

Weathernet Limited
Filleted Annual Report and Financial Statements
for the Year Ended 31 May 2023

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WEATHERNET LIMITED

(Registration number: 03135129)
Balance Sheet as at 31 May 2023

	Note	2023 £	(As restated) 2022 £
Fixed assets			
Intangible assets	4	1,129,503	952,253
Tangible assets	5	32,361	36,554
		<u>1,161,864</u>	<u>988,807</u>
Current assets			
Debtors	6	424,953	456,885
Cash at bank and in hand		666,755	639,184
		<u>1,091,708</u>	<u>1,096,069</u>
Creditors: Amounts falling due within one year	7	<u>(700,320)</u>	<u>(653,310)</u>
Net current assets		<u>391,388</u>	<u>442,759</u>
Total assets less current liabilities		1,553,252	1,431,566
Provisions for liabilities			
Deferred tax liabilities		<u>(282,376)</u>	<u>(238,063)</u>
Net assets		<u>1,270,876</u>	<u>1,193,503</u>
Capital and reserves			
Called up share capital		1,000	1,000
Profit and loss account		<u>1,269,876</u>	<u>1,192,503</u>
Total equity		<u>1,270,876</u>	<u>1,193,503</u>

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006. The option not to file the profit and loss account and directors' report has been taken.

Approved and authorised by the Board on 26 February 2024 and signed on its behalf by:

J Hyams	H D McGaw	Page 1
Director	Director	

Statement of Changes in Equity
for the Year Ended 31 May 2023

	Ordinary share capital £	Profit and loss reserve £	Total £
At 1 June 2022	1,000	1,192,503	1,193,503
Movement in year :			
Profit for the year	-	552,373	552,373
Total comprehensive income	-	552,373	552,373
Dividends	-	(475,000)	(475,000)
Total movement for the year	-	77,373	77,373
At 31 May 2023	1,000	1,269,876	1,270,876

	Ordinary share capital £	Profit and loss reserve £	Total £
Brought forward	1,000	686,355	687,355
Movement in year :			
Profit for the year (as restated)	-	511,612	511,612
Total comprehensive income	-	511,612	511,612
Dividends	-	(5,464)	(5,464)
Total movement for the year	-	506,148	506,148
At 31 May 2022 (as restated)	1,000	1,192,503	1,193,503

**Notes to the Financial Statements
for the Year Ended 31 May 2023**

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

Blackdown House
Culmhead Business Centre
Taunton
Somerset
TA3 7DY

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are presented in Sterling (£).

Going concern

The directors, having made due and careful enquiry and preparing forecasts, are of the opinion that the Company have adequate working capital to execute its operations for at least the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future.

Notes to the Financial Statements
for the Year Ended 31 May 2023

Prior period errors

During the prior year the company elected to capitalise internally generated software development costs. However, during the current year management have established that the connected deferred tax was not recognised. This has been corrected, with a deferred tax liability being brought forward as at 1 June 2021 of £137,581. The P&L reserves brought forwards as at 1 June 2021 have been reduced by this amount.

The comparative profit and loss and balance sheet has been restated to recognise deferrred tax for comparative period of £100,482. This includes £57,135 in relation to the corporation tax rate change from 19% to 25%.

Key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period. If the revision affects both current and future periods then it is recognised in both the current and future periods.

The directors have identified the following key estimates that impact the accounts, for which policies are set out below.

1. Trade debtor provisions

Management assesses the expected recoverable amount for each trade debtor at the year end and provides where they believe the realisable value to be in excess of this amount. In making this assessment management consider their historic knowledge and current expectation.

2. Useful economic life of intangible fixed assets

The annual amortisation charge of intangible assets is sensitive to changes in the estimated economic live and residual value of the assets. The useful economic lives and residual values are reassessed when a significant event occurs by management. They are amended when necessary to reflect current estimates, based on technological advancement, future investment, economic utilisation and the physical condition of the assets.

Turnover recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

Revenue is mainly generated from the sale of licenses which is recognised on a straight line basis over the length of the subscription.

Notes to the Financial Statements
for the Year Ended 31 May 2023

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Deferred tax liabilities are presented within provisions for liabilities on the balance sheet.

Tangible assets

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

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation of tangible assets

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate	
Short leasehold improvements	20% straight line	
Office equipment	20%-33% straight line	
Motor vehicles	20% straight line	Page 5

Notes to the Financial Statements
for the Year Ended 31 May 2023

Intangible assets

Software development costs that are directly attributable to the design and testing of identifiable and unique services controlled by the company are recognised as intangible assets when the following criteria are met:

- 1) it is technically feasible to complete the project so that it will be available for use;
- 2) management intends to complete the project and use or sell it;
- 3) there is an ability to use or sell the project;
- 4) it can be demonstrated how the project will generate probable future economic benefits;
- 5) adequate technical, financial and other resources to complete the development and to use or sell the project are available; and
- 6) the expenditure attributable to the project during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Projects are amortised in the year following capitalisation.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Software development	10% straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Other debtors include accrued income which is accounted for in line with the turnover recognition policy.

**Notes to the Financial Statements
for the Year Ended 31 May 2023**

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

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

Other creditors include deferred income which is accounted for in line with the turnover recognition policy.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

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

The contributions are recognised as an expense in the profit and loss account 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 company in independently administered funds.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 10 (2022 - 10).

Notes to the Financial Statements
for the Year Ended 31 May 2023

4 Intangible assets

	Internally generated software development costs £	Total £
Cost or valuation		
At 1 June 2022	1,064,336	1,064,336
Additions internally developed	315,204	315,204
At 31 May 2023	1,379,540	1,379,540
Amortisation		
At 1 June 2022	112,083	112,083
Amortisation charge	137,954	137,954
At 31 May 2023	250,037	250,037
Carrying amount		
At 31 May 2023	1,129,503	1,129,503
At 31 May 2022	952,253	952,253

Notes to the Financial Statements
for the Year Ended 31 May 2023

5 Tangible assets

	Short leasehold improvements £	Office equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 June 2022	23,947	44,024	10,473	78,444
Additions	4,075	4,868	-	8,943
Disposals	-	(1,480)	-	(1,480)
At 31 May 2023	28,022	47,412	10,473	85,907
Depreciation				
At 1 June 2022	1,346	33,178	7,366	41,890
Charge for the year	5,537	5,504	2,095	13,136
Eliminated on disposal	-	(1,480)	-	(1,480)
At 31 May 2023	6,883	37,202	9,461	53,546
Carrying amount				
At 31 May 2023	21,139	10,210	1,012	32,361
At 31 May 2022	22,601	10,846	3,107	36,554

6 Debtors

	2023 £	2022 £
Trade debtors	238,109	289,537
Prepayments	49,491	30,952
Other debtors	137,353	136,396
	424,953	456,885

Notes to the Financial Statements
for the Year Ended 31 May 2023

7 Creditors

	2023 £	2022 £
Due within one year		
Trade creditors	15,323	278
Amounts owed to group undertakings and undertakings in which the company has a participating interest	45,682	13,300
Taxation and social security	85,421	70,634
Corporation tax	-	55,274
Other creditors	553,894	513,824
	700,320	653,310

8 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £56,833 (2022 - £72,333).

9 Related party transactions

Summary of transactions with parent

During the year, a loan of £236,600 was made to the parent company, Digital Claims Services Limited. Interest was charged on the loan at Bank of England base rate +0.5%, totalling £4,905 in the year. The full balance, including interest, was repaid in the year. Dividends totalling £301,500 (2022 - £3,464) were also paid to Digital Claims Services Limited.

Summary of transactions with other related parties

During the year, the company made purchases from Property Consortium UK Limited, a fellow group company, in the form of management charges totalling £24,032 (2022 - £27,865).

10 Relationship between entity and parents

The parent of the smallest group in which these financial statements are consolidated is Property Consortium (Holdings) Limited, incorporated in England.

The address of Property Consortium (Holdings) Limited is:
Blackdown House, Culmhead Business Centre, Culmhead, Taunton, Somerset, TA3 7DY

11 Audit Report

The Independent Auditor's Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report on 27 February 2024 was Christopher Walford ACA, who signed for and on behalf of Albert Goodman LLP.