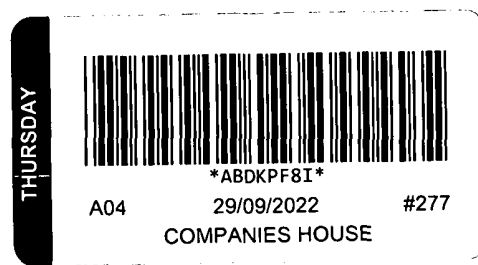


COMPANY REGISTRATION NUMBER: 06338847

**Covesion Ltd**  
**Filleted Unaudited Financial Statements**  
**31 December 2021**



**Covesion Ltd**  
**Statement of Financial Position**  
**31 December 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	5	28,182	14,189
Tangible assets	6	<u>91,207</u>	<u>47,205</u>
		<b>119,389</b>	<b>61,394</b>
<b>Current assets</b>			
Stocks		362,919	329,405
Debtors	7	348,815	474,261
Cash at bank and in hand		<u>700,015</u>	<u>675,228</u>
		<b>1,411,749</b>	<b>1,478,894</b>
<b>Creditors: amounts falling due within one year</b>	8	<u>305,010</u>	<u>223,936</u>
<b>Net current assets</b>		<u><b>1,106,739</b></u>	<u><b>1,254,958</b></u>
<b>Total assets less current liabilities</b>		<b>1,226,128</b>	<b>1,316,352</b>
<b>Creditors: amounts falling due after more than one year</b>	9	<b>230,000</b>	<b>290,000</b>
<b>Provisions</b>		<u><b>30,000</b></u>	<u><b>15,000</b></u>
<b>Net assets</b>		<u><b>966,128</b></u>	<u><b>1,011,352</b></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>(680,322)</u>	<u>(635,098)</u>
<b>Shareholders funds</b>		<u><b>966,128</b></u>	<u><b>1,011,352</b></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 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

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 2021

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These financial statements were approved by the board of directors and authorised for issue on 23 September 2022, 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 2021

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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 £700,015.

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 2021

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

#### Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2009, has been fully amortised evenly over its estimated useful life of five years.

#### Other intangible assets

In accordance with accepted standard accounting policy, the costs of patents and licences have been amortised this year so to leave a remaining useful economic life of one year.

#### 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.

#### 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.

# Covesion Ltd

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

Year ended 31 December 2021

### 4. Employee numbers

The average number of persons employed by the company during the year amounted to 15 (2020: 11).

### 5. Intangible assets

	Goodwill £	Other Intangibles £	Leasehold £	Total £
<b>Cost</b>				
At 1 January 2021	25,002	190,909	–	215,911
Additions	–	–	30,000	30,000
<b>At 31 December 2021</b>	<u>25,002</u>	<u>190,909</u>	<u>30,000</u>	<u>245,911</u>
<b>Amortisation</b>				
At 1 January 2021	25,002	176,720	–	201,722
Charge for the year	–	14,189	1,818	16,007
<b>At 31 December 2021</b>	<u>25,002</u>	<u>190,909</u>	<u>1,818</u>	<u>217,729</u>
<b>Carrying amount</b>				
<b>At 31 December 2021</b>	<u>–</u>	<u>–</u>	<u>28,182</u>	<u>28,182</u>
At 31 December 2020	<u>–</u>	<u>14,189</u>	<u>–</u>	<u>14,189</u>

### 6. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
<b>Cost</b>				
At 1 January 2021	120,975	4,150	9,383	134,508
Additions	49,963	5,683	9,678	65,324
Disposals	(2,000)	(3,192)	–	(5,192)
<b>At 31 December 2021</b>	<u>168,938</u>	<u>6,641</u>	<u>19,061</u>	<u>194,640</u>
<b>Depreciation</b>				
At 1 January 2021	80,729	2,576	3,998	87,303
Charge for the year	14,514	1,820	4,768	21,102
Disposals	(1,778)	(3,194)	–	(4,972)
<b>At 31 December 2021</b>	<u>93,465</u>	<u>1,202</u>	<u>8,766</u>	<u>103,433</u>
<b>Carrying amount</b>				
<b>At 31 December 2021</b>	<u>75,473</u>	<u>5,439</u>	<u>10,295</u>	<u>91,207</u>
At 31 December 2020	<u>40,246</u>	<u>1,574</u>	<u>5,385</u>	<u>47,205</u>

# Covesion Ltd

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

Year ended 31 December 2021

### 7. Debtors

	2021	2020
	£	£
Trade debtors	97,347	168,959
Other debtors	251,468	305,302
	<u>348,815</u>	<u>474,261</u>

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

	2021	2020
	£	£
Bank loans and overdrafts	60,000	10,000
Trade creditors	117,247	135,088
Social security and other taxes	22,209	13,377
Other creditors	105,554	65,471
	<u>305,010</u>	<u>223,936</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 2021 a total of £290,000 (2020: £300,000) remains outstanding of which £60,000 (2020: £10,000) falls due for repayment within one year.

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

	2021	2020
	£	£
Bank loans and overdrafts	<u>230,000</u>	<u>290,000</u>

Bank loans and overdrafts - see note 9

### 10. Share based payments

Equity-settled

At 31 December 2021, 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). 213,286 of these options have vested.

Unapproved options

100,627 share options were granted in 2020 (granted to 1 consultant, with an exercise price of £0.01 per share) 71,095 of which have vested.

# Covesion Ltd

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

Year ended 31 December 2021

### 11. Called up share capital

Issued, called up and fully paid

	2021		2020	
	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:

	2021	2020
	£	£
Not later than 1 year	<u>26,361</u>	<u>20,675</u>
Later than 1 year and not later than 5 years	<u>139,039</u>	<u>165,400</u>
	<u>165,400</u>	<u>186,075</u>

### 13. Events after the end of the reporting period

On 11 August 2022, the company purchased certain assets of Electron Dynamics Limited, including tangible fixed assets, intellectual property rights and other rights used in the business, as a going concern.

### 14. Related party transactions

The University of Southampton is a shareholder in the company via its subsidiary, Southampton Asset Management Limited. During the year the Company provided goods to the University of Southampton to the value of £38,404 (2020 - £25,574). No outstanding balance remained at the year end or prior year end.

During the year the Company also received services from the University amounting to £114,338 (2020 - £130,215). There was an outstanding balance at the year end of £24,173 (2020 - £42,836).

During the year the Company received consultancy services from Technology to Revenue Limited of £6,375 (2020 - £5,699), a company controlled by Mr W Campbell. The balance owing at the year end was £375 (2020 - £750).

During the year the Company received consultancy services from Epacria Capital Partners LLC of £10,863 (2020 - £8,271), a company controlled by Mr T M Clay. No outstanding balance remained at the year end or prior year end.