

COMPANY REGISTRATION NUMBER: 06338847

**Covesion Ltd**  
**Filleted Unaudited Financial Statements**  
**31 December 2022**

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**Covesion Ltd**  
**Statement of Financial Position**  
**31 December 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	5	61,467	28,182
Tangible assets	6	99,719	91,207
		<u>161,186</u>	<u>119,389</u>
<b>Current assets</b>			
Stocks		465,856	362,919
Debtors	7	558,699	348,815
Cash at bank and in hand		327,595	700,015
		<u>1,352,150</u>	<u>1,411,749</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>280,311</u>	<u>305,010</u>
<b>Net current assets</b>		<u>1,071,839</u>	<u>1,106,739</u>
<b>Total assets less current liabilities</b>		<u>1,233,025</u>	<u>1,226,128</u>
<b>Creditors: amounts falling due after more than one year</b>	9	170,000	230,000
<b>Provisions</b>		<u>48,135</u>	<u>30,000</u>
<b>Net assets</b>		<u>1,014,890</u>	<u>966,128</u>
<b>Capital and reserves</b>			
Called up share capital	11	44,934	44,934
Share premium account		1,074,106	1,074,106
Capital contribution reserve		527,410	527,410
Profit and loss account		<u>(631,560)</u>	<u>(680,322)</u>
<b>Shareholders funds</b>		<u>1,014,890</u>	<u>966,128</u>

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 income statement has not been delivered.

For the year ending 31 December 2022 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.

The statement of financial position  
continues on the following page.  
**The notes on pages 3 to 7 form part of these financial statements.**

# Covesion Ltd

## Statement of Financial Position *(continued)*

31 December 2022

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These financial statements were approved by the board of directors and authorised for issue on 1 August 2023, and are signed on behalf of the board by:



Mr M Day  
Director

Company registration number: 06338847

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The notes on pages 3 to 7 form part of these financial statements.

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# Covesion Ltd

## Notes to the Financial Statements

Year ended 31 December 2022

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**1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit F3, Adanac Park, Adanac Drive, Nursling, Southampton, SO16 0BT.

**2. Statement of compliance**

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

**3. Accounting policies**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis.

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

**Going concern**

The Company's cash position at the year end is £327,595.

The Directors have prepared forecasts that cover a period of 12 months from the date of their approval of these financial statements. Accordingly, the directors consider that the company will have adequate resources to continue in operational existence for the foreseeable future and continues to adopt the going concern basis in preparing the accounts.

**Revenue recognition**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Losses and other deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal.

**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 the profit and loss account.

**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.

# Covesion Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

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### 3. Accounting policies *(continued)*

#### Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

#### 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 and Other Intangibles	-	20% straight line
Leasehold property	-	over the life of the lease

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.

#### Research and development

Research expenditure is written off in the period in which it is incurred.

#### Tangible assets

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

#### 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:

Plant and machinery	-	15% straight line
Fixtures and fittings	-	15% straight line
Equipment	-	33% straight line

#### Stocks

Stocks are measured at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### Provisions

Provisions for the expected costs of maintenance under guarantees are charged against profits when products have been invoiced. The effect of the time value of money is not material and therefore the provisions are not discounted.

# Covesion Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

### 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. 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.

### 4. Employee numbers

The average number of persons employed by the company during the year amounted to 21 (2021: 15).

### 5. Intangible assets

	Goodwill £	Other Intangibles £	Leasehold £	Total £
<b>Cost</b>				
At 1 January 2022	25,002	190,909	30,000	<b>245,911</b>
Additions	28,135	–	–	<b>28,135</b>
Acquisitions through business combinations	–	10,000	–	<b>10,000</b>
<b>At 31 December 2022</b>	<b><u>53,137</u></b>	<b><u>200,909</u></b>	<b><u>30,000</u></b>	<b><u>284,046</u></b>
<b>Amortisation</b>				
At 1 January 2022	25,002	190,909	1,818	<b>217,729</b>
Charge for the year	1,876	667	2,307	<b>4,850</b>
<b>At 31 December 2022</b>	<b><u>26,878</u></b>	<b><u>191,576</u></b>	<b><u>4,125</u></b>	<b><u>222,579</u></b>
<b>Carrying amount</b>				
<b>At 31 December 2022</b>	<b><u>26,259</u></b>	<b><u>9,333</u></b>	<b><u>25,875</u></b>	<b><u>61,467</u></b>
At 31 December 2021	–	–	28,182	<b>28,182</b>

# Covesion Ltd

## Notes to the Financial Statements *(continued)*

**Year ended 31 December 2022**

### 6. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 January 2022	168,938	6,641	19,061	<b>194,640</b>
Additions	<u>21,947</u>	<u>5,178</u>	<u>3,562</u>	<u><b>30,687</b></u>
<b>At 31 December 2022</b>	<u>190,885</u>	<u>11,819</u>	<u>22,623</u>	<u><b>225,327</b></u>
<b>Depreciation</b>				
At 1 January 2022	93,465	1,202	8,766	<b>103,433</b>
Charge for the year	<u>15,257</u>	<u>922</u>	<u>5,996</u>	<u><b>22,175</b></u>
<b>At 31 December 2022</b>	<u>108,722</u>	<u>2,124</u>	<u>14,762</u>	<u><b>125,608</b></u>
<b>Carrying amount</b>				
<b>At 31 December 2022</b>	<u>82,163</u>	<u>9,695</u>	<u>7,861</u>	<u><b>99,719</b></u>
At 31 December 2021	<u>75,473</u>	<u>5,439</u>	<u>10,295</u>	<u>91,207</u>

### 7. Debtors

	2022 £	2021 £
Trade debtors	190,700	97,347
Other debtors	<u>367,999</u>	<u>251,468</u>
	<u><b>558,699</b></u>	<u><b>348,815</b></u>

### 8. Creditors: amounts falling due within one year

	2022 £	2021 £
Bank loans and overdrafts	60,000	60,000
Trade creditors	33,236	117,247
Social security and other taxes	28,193	22,209
Other creditors	<u>158,882</u>	<u>105,554</u>
	<u><b>280,311</b></u>	<u><b>305,010</b></u>

The company's bank loan is repayable over 60 months and bears an interest rate of 3.99% and is secured by a fixed and floating charge over all assets. At 31 December 2022 a total of £230,000 (2021: £290,000) remains outstanding of which £60,000 (2021: £60,000) falls due for repayment within one year.

### 9. Creditors: amounts falling due after more than one year

	2022 £	2021 £
Bank loans and overdrafts	<u>170,000</u>	<u>230,000</u>

Bank loans and overdrafts - see note 9

# Covesion Ltd

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2022

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### 10. Share based payments

Equity-settled

At 31 December 2022, the following share options were outstanding in respect of EMI and unapproved share option plans:

EMI Options

301,882 share options were granted in 2020 (granted to 4 employees, with an exercise price of £0.01 per share). All of these options are fully vested.

Unapproved options

100,627 share options were granted in 2020 (granted to 1 consultant, with an exercise price of £0.01 per share) and are all fully vested.

### 11. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £0.01 each	<u>4,493,403</u>	<u>44,934</u>	<u>4,493,403</u>	<u>44,934</u>

### 12. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than 1 year	<u>44,064</u>	26,361
Later than 1 year and not later than 5 years	<u>98,572</u>	<u>139,039</u>
	<u>142,636</u>	<u>165,400</u>