

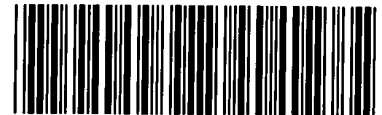
Registration number 7011600

Corvia Limited

Directors' report and financial statements

for the year ended 31 August 2017

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**Corvia Limited**

**Company Information**

**Directors**

J.A.Clarfelt

R.Guy

G.S.A.Montgomery

**Company Secretary**

D.C. Pemberton

**Registered Office**

Marlborough House, Charnham Lane, Hungerford, Berkshire RG17 0EY

**Registered Company No.:** 7011600

**Auditors**

Ross Brooke Limited, Chartered Accountants and Registered Auditors  
2 Old Bath Road, Newbury, Berkshire RG14 1QL

**Bankers**

NatWest Bank PLC

30 Market Place, Newbury, Berkshire RG14 5AG

**Contents**

	<b>Page</b>
Chairman's statement & Strategic Report	1
Directors' report	4
Auditor's report	5 - 6
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10 - 15

**Corvia Limited**  
**Chairman's Statement & Strategic Report**  
**for the year ended 31 August 2017**

I have pleasure in presenting our report and accounts for the year ended 31 August 2017.

**Key statistics**

- Turnover up 56% at £9.38m (2016: £6.01m)
- Earnings before interest, tax, depreciation and amortisation ("EBITDA") up 14.8% at £2.17m (2016: £1.89m)
- Profit before tax up 4.9% at £1.37m (2016: £1.306m)
- Number of licenced units in the field at 31 August 2017 up 60% over previous year end
- At 31 August 2017, our annual recurring revenue stream was 54.5% up at £3.4m (2016: £2.2m)

During the Spring and Summer of 2017, we have started to supply two of the largest bus companies in the UK with our solution. Although gearing up for such business should accelerate our future growth, the transition can often be financially tortuous, so I am particularly pleased to be reporting figures that still demonstrate we have made progress on all fronts.

**Operating Review**

Our penetration of the UK bus market continues to build, with the two largest new customers in 2017 being the bus divisions of First Group and Go Ahead Group.

One of the crucial elements that helped us to win these contracts is our ability to supply reliable, integrated contactless (ITSO and EMV) card readers, delivering both UKCA Model 1 and Model 2 payment solutions. Model 1 is a retail card transaction that is a straight substitution for cash, whereas Model 2 gives the ability to aggregate and cap transactions, delivering best value fares. Model 2 also gives the bus operators more protection from fraudulent card use. By the beginning of 2018, we have more EMV contactless ETMs, on more operators outside London, than any other ticket machine provider in the UK.

The greatest demand now is for our version 7, fixed electronic ticket machine, which has an integrated ITSO / EMV card reader (EMV being the industry term for contactless debit and credit cards) as well as an optional QR code scanner to read mobile phone based tickets ("mTickets"). This enables the bus operator to accept all forms of payment (including cash) and the use of cards and mTickets helps to increase the speed of boarding, keeping buses on schedule. Operators are keen to minimise cash transactions, due to the cost of processing and banking. By the Spring of 2018, we aim to extend the capability to process EMV transactions onto our handheld ticket machines.

We expect that many of our existing customers will want to upgrade their ticket machines to the latest version over the next couple of years, enabling them to accept contactless payments and m-tickets. Our market-leading position in offering a total payment solution and, shortly, customers being able to plan, book and buy their bus tickets via our ZipTrip App, opens up the opportunity for us to encompass an integrated payment processing solution with our existing back office. Our plans to add this to our portfolio will enable us to offer a one-stop-shop, including contactless and m-ticketing, for small and medium-sized bus operators, who currently do not have the critical mass economically to contract for such services directly. We also see these payment technologies as easing the path for us to enter export markets and we are currently pursuing several overseas enquiries.

Alongside keeping 'ahead of the game' with our ongoing development of on-bus equipment, our customers enjoy the transparency, power and simplicity of our web-based portal - which we continue to develop, enhancing the bus operator's ability to have strong, direct control of its operations. We are in the midst of a major development to transfer our back-office onto Microsoft's 'Azure' platform, planned for completion during the first half of 2018. This will significantly enhance our customers' operational visibility, and ability to create incisive analytical reports from the extensive data held in our system.

**Corvia Limited**  
**Chairman's Statement & Strategic Report**  
**for the year ended 31 August 2017**

We believe that, as excellent as our hardware and software solution is, our success in the market has been as much down to the quality of our customer engagement and support. We have built, and continue to build, a highly enthusiastic, committed and capable team, for whom "a customer's problem is our problem". Our committed support function is a key further differentiation of our offering in the market, and one in which we will continue to invest our resources. Indeed, over the last 9 months, we have also built a team of in-house field service engineers sited around the UK to further enhance our customer support capability.

**Financial Summary**

<b>Years ending 31 August (£'000)</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
Turnover	9,382	6,014	4,036	3,553	2,387
Gross Profit	4,371	3,249	2,000	1,815	1,180
<i>Gross Profit %</i>	<i>46.6%</i>	<i>54.0%</i>	<i>49.6%</i>	<i>51.1%</i>	<i>49.4%</i>
EBITDA	2,169	1,888	1,075	1,007	461
Profit / (loss) before taxation	1,370	1,306	643	631	174
Net cash / (debt)	1,527	1,528	50	220	(516)
Capitalised software, research & development	1,160	841	644	433	419
Annualised recurring revenue at 31 August	3,384	2,218	1,429	1,032	660

Over the last 4 years, our compound sales growth has averaged over 40% p.a. and our compound growth in annualised recurring revenue over 50% p.a.. Turnover includes, inter alia, installation revenue, SIM card recharges and hardware maintenance revenue, from which we have historically made little, or even negative margins, as these are areas in which we do not believe that we 'add value' for our customers – merely a means to an end. Hence this naturally depresses our overall combined margin,

Due to the robustness of our systems, with all our customers operating off a single software platform, the majority of our expanding software team's time is devoted to new developments which have, and will, lead to additional future revenue. Therefore, we capitalise our software development costs and our hardware research and development costs and write them off over 5 years. However, it is pleasing to note that, had we adopted a policy of writing off all such costs in the year in which they were incurred, we would still have made over £1m of pre-tax profit in 2017 (in line with a similar figure in 2016).

Our healthy cash resources and the strength of our recurring revenue stream give us confidence to broaden the development of our business going forward.

**Principal risks and uncertainties**

As this statement is doubling up as our 'Strategic Report', we are obliged to state the principal risks and uncertainties that the directors believe are faced by the company. I have listed these below but would point out that these are not exhaustive and merely represent the risks and uncertainties that we believe the company is most exposed to. These are:

- **The health of the UK bus market.** Ever since we established the company, the UK bus market has been subject to downward pressure on route subsidies and margins from central and local government. However, there has also been increased demand for smart ticketing systems to be adopted across the whole of the UK. This, together with the bus operators' need to drive efficiency throughout their organisations, has been the seedbed for our company's growth and success.
- **Increased competition.** Virtually every business is exposed to the impact of more aggressive, innovative or numerous competition and we are no exception. However, we entered a market in 2010 where there were three long-established incumbents and have carved out a major share for ourselves. Since that time only one significant new competitor has entered the UK market and we continue to develop market leading solutions. We have added more than one new operator per week since our formation and lost only one Ticketer customer (with 11 buses) to our competition in that time. Our business model, with annual licences for access to our software and data hosting solution, also helps to ensure our sustainability.

**Corvia Limited**  
**Chairman's Statement & Strategic Report**  
**for the year ended 31 August 2017**

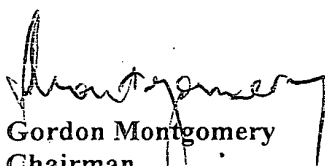
- **Recruiting and retaining management and staff.** We have built up a highly competent team in the company, amongst whom are key members whose loss could negatively affect the business or result in additional cost. However, several of our key management have shares in the company and we have a share option scheme to incentivise and assist with the retention and attraction of key management. Our software office is based in Old Street, London (so called "Silicon Roundabout"), which is strategically placed to give us the best opportunity to recruit new software engineers to sustain our development.
- **Reputational risk.** The reason we were able to carve out a place for ourselves in the UK bus market was partly due to the poor reputation of certain of the incumbent suppliers. Hence why we are passionate about continuing to meet the needs of our customers; the quality of our customer support; and the quality and integrity of our hardware and software solutions.

### **Current Developments & Outlook**

By this time next year, about a third of our units in the field (in the UK) will be supplied by us on long-term rental agreements to bus operators. Whilst this reduces our margins in the first year of supply (typically we offer 5 year rental agreements), it has little associated cost of sale in subsequent years, thus significantly increasing earnings before interest, depreciation and tax. It also increases our security of income and the 'stick-ability' of our customer base. We have arranged the necessary back-to-back finance to enable us to offer such a rental solution, and it suits certain customers to rent rather than buy.

From enhanced web platforms to research on tap-on / tap-off solutions and development of payment processing platforms, to name but a few, the investment we continue to make in our future marches on. In addition, larger customers and new data processing laws are requiring us to invest in our systems to ensure they stand up to the severest scrutiny for security and traceability. The barriers to entry for newcomers into our market continue to build. We still have plenty of room to expand in the UK – we estimate that by the end of 2018 we should have around 40% of the UK bus ticket machine market – but, now that we can offer contactless payment and m-ticketing solutions and have UK customers who also have major international operations, we have the real opportunity judiciously to put a toe into overseas markets and are actively pursuing such developments.

Finally, I know I speak for all the directors and senior staff when I say how proud we are of our team, and how much we have to thank them for in achieving everything that we do. They have been tested like never before this last year, due to the aggressive ramp up in our installed base, and their commitment and energy has not been found wanting. It is amazing to record that our team has more than doubled in the last year, which in itself has placed great demands on our resources but gives us a fantastic platform with which to go forward. Our thanks also go to our shareholders, for their continued patient investment and support.

  
**Gordon Montgomery**  
**Chairman**  
19 January 2018

**Corvia Limited**  
**Directors' report**  
**for the year ended 31 August 2017**

The directors present their report and the audited financial statements for the year ended 31 August 2017.

**Principal activity**

The principal activity of the company is the development and supply of integrated, online transport solutions.

**Director**

The directors who served throughout the period, together with their interest in the share capital of the company, are as stated below:

**Number of £0.05 A Ordinary Shares held at:**

	<b>31 August 2017</b>	<b>31 August 2016</b>
J A Clarfelt	160,000	160,000
R Guy	100,000	100,000
G S A Montgomery	40,000	40,000

**Directors' responsibilities**

The directors acknowledge their responsibilities for preparing the Directors' Report and the 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping proper accounting records that are sufficient to show and explain the company's transactions and with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. The directors 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.

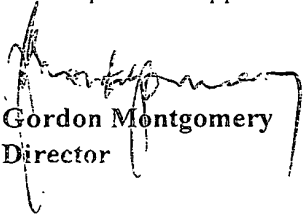
**Disclosure of information to the auditors**

The director has taken steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information. The director confirms that there is no relevant information that he knows of and of which he knows the auditors are unaware.

**Small companies provision statement**

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

This report was approved by the board on 23 January 2018 and signed on its behalf by

  
**Gordon Montgomery**  
Director

**Corvia Limited**  
**Independent auditor's report to the shareholders of Corvia Limited**

**Period ended 31 August 2017**

**Opinion**

We have audited the financial statements of Corvia Limited (the 'company') for the year ended 31 August 2017, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, 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 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2017 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**

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:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

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

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.

**Corvia Limited**

**Independent auditor's report to the shareholders of Corvia Limited (continued)**

**Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

**Responsibilities of directors**

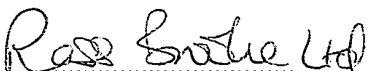
As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary 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 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 company or to cease operations, or have 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



Ross Brooke Limited

Emily Ness ACA (Senior Statutory Auditor)

2 Old Bath Road  
Newbury  
Berkshire  
RG14 1QL

Date: 23/01/18

**Corvia Limited**  
**Profit and loss account**  
for the year ended 31 August 2017

	Notes	2017 £	2016 £
<b>Turnover</b>	2	9,382,390	6,013,590
Cost of sales		(5,011,497)	(2,764,822)
<b>Gross profit</b>		<u>4,370,893</u>	<u>3,248,768</u>
Other administrative expenses		(2,201,477)	(1,360,517)
Earnings before interest, tax, depreciation and amortisation		2,169,416	1,888,251
Depreciation and amortisation		(799,285)	(582,418)
<b>Operating profit</b>		<u>1,370,131</u>	<u>1,305,833</u>
Total administrative expenses		(3,000,762)	(1,942,935)
<b>Operating profit</b>	3	<u>1,370,131</u>	<u>1,305,833</u>
Interest receivable and similar income		1	-
<b>Profit on ordinary activities before taxation</b>		<u>1,370,132</u>	<u>1,305,833</u>
Tax on ordinary activities	4	-	(3,953)
<b>Profit for the financial period</b>	13	<u><u>1,370,132</u></u>	<u><u>1,301,880</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

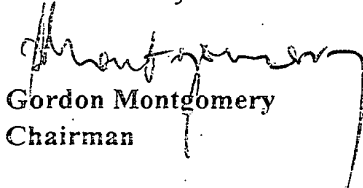
The notes on pages 10 to 15 form an integral part of the financial statements.

**Corvia Limited**  
**Balance Sheet**

	Notes	At 31 August 2017		At 31 August 2016	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	7		1,972,338		1,564,121
Tangible assets	8		616,851		39,301
			<u>2,589,189</u>		<u>1,603,422</u>
<b>Current assets</b>					
Stock - goods for resale		1,947,042		819,260	
Debtors	9	2,642,053		1,489,918	
Cash at bank and in hand		1,745,494		1,528,248	
		<u>6,334,589</u>		<u>3,837,426</u>	
<b>Creditors: amounts falling due within one year</b>	10	<u>(4,148,962)</u>		<u>(2,210,995)</u>	
<b>Net current assets</b>			2,185,627		1,626,431
<b>Total assets less current liabilities</b>			<u>4,774,816</u>		<u>3,229,853</u>
<b>Creditors: amounts falling due in more than one year</b>					
Bank loans	11		(27,822)		-
Hire purchase liabilities	12		(147,009)		-
<b>Net assets</b>			<u>4,599,985</u>		<u>3,229,853</u>
<b>Capital and reserves</b>					
Called up share capital	13		29,000		29,000
Share premium account			485,550		485,550
Profit and loss account			4,085,435		2,715,303
<b>Equity shareholders' funds</b>			<u>4,599,985</u>		<u>3,229,853</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime under Part 15 of the Companies Act 2006 and with FRS 102. The company's registered number is 7011600.

The financial statements were approved by the board and authorised for issue on 23 January 2018, and signed on its behalf by

  
Gordon Montgomery  
Chairman

The notes on pages 10 to 15 form an integral part of the financial statements.

**Corvia Limited**  
**Statement of Changes in Equity for the Year Ended 31 August 2017**

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 September 2015	29,000	485,550	1,413,423	1,927,973
Profit for the year	-	-	1,301,880	1,301,880
At 31 August 2016	29,000	485,550	2,715,303	3,229,853

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 September 2016	29,000	485,550	2,715,303	3,229,853
Profit for the year	-	-	1,370,132	1,370,132
At 31 August 2017	29,000	485,550	4,085,435	4,599,985

The notes on pages 10 to 15 form an integral part of the financial statements.

## Corvia Limited

### Notes to the financial statements for the year ended 31 August 2017

#### General information

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

The address of its registered office is:

Marlborough House  
Charnham Lane  
Hungerford  
Berkshire  
RG17 0EY

1. **Accounting policies**
  - 1.1. **Accounting convention**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.
  - 1.2. **Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the period and derives from the provision of goods and services falling within the company's ordinary activities.
  - 1.3. **Intangible and tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Software development costs	-Straight line over 5 years
Other development costs	-Straight line over 5 years
Leasehold improvements	-Over the life of the lease
Plant & machinery	-Straight line over 4 years
Equipment rented out	-Straight line over period of rental
Computer and office equipment	-Straight line over 4 years
  - 1.4. **Stock**

Stock is valued on a first-in-first out basis at the lower of cost and net realisable value, after making due allowance for slow moving stock.
  - 1.5. **Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered.
  - 1.6. **Research and development costs**

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.
2. **Turnover**

Turnover is wholly attributable to geographical markets within the United Kingdom and Channel Islands.
3. **Operating profit**

	2017	2016
	£	£
Operating profit is stated after charging:		
Auditor's remuneration	6,000	6,000
Depreciation and amortisation	799,285	582,418
	<u>                    </u>	<u>                    </u>

Corvia Limited

Notes to the financial statements for the year ended 31 August 2017

4. Tax on ordinary activities

	2017	2016
	£	£
<i>Tax on profit on ordinary activities</i>		
Current tax		
Corporation tax charge	-	21,745
R&D Tax credit from previous year	-	(17,792)
	<u>-</u>	<u>3,953</u>
UK Corporation tax	<u>-</u>	<u>3,953</u>

The company has not provided for a corporation tax charge as the research and development expenditure enhancement claim exceeds its taxable profits.

5. Staff numbers and Directors' emoluments

	2017	2016
The average numbers of employees in the year were:	22	13
	<u>22</u>	<u>13</u>
	£	£
Directors' remuneration and other benefits	308,465	312,500
	<u>308,465</u>	<u>312,500</u>

Included in directors' emoluments are fees of £91,000 (2016: £79,250) paid to The OnBoard Partnership Limited, a company wholly owned by G Montgomery, for the services of G Montgomery.

6. Investments

	£
<b>Cost</b>	
Balance at 1 September 2016	1,000
Additions	-
	<u>1,000</u>
Balance at 31 August 2017	<u>1,000</u>
<b>Amortisation</b>	
Balance at 1 September 2016	1,000
Written-off in the period	-
	<u>1,000</u>
Balance at 31 August 2017	<u>1,000</u>
<b>Net book value</b>	
At 31 August 2017 and 2016	<u>-</u>

The investment represents one Ordinary Share of £1 held in Ticketer Limited, a dormant company that has never traded and represents 100% of the shares in Ticketer Limited.

Corvia Limited

Notes to the financial statements for the year ended 31 August 2017

7. Intangible fixed assets	Software development costs £	Other development costs £	Total £
<b>Cost</b>			
Balance at 1 September 2016	2,682,631	560,070	3,242,701
Additions	974,582	185,789	1,160,371
Balance at 31 August 2017	<u>3,657,213</u>	<u>745,859</u>	<u>4,403,072</u>
<b>Amortisation</b>			
Balance at 1 September 2016	1,376,903	301,677	1,678,580
Charge for the period	622,693	129,461	752,154
Balance at 31 August 2017	<u>1,999,596</u>	<u>431,138</u>	<u>2,430,734</u>
<b>Net book value:</b>			
At 31 August 2017	<u>1,657,617</u>	<u>314,721</u>	<u>1,972,338</u>
At 31 August 2016	<u>1,305,728</u>	<u>258,393</u>	<u>1,564,121</u>

8. Tangible fixed assets					
Plant,	Leasehold Improvements £	fixtures & fittings £	Computer and office equipment £	Equipment for rental £	Total £
<b>Cost</b>					
Balance at 1 September 2016	2,920	37,667	54,761	-	95,348
Additions	20,938	27,041	16,320	560,380	624,679
Balance at 31 August 2017	<u>23,858</u>	<u>64,708</u>	<u>71,081</u>	<u>560,380</u>	<u>720,027</u>
<b>Amortisation</b>					
Balance at 1 September 2016	146	13,879	42,022	-	56,047
Charge for the period	672	4,703	20,138	21,616	47,129
Balance at 31 August 2017	<u>818</u>	<u>18,582</u>	<u>62,160</u>	<u>21,616</u>	<u>103,176</u>
<b>Net book value:</b>					
At 31 August 2017	<u>23,040</u>	<u>46,125</u>	<u>8,921</u>	<u>538,764</u>	<u>616,851</u>
At 31 August 2016	<u>2,774</u>	<u>23,788</u>	<u>12,739</u>	<u>-</u>	<u>42,416</u>

**Corvia Limited**  
**Notes to the financial statements for the year ended 31 August 2017**

9. Debtors	2017	2016
	£	£
Trade debtors	2,404,865	1,354,276
Prepayments and accrued income	237,188	135,642
	<u>2,642,053</u>	<u>1,489,918</u>
	<u><u>2,642,053</u></u>	<u><u>1,489,918</u></u>
10. Creditors: amounts falling due within one year	2017	2016
	£	£
Bank loans	7,007	-
Hire purchase liabilities	37,025	-
Trade creditors	1,954,337	683,532
Corporation tax	-	21,745
Other taxes and social security costs	96,455	177,549
Accruals & provisions	330,798	118,626
Customer payments received in advance	1,688,973	1,193,887
Other creditors	34,367	15,656
	<u>4,148,962</u>	<u>2,210,995</u>
	<u><u>4,148,962</u></u>	<u><u>2,210,995</u></u>

At 31 August 2017, the company had accrued £12,023 (2016: £20,671) in relation to contributions payable to an employee's personal pension scheme.

11. Bank loans	2017	2016
	£	£
Amounts payable within one year	7,007	-
Amounts payable in more than one year	27,822	-
	<u>34,829</u>	<u>-</u>
	<u><u>34,829</u></u>	<u><u>-</u></u>

The bank loan represents the financing of installation costs on certain equipment that the Company has rented out to customers on five year rental agreements. The bank loan is from Lombard Technology Services Limited and was drawn down in August 2017. It is secured against the installation element of rental income receivable by the Company under signed rental contracts.

Corvia Limited

Notes to the financial statements for the year ended 31 August 2017

<b>12. Hire Purchase Liabilities</b>	<b>2017</b>	<b>2016</b>
	£	£
Amounts payable within one year	37,025	-
Amounts payable in more than one year	147,009	-
	<u>184,034</u>	<u>-</u>

The hire purchase liabilities represent the financing equipment that the Company has rented out to customers on five year rental agreements. The hire purchase liability is with Lombard Technology Services Limited and was drawn down in August 2017. It is secured against the hardware rental income receivable by the Company under signed rental contracts.

**13. Share capital**

	At 31 August 2017		At 31 August 2016	
	Number	£	Number	£
<b>Allotted, called up and fully paid</b>				
Ordinary shares of £0.05 each	180,000	9,000	180,000	9,000
A Ordinary shares of £0.05 each	400,000	20,000	400,000	20,000
	<u>580,000</u>	<u>29,000</u>	<u>580,000</u>	<u>29,000</u>

Each Ordinary share and each A Ordinary share carry equal voting and dividend rights. Upon a sale of the company or return of capital, the Ordinary and A Ordinary shareholders are entitled to an Initial Return, representing the amount subscribed for their shares (including share premium), the excess over the Initial Return will be divided pro rata between the Ordinary and A Ordinary shareholders in proportion to the aggregate total number of Ordinary and A Ordinary shares in issue immediately prior to the sale or winding up of the company.

**16. Finance & operating lease commitments**

*Finance & operating lease commitments payable*

At 31 August 2017, total future finance and operating lease commitments due by the company are as follows:

	2017		2016	
	Finance £	Operating £	Finance £	Operating £
Totals	248,798	686,306	-	70,972
	<u>248,798</u>	<u>686,306</u>	<u>-</u>	<u>70,972</u>

*Operating lease commitments receivable*

At 31 August 2017, annual commitments under non-cancellable operating leases due to the company are as follows:

	2017	2016
	£	£
Totals	493,541	-
	<u>493,541</u>	<u>-</u>

**Corvia Limited**

**Notes to the financial statements for the year ended 31 August 2017**

**17. Transactions with directors**

The company used the consultancy services of GSA Montgomery at a cost of £91,000 (2016: £79,250), invoiced to the company by The OnBoard Partnership Limited, which is wholly owned by GSA Montgomery. The amount outstanding as owing to The OnBoard Partnership Limited by the company at the end of the period for consultancy services was £10,000 (2016: £11,250).

The company rented offices during the year, at a cost of £Nil (2016: £2,550), from The OnBoard Partnership Limited. The amount outstanding as owing to The OnBoard Partnership Limited by the company at the end of the period for rent was £Nil (2016: £Nil).

At the year end, the company owed £11,000 (2016: £5,288) to John Clarfelt, who is a director of the company, for outstanding expenses and salary.

At the year end, the company owed £1,500 (2016: £5,826) to Richard Guy, who is a director of the company, for outstanding expenses and salary.

**18. Transition to FRS 102**

There were no changes required as a result of transition to FRS 102.

**19. Ultimate controlling party**

Through their positions as co-directors of the Company, the directors consider that they are deemed to be connected parties and, together, they are able to exercise ultimate control of the company.