	1,569,262	636,310
Other creditors	28,289	235,948
	<u>18,488,207</u>	<u>3,857,443</u>

The hire purchase liability of £Nil (2020: £113,618) is secured on the asset to which it relates.

10. Reserves

Profit and loss account: This reserve records retained earnings and accumulated losses.

11. Events after the end of the reporting period

Although there are no specific known factors which could have an impact on the company's financial statements, it should be noted that as at the end of the financial year there was instability relating to the global health emergency in respect of Coronavirus.

12. Directors advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

2021

	Balance brought forward	Advances /(credits) to the directors	Balance o/standing
	£	£	£
Directors	(78,077)	78,077	-

2020

	Balance brought forward	Advances /(credits) to the directors	Balance o/standing
	£	£	£
Directors	(138,111)	60,034	(78,077)

13. Related party transactions

As at 31 December 2021, Nil (2020: £143,292) had been loaned to the company by shareholders. The loan is interest free and has no fixed date for repayment.

14. Controlling party

The parent company is Lion Bidco Limited . The company is ultimately controlled by the shareholders of its ultimate controlling party, Lion Topco Limited.

15. Going concern

The financial statements have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support from the company's directors. If the company were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance sheet value of assets to their recoverable amounts, and to provide for further liabilities that might arise, and to reclassify fixed assets as current assets. The directors believe that it is appropriate for the financial statements to be prepared on the going concern basis.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.