

**CONVERGENT TECHNOLOGY LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2024**

**CONVERGENT TECHNOLOGY LIMITED**

**COMPANY INFORMATION**

**DIRECTORS**

J Pawson  
P Fewster  
M Bain

**REGISTERED NUMBER**

10556915

**REGISTERED OFFICE**

24 Old Bond Street  
London  
W1S 4AP

**INDEPENDENT AUDITORS**

Cooper Parry Group Limited  
New Derwent House  
69-73 Theobalds road  
London  
WC1X 8TA

Price Bailey LLP

**ACCOUNTANTS**

Chartered Accountants  
24 Old Bond Street  
London  
W1S 4AP

**CONVERGENT TECHNOLOGY LIMITED**

**CONTENTS**

	Page
<b>Strategic Report</b>	1
<b>Directors' Report</b>	2 - 3
<b>Independent Auditors' Report</b>	4 - 7
<b>Statement of Income and Retained Earnings</b>	8
<b>Balance Sheet</b>	9
<b>Statement of Cash Flows</b>	10
<b>Analysis of Net Debt</b>	11
<b>Notes to the Financial Statements</b>	12 - 27

# CONVERGENT TECHNOLOGY LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2024

### INTRODUCTION

Convergent Technology Limited aim to redefine the IT reseller experience by being the preferred partner for innovative, multivendor technology solutions and services. The company delivers with speed, flexibility, and a commitment to integrity, inclusivity, accountability, and a progressive mindset. Through a customer-first approach, the company empowers organisations worldwide to thrive in a digital world, creating long-term value and enabling businesses to achieve their goals.

### BUSINESS REVIEW

The company continues to build long-term client relationships, focusing on service excellence and technology innovation.

The company achieved revenues in excess of £23.5m for the year, whilst maintaining a strong balance sheet, conservative dividend policy, and healthy net profit.

### PRINCIPAL RISKS AND UNCERTAINTIES

The challenging global economic conditions clearly affect the company and it's client base. The company strives to mitigate these risks by having low debt, a broad services offering, and have a diverse client base across a host of sectors.

### FINANCIAL KEY PERFORMANCE INDICATORS

Convergent Technology measures its performance monthly and quarterly, using the following KPI's. These are reviewed by the management team:

	2024	2023
Gross Profit	£5.33m	£5.23m
Gross Profit Margin	22.61%	23.56%
Net Profit	£0.91m	£1.15m
Net cash generated from operating activities	(£0.25m)	£2.04

### FUTURE OUTLOOK

The directors are optimistic about the coming financial year.

With a strategic approach to onboarding new key clients, expanding the service/contracted revenue areas, and careful recruitment the directors believe the opportunity for the coming year is huge in this market.

This report was approved by the board and signed on its behalf.

**J Pawson**

Director

Date: 30 June 2025

## CONVERGENT TECHNOLOGY LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2024

The directors present their report and the financial statements for the year ended 31 March 2024.

#### DIRECTORS

The directors who served during the year were:

J Pawson  
P Fewster  
M Bain

#### PRINCIPAL ACTIVITY

The principal activity of the company continued to be that of the provision of IT goods and consultancy.

#### DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 to enable them 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.

#### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £912,736 (2023 - £1,147,193).

The dividends declared in the year were £678,421 (2023 - £422,336).

#### FUTURE DEVELOPMENTS

Continued development of our internal systems, processes, making key hires that add value to our team, and supporting the growth of our employees will enable continued growth of the company.

**CONVERGENT TECHNOLOGY LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2024**

**DISCLOSURE OF INFORMATION TO AUDITORS**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**POST BALANCE SHEET EVENTS**

There have been no significant events affecting the Company since the year end.

**AUDITORS**

The auditors, Cooper Parry Group Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

**J Pawson**

Director

Date: 30 June 2025

## CONVERGENT TECHNOLOGY LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONVERGENT TECHNOLOGY LIMITED

#### OPINION

We have audited the financial statements of Convergent Technology Limited (the 'Company') for the year ended 31 March 2024, which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 Financial Reporting Standard 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 31 March 2024 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 directors' 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 directors 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 Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

## CONVERGENT TECHNOLOGY LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONVERGENT TECHNOLOGY LIMITED (CONTINUED)

#### OPINION 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have 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 Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

#### RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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.

## CONVERGENT TECHNOLOGY LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONVERGENT TECHNOLOGY LIMITED (CONTINUED)

#### AUDITORS' 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 Auditors' 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.

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:

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 gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates, and considered the risk of acts by the Company that were contrary to applicable laws and regulations, including fraud. We discussed with the management the policies and procedures in place regarding compliance with laws and regulations. We discussed amongst the audit team the identified laws and regulations, and remained alert to any indications of non compliance.

During the audit we focused on laws and regulations which could reasonably be expected to give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management.

Our procedures in relation to fraud included but were not limited to: inquires of management whether they have any knowledge of any actual, suspected or alleged fraud, and discussions amongst the audit team regarding risk of fraud such as opportunities for fraudulent manipulation of financial statements. We determined that the principal risks related to posting manual journal entries to manipulate financial performance and management bias through judgements in accounting estimates. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud. Our tests include agreeing the financial statement disclosures to underlying supporting documentation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. In assessing the potential risks of material misstatement we obtained an understanding of; the entities operations, including the nature of its revenue sources and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement. We did not identify any matters relating to non compliance with laws and regulations relating to fraud.

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 Auditors' Report.

**CONVERGENT TECHNOLOGY LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CONVERGENT TECHNOLOGY LIMITED (CONTINUED)**

**OTHER MATTERS**

The figures included as comparatives for the year ended 31 March 2023 were unaudited.

**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 Auditors' 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.

James Maxwell (Senior Statutory Auditor)

for and on behalf of

**Cooper Parry Group Limited**

Statutory Auditors

New Derwent House  
69-73 Theobalds road  
London  
WC1X 8TA

30 June 2025

**CONVERGENT TECHNOLOGY LIMITED**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 £	As restated 2023 £
Turnover	4	23,576,410	22,190,821
Cost of sales		(18,246,317)	(16,961,878)
<b>Gross profit</b>		<u>5,330,093</u>	<u>5,228,943</u>
Administrative expenses		(4,427,677)	(3,829,341)
<b>Operating profit</b>	5	902,416	1,399,602
Interest receivable and similar income	9	16,967	11,308
Interest payable and similar expenses	10	(9,649)	(19,020)
<b>Profit before tax</b>		<u>909,734</u>	<u>1,391,890</u>
Tax on profit	11	3,002	(244,697)
<b>Profit after tax</b>		<u><u>912,736</u></u>	<u><u>1,147,193</u></u>
Retained earnings at the beginning of the year		2,176,879	1,452,022
Profit for the year		912,736	1,147,193
Dividends declared and paid		(678,421)	(422,336)
<b>Retained earnings at the end of the year</b>		<u><u>2,411,194</u></u>	<u><u>2,176,879</u></u>

There were no recognised gains and losses for 2024 or 2023 other than those included in the statement of income and retained earnings.

The notes on pages 12 to 27 form part of these financial statements.

**CONVERGENT TECHNOLOGY LIMITED**  
**REGISTERED NUMBER: 10556915**

**BALANCE SHEET**  
**AS AT 31 MARCH 2024**

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Tangible assets	13	86,194	87,088
Investments	14	64,868	21,418
		151,062	108,506
<b>Current assets</b>			
Stocks	15	-	43,450
Debtors: amounts falling due within one year	16	5,996,413	5,753,691
Cash at bank and in hand	17	1,424,227	2,435,246
		7,420,640	8,232,387
Creditors: amounts falling due within one year	18	(4,958,282)	(5,909,300)
<b>Net current assets</b>		2,462,358	2,323,087
<b>Total assets less current liabilities</b>		2,613,420	2,431,593
Creditors: amounts falling due after more than one year	19	(58,333)	(108,333)
<b>Provisions for liabilities</b>			
Deferred tax	21	(18,893)	(21,381)
<b>Net assets</b>		2,536,194	2,301,879
<b>Capital and reserves</b>			
Called up share capital	22	125,000	125,000
Profit and loss account	23	2,411,194	2,176,879
		2,536,194	2,301,879

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**J Pawson**  
Director

**P Fewster**  
Director

Date: 30 June 2025

Date: 30 June 2025

The notes on pages 12 to 27 form part of these financial statements.

CONVERGENT TECHNOLOGY LIMITED

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	2023 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	912,736	1,147,193
<b>Adjustments for:</b>		
Depreciation of tangible assets	36,057	24,086
Interest paid	9,649	19,020
Interest received	(16,967)	(11,308)
Corporation tax charge	(514)	240,542
Decrease/(increase) in stocks	-	(8,950)
(Increase) in debtors	(238,849)	(2,492,703)
(Decrease)/increase in creditors	(951,769)	3,386,977
(Decrease)/increase in provisions	(2,488)	4,155
Corporation tax (paid)	(1,132)	(272,559)
<b>Net cash generated from operating activities</b>	<u>(253,277)</u>	<u>2,036,453</u>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(35,163)	(18,140)
New loans to group undertakings	-	(5,990)
Interest received	16,967	11,308
<b>Net cash from investing activities</b>	<u>(18,196)</u>	<u>(12,822)</u>
<b>Cash flows from financing activities</b>		
Repayment of loans	(50,000)	(50,000)
Loans from group companies repaid	(1,476)	(13)
Dividends paid	(678,421)	(422,336)
Interest paid	(9,649)	(19,020)
<b>Net cash used in financing activities</b>	<u>(739,546)</u>	<u>(491,369)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(1,011,019)	1,532,262
Cash and cash equivalents at beginning of year	2,435,246	902,984
<b>Cash and cash equivalents at the end of year</b>	<u><u>1,424,227</u></u>	<u><u>2,435,246</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	1,424,227	2,435,246
	<u><u>1,424,227</u></u>	<u><u>2,435,246</u></u>

The notes on pages 12 to 27 form part of these financial statements.

**CONVERGENT TECHNOLOGY LIMITED**

**ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 MARCH 2024**

	At 1 April 2023	Cash flows	At 31 March
	£	£	2024
			£
Cash at bank and in hand	2,435,246	(1,011,019)	1,424,227
Debt due after 1 year	(108,333)	50,000	(58,333)
Debt due within 1 year	(50,000)	-	(50,000)
	<u>2,276,913</u>	<u>(961,019)</u>	<u>1,315,894</u>

The notes on pages 12 to 27 form part of these financial statements.

# CONVERGENT TECHNOLOGY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

### 1. GENERAL INFORMATION

The company is a private company limited by shares incorporated in England and Wales located in the United Kingdom. The company registered number is 10556915. The registered office is 24 Old Bond Street, London, W1S 4AP and the trading address is 1-2 Broadgate Circle, London EC2M 2QS.

### 2. ACCOUNTING POLICIES

#### 2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Hardware

Revenue from the sale of hardware is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Due to the Company's ability to choose the supplier and set its own pricing, for the provision of these goods, the Company acts as a principle when selling hardware and hence recognises Revenue gross of any costs;

##### Software

Revenue from the sale of software is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Due to the supplier of the software supporting the customer during the life of the software license, this means that the Company acts as an agent. As such the Company recognises Revenue net of any Cost of sales.

## CONVERGENT TECHNOLOGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### 2. ACCOUNTING POLICIES (CONTINUED)

##### 2.2 REVENUE (continued)

###### Services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Due to the Company's ability to choose the supplier and set its own pricing, for the provision of these services, the Company acts as a principle when providing services and hence recognises Revenue gross of any costs.

##### 2.3 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 4 Years Straight Line
Office equipment	- 4 Years Straight Line
Computer equipment	- 4 Years Straight Line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### 2.4 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.5 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

## CONVERGENT TECHNOLOGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### 2. ACCOUNTING POLICIES (CONTINUED)

##### 2.6 DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.7 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

##### 2.8 FINANCIAL INSTRUMENTS

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Balance Sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

###### Basic financial assets

Basic financial assets, which include trade and other debtors, cash and bank balances, are initially measured at their transaction price (adjusted for transaction costs except in the initial measurement of financial assets that are subsequently measured at fair value through profit and loss) and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other debtors due with the operating cycle fall into this category of financial instruments.

###### Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

###### Impairment of financial assets

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

## CONVERGENT TECHNOLOGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### 2. ACCOUNTING POLICIES (CONTINUED)

##### 2.8 FINANCIAL INSTRUMENTS (continued)

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

##### **Basic financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other creditors, bank loans and other loans are initially measured at their transaction price (adjusting for transaction costs except in the initial measurement of financial liabilities that are subsequently measured at fair value through profit and loss). When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest, discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade creditors are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

##### **Derecognition of financial instruments**

##### **Derecognition of financial assets**

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

##### 2.9 CREDITORS

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

2. ACCOUNTING POLICIES (CONTINUED)

2.10 FOREIGN CURRENCY TRANSLATION

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.11 FINANCE COSTS

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.13 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.14 PENSIONS

**Defined contribution pension plan**

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 payment obligations.

The contributions are recognised as an expense in profit or loss 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.

## CONVERGENT TECHNOLOGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

#### 2. ACCOUNTING POLICIES (CONTINUED)

##### 2.15 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

##### 2.16 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

##### 2.17 PROVISIONS FOR LIABILITIES

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

##### 2.18 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## CONVERGENT TECHNOLOGY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

3.

#### JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Judgements in applying the above accounting policies are detailed in the individual policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management make estimates and assumptions concerning the future based on their knowledge of the business and the markets it operates in. The resulting accounting estimates and assumptions will, by definition, not always equal the related actual results. These assumptions are regularly monitored and kept under close review by management.

#### Principle versus agent

When recognising revenue, the Company is required to assess whether its role in satisfying the contract with its customers is to provide the goods or services themselves (principle) or to arrange for a third party to provide the goods and services (agent). Where it is considered to be the principle, revenue is recognised at the gross amount to which the Company expects to be entitled. Where it is considered to be the agent, revenue is recognised at the net amount after paying any other party for servicing the contract.

To determine the nature of its obligation, the standard primarily requires an entity shall:

- a. Identify the specified goods or services provided to the customer
- b. Assess whether it controls each specified goods or service before it is transferred to the customer by considering if it
  - (i) is primarily responsible for fulfilling the contract to provide the goods or service
  - (ii) has any inventory risk before the specified goods or service has been transferred to the customer
  - (iii) has discretion in establishing the price for the specified goods or service.

Specific judgements with respect to different revenue streams have been discussed in the revenue accounting policy in note 2.2.

#### Bad debt provision

There is estimation uncertainty in calculating bad debt provisions. A full line by line review of trade debtors is carried out at the end of each month. Whilst every attempt is made to ensure that the bad debt provisions are as accurate as possible, there remains a risk that the provision do not match the level of debts which ultimately prove to be uncollectable.

#### 4. TURNOVER

The whole of the turnover is attributable to the provision of IT goods and consultancy. The directors have chosen not to disclose the breakdown of each class or geographical markets of turnover.

#### 5. OPERATING PROFIT

The operating profit is stated after charging:

	£	£
Exchange differences	69,949	8,945
Depreciation	36,057	24,086
Amounts paid under operating leases	<u>207,979</u>	<u>150,667</u>

**CONVERGENT TECHNOLOGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**6. AUDITORS' REMUNERATION**

During the year, the Company obtained the following services from the Company's auditors:

	2024 £	2023 £
Fees payable to the Company's auditors for the audit of the Company's financial statements	<u>30,000</u>	<u>-</u>

**7. EMPLOYEES**

Staff costs, including directors' remuneration, were as follows:

	2024 £	2023 £
Wages and salaries	1,444,384	1,597,048
Commission	1,343,490	876,033
Social security costs	349,321	277,725
Cost of defined contribution scheme	79,960	46,082
	<u>3,217,155</u>	<u>2,796,888</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2024 No.	2023 No.
Sales	19	16
Admin	5	5
Directors	3	3
Operations	2	2
	<u>29</u>	<u>26</u>

**CONVERGENT TECHNOLOGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**8. DIRECTORS' REMUNERATION**

	2024	2023
	£	£
Directors' emoluments	494,001	751,177
Company contributions to defined contribution pension schemes	10,133	-
	<u>504,134</u>	<u>751,177</u>

During the year retirement benefits were accruing to no directors (2023 - NIL) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £235,058 (2023 - £401,925).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £10,133 (2023 - £NIL).

**9. INTEREST RECEIVABLE**

	2024	2023
	£	£
Other interest receivable	<u>16,967</u>	<u>11,308</u>

**10. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2024	2023
	£	£
Bank interest payable	9,245	7,412
Other interest payable	404	11,608
	<u>9,649</u>	<u>19,020</u>

CONVERGENT TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

11. TAXATION

	2024 £	2023 £
<b>Corporation tax</b>		
Current tax on profits for the year	255,823	282,082
Adjustments in respect of previous periods	(256,337)	(41,540)
<b>Total current tax</b>	<u>(514)</u>	<u>240,542</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(2,488)	4,155
<b>Total deferred tax</b>	<u>(2,488)</u>	<u>4,155</u>
<b>Tax on profit</b>	<u><u>(3,002)</u></u>	<u><u>244,697</u></u>

**FACTORS AFFECTING TAX CHARGE FOR THE YEAR**

The tax assessed for the year is the same as (2023 - the same as) the standard rate of corporation tax in the UK of 25% (2023 - 19%) as set out below:

	2024 £	2023 £
Profit on ordinary activities before tax	<u>909,734</u>	<u>1,391,890</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 19%)	227,434	264,459
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	28,084	17,922
Capital allowances for year in excess of depreciation	(75)	(145)
Adjustments to tax charge in respect of prior periods	(256,337)	(41,540)
Other timing differences leading to an increase (decrease) in taxation	(2,488)	4,155
Changes in provisions leading to an increase (decrease) in the tax charge	380	(154)
<b>Total tax charge for the year</b>	<u><u>(3,002)</u></u>	<u><u>244,697</u></u>

12. DIVIDENDS

	2024 £	2023 £
Dividends	<u>678,421</u>	<u>422,336</u>

CONVERGENT TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

13. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Office equipment £	Computer equipment £	Total £
<b>Cost</b>				
At 1 April 2023	31,868	56,884	45,039	133,791
Additions	-	25,022	10,141	35,163
At 31 March 2024	<u>31,868</u>	<u>81,906</u>	<u>55,180</u>	<u>168,954</u>
<b>Depreciation</b>				
At 1 April 2023	5,056	21,327	20,320	46,703
Charge for the year on owned assets	7,967	17,323	10,767	36,057
At 31 March 2024	<u>13,023</u>	<u>38,650</u>	<u>31,087</u>	<u>82,760</u>
<b>Net book value</b>				
At 31 March 2024	<u>18,845</u>	<u>43,256</u>	<u>24,093</u>	<u>86,194</u>
At 31 March 2023	<u>26,812</u>	<u>35,557</u>	<u>24,719</u>	<u>87,088</u>

CONVERGENT TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

14. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £	Unlisted investments £	Total £
<b>Cost or valuation</b>			
At 1 April 2023	21,418	-	21,418
Reclassification from stock	-	43,450	43,450
At 31 March 2024	<u>21,418</u>	<u>43,450</u>	<u>64,868</u>
<b>Net book value</b>			
At 31 March 2024	<u>21,418</u>	<u>43,450</u>	<u>64,868</u>
At 31 March 2023	<u>21,418</u>	<u>-</u>	<u>21,418</u>

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Convergent Technology Inc	45 Rockefeller Plz FL 20, New York, NY 10111	No par value	100%
Convergent Technology Services GmbH	Hohenbrunn	At par value	100%

The aggregate of the share capital and reserves as at 31 March 2024 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Convergent Technology Inc	(44,018)	(99,669)
Convergent Technology Services GmbH	125,589	29,999

15. STOCKS

	2024 £	2023 £
Finished goods and goods for resale	<u>-</u>	<u>43,450</u>

CONVERGENT TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

16. DEBTORS

	2024 £	2023 £
Trade debtors	3,745,854	3,362,501
Amounts owed by group undertakings	108,612	108,612
Other debtors	1,392,217	1,154,992
Prepayments and accrued income	743,793	1,125,522
Tax recoverable	5,937	2,064
	<u>5,996,413</u>	<u>5,753,691</u>

17. CASH AND CASH EQUIVALENTS

	2024 £	2023 £
Cash at bank and in hand	<u>1,424,227</u>	<u>2,435,246</u>

18. CREDITORS: Amounts falling due within one year

	2024 £	2023 £
Bank loans	50,000	50,000
Trade creditors	2,516,970	3,294,918
Amounts owed to group undertakings	4,735	6,211
Corporation tax	287,069	284,842
Other taxation and social security	348,569	199,500
Other creditors	524,900	1,023,695
Accruals and deferred income	1,226,039	1,050,134
	<u>4,958,282</u>	<u>5,909,300</u>

CONVERGENT TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

19. CREDITORS: Amounts falling due after more than one year

	2024 £	2023 £
Bank loans	<u>58,333</u>	<u>108,333</u>

The following liabilities were secured:

	2024 £	2023 £
Bank loans	<u>58,333</u>	<u>108,333</u>

Details of security provided:

The bank loans are secured by a fixed and floating charge over the assets of the company.

20. LOANS

Analysis of the maturity of loans is given below:

	2024 £	2023 £
<b>Amounts falling due within one year</b>		
Bank loans	50,000	50,000
<b>Amounts falling due 1-2 years</b>		
Bank loans	50,000	50,000
<b>Amounts falling due 2-5 years</b>		
Bank loans	8,333	58,333
	<u>108,333</u>	<u>158,333</u>

The loan was repaid in full on 29 August 2024.

CONVERGENT TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

21. DEFERRED TAXATION

	2024 £	2023 £
At beginning of year	(21,381)	(17,226)
Charged to profit or loss	2,488	(4,155)
<b>At end of year</b>	<u><u>(18,893)</u></u>	<u><u>(21,381)</u></u>

The provision for deferred taxation is made up as follows:

	2024 £	2023 £
Accelerated capital allowances	(19,663)	(21,771)
Pension adjustment	770	390
	<u><u>(18,893)</u></u>	<u><u>(21,381)</u></u>

22. SHARE CAPITAL

	2024 £	2023 £
<b>Allotted, called up and fully paid</b>		
125,000 (2023 - 125,000) Ordinary shares of £1.00 each	<u><u>125,000</u></u>	<u><u>125,000</u></u>

23. RESERVES

**Profit and loss account**

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

24. PRIOR YEAR ADJUSTMENT

A prior year adjustment has been made to correct the treatment of software revenues generated through an agent relationship in line with the revenue recognition policy.

This adjustment has resulted in a decrease in both revenue and cost of sales of £1,198,242 with nil impact on gross profit.

**CONVERGENT TECHNOLOGY LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**25. PENSION COMMITMENTS**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £79,960 (2023 - £46,082).

Contributions totaling £9,407 (2023 - £10,107) were payable to the fund at the balance sheet date and are included in creditors.

**26. COMMITMENTS UNDER OPERATING LEASES**

At 31 March 2024 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024 £	2023 £
Not later than 1 year	289,138	200,979
Later than 1 year and not later than 5 years	631,633	621,115
Later than 5 years	367,693	516,000
	<u>1,288,464</u>	<u>1,338,094</u>

**27. TRANSACTIONS WITH DIRECTORS**

At 1 April 2023 the balance due to the company from the directors was £652,107. During the year ended 31 March 2024 the directors made repayments of £678,421 (2023 - £422,336) and the company made payments to the directors of £912,240 (2023 - £659,610). The balance due to the company at the year end was £885,926 which has been repaid after the year end.

**28. RELATED PARTY TRANSACTIONS**

During the year, the company paid £144,000 (2023 - £144,000) in rent to a company under control of the directors. At year end a balance of £Nil (2023 - £Nil) was outstanding.

During the year, the company paid £20,720 (2023 - £11,520) for recruitment fees to a company under control of a close family member of a director. At year end a balance of £Nil (2023 - £Nil) was outstanding.

**29. CONTROLLING PARTY**

In the opinion of the directors there is no ultimate controlling party.

The company is exempt from the obligation to prepare and deliver group accounts as all of its subsidiary undertakings are excluded from consolidation.



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