

CONVERGENT TECHNOLOGY LIMITED

CONSOLIDATED ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2025

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CONVERGENT TECHNOLOGY LIMITED

COMPANY INFORMATION

Directors

M Bain
P Fewster
J Pawson

Registered number

10556915

Registered office

24 Old Bond Street
London
W1S 4AP

Independent auditor

Cooper Parry Group Limited
Statutory Auditor
Broadwalk House
5th Floor
5 Appold St
Broadgate
London
EC2A 2AG

CONVERGENT TECHNOLOGY LIMITED

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CONVERGENT TECHNOLOGY LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2025

Introduction

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

Business review

The group continues to focus on sustainable growth through long-term client relationships, operational excellence, and investment in service innovation.

During the financial year, Convergent Technology achieved revenues in excess of £21m, along with increasing operating profits by 109%, maintaining a strong balance sheet and a prudent financial position. The group continues to demonstrate resilience in a competitive market, supported by a diverse customer base and strong vendor partnerships.

As part of its continued growth strategy, the group expanded its cyber security offering, developing deeper partnerships with leading vendors and investing in specialist expertise to meet increasing client demand for security solutions. This initiative strengthens the group's position as a trusted partner across infrastructure, cloud, and security services.

The directors are satisfied with the business's overall performance for the year and remain confident in the group's ability to deliver consistent results going forward.

Principal risks and uncertainties

The group continues to operate within an uncertain global economic environment. Market volatility, supply chain disruption, and changing technology landscapes remain ongoing risks that could impact business performance.

To mitigate these risks, the group maintains a conservative approach to debt, a diversified client base across multiple sectors, and strong working relationships with strategic vendors and suppliers. The directors regularly review risk exposure as part of ongoing management and governance processes.

Financial key performance indicators

Convergent Technology measures its financial performance monthly and quarterly using key performance indicators (KPIs). The management team and the board of directors review these:

	2025	2024
Gross profit	£5,753,996	£5,376,311
Gross profit margin	26.8%	22.6%
Net profit	£1,269,843	£832,658
Net cash generated from operating activities	£1.74m	(£0.25m)

CONVERGENT TECHNOLOGY LIMITED


**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Future outlook

The directors remain optimistic about the group's prospects for the coming financial year.

A continued focus on service excellence, customer satisfaction, and the expansion of managed and professional services offerings is expected to support further growth. The directors believe the company is well-positioned to capitalise on market opportunities while maintaining a disciplined approach to financial management and investment.

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

DocuSigned by:

D0827A8D59CA4E7...
J Pawson
Director

Date: 08 December 2025

CONVERGENT TECHNOLOGY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2025

The directors present their report and the financial statements for the year ended 31 March 2025.

Directors' responsibilities statement

The directors are responsible for preparing the group strategic report, the directors' report and the consolidated 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 the group and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

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

Results and dividends

The profit for the year, after taxation, amounted to £1,269,843 (2024: £832,658).

The dividends declared in the year were £877,030 (2024: £678,421).

Directors

The directors who served during the year were:

M Bain
P Fewster
J Pawson

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 group.

CONVERGENT TECHNOLOGY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025**

Disclosure of information to auditor

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 and the group's auditor is 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 and the group's auditor is aware of that information.

Post balance sheet events

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

Auditor

The auditor, 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.

DocuSigned by:

Jody Pawson

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J Pawson
Director

Date: 08 December 2025

CONVERGENT TECHNOLOGY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONVERGENT TECHNOLOGY LIMITED

Opinion

We have audited the financial statements of Convergent Technology Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2025, which comprise the consolidated statement of comprehensive income, the group and company balance sheet, the group and company statement of changes in equity, the consolidated statement of cash flows, the consolidated analysis of net funds 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 group's and of the parent company's affairs as at 31 March 2025 and of the group's 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 group 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 group's or the parent 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.

CONVERGENT TECHNOLOGY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONVERGENT TECHNOLOGY LIMITED (CONTINUED)

Other information

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

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 group 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 group 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 3, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

CONVERGENT TECHNOLOGY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONVERGENT TECHNOLOGY LIMITED (CONTINUED)

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 group 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:

We gained an understanding of the legal and regulatory framework applicable to the group and the industry in which it operates, and considered the risk of acts by the group 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 turnover 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. This description forms part of our auditor's report.

CONVERGENT TECHNOLOGY LIMITED

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

Use of our report

This report is made solely to the group'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 group'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 group and the group's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Signed by:



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James Maxwell (Senior Statutory Auditor)

for and on behalf of

Cooper Parry Group Limited

Statutory Auditor

Broadwalk House

5th Floor

5 Appold St

Broadgate

London

EC2A 2AG

Date: 09 December 2025

CONVERGENT TECHNOLOGY LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Note	2025 £	2024 £
Turnover	4	21,460,438	23,779,575
Cost of sales		(15,706,442)	(18,403,264)
Gross profit		<u>5,753,996</u>	<u>5,376,311</u>
Administrative expenses		(4,032,633)	(4,553,594)
Operating profit	5	<u>1,721,363</u>	<u>822,717</u>
Interest receivable and similar income	9	32,951	16,967
Interest payable and similar expenses	10	(4,777)	(9,988)
Profit before taxation		<u>1,749,537</u>	<u>829,696</u>
Tax on profit	11	(479,694)	2,962
Profit for the financial year		<u><u>1,269,843</u></u>	<u><u>832,658</u></u>
Other comprehensive expense			
Currency translation differences		10,280	(14,225)
Total comprehensive income for the year		<u><u>1,280,123</u></u>	<u><u>818,433</u></u>

There were no recognised gains and losses for 2025 or 2024 other than those included in the consolidated statement of comprehensive income.

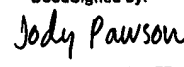
The notes on pages 16 to 36 form part of these financial statements.

CONVERGENT TECHNOLOGY LIMITED
REGISTERED NUMBER: 10556915

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Fixed assets			
Intangible assets	14	16,240	-
Tangible fixed assets	15	49,556	86,194
Investments	16	43,450	43,450
		109,246	129,644
Current assets			
Debtors: amounts falling due within one year	17	6,510,702	6,009,254
Cash at bank and in hand		2,391,662	1,634,428
		8,902,364	7,643,682
Creditors: amounts falling due within one year	18	(6,047,182)	(5,140,015)
Net current assets		2,855,182	2,503,667
Total assets less current liabilities		2,964,428	2,633,311
Creditors: amounts falling due after more than one year	19	-	(58,333)
Provisions for liabilities			
Deferred taxation	22	(5,250)	(18,893)
Net assets		2,959,178	2,556,085
Capital and reserves			
Called up share capital	23	125,000	125,000
Foreign exchange reserve	24	(3,945)	(14,225)
Profit and loss account	24	2,838,123	2,445,310
Shareholders' funds		2,959,178	2,556,085

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

DocuSigned by:

D0827A8D59CA4E7...
J Pawson
 Director

Date: 08 December 2025

DocuSigned by:

B5DE825F2F764F1...
P Fewster
 Director

Date: 03 December 2025

The notes on pages 16 to 36 form part of these financial statements.

CONVERGENT TECHNOLOGY LIMITED
REGISTERED NUMBER: 10556915

COMPANY BALANCE SHEET
AS AT 31 MARCH 2025

	Note	2025 £	2024 £
Fixed assets			
Intangible assets	14	16,240	-
Tangible fixed assets	15	49,556	86,194
Investments	16	64,868	64,868
		130,664	151,062
Current assets			
Debtors: amounts falling due within one year	17	6,603,745	5,996,413
Cash at bank and in hand		2,194,948	1,424,227
		8,798,693	7,420,640
Creditors: amounts falling due within one year	18	(5,930,406)	(4,958,282)
Net current assets		2,868,287	2,462,358
Total assets less current liabilities		2,998,951	2,613,420
Creditors: amounts falling due after more than one year	19	-	(58,333)
Provisions for liabilities			
Deferred taxation	22	(5,250)	(18,893)
Net assets		2,993,701	2,536,194
Capital and reserves			
Called up share capital	23	125,000	125,000
Profit and loss account	24	2,868,701	2,411,194
Shareholders' funds		2,993,701	2,536,194

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

DocuSigned by:

J Pawson
 Director

DocuSigned by:

P Fewster
 Director

Date: 08 December 2025

Date: 03 December 2025

The notes on pages 16 to 36 form part of these financial statements.

CONVERGENT TECHNOLOGY LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025**

	Called up share capital £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 1 April 2023	125,000	-	2,291,073	2,416,073
Profit for the year	-	-	832,658	832,658
Currency translation differences	-	(14,225)	-	(14,225)
Dividends (see note 12)	-	-	(678,421)	(678,421)
At 1 April 2024	<u>125,000</u>	<u>(14,225)</u>	<u>2,445,310</u>	<u>2,556,085</u>
Profit for the year	-	-	1,269,843	1,269,843
Currency translation differences	-	10,280	-	10,280
Dividends (see note 12)	-	-	(877,030)	(877,030)
At 31 March 2025	<u><u>125,000</u></u>	<u><u>(3,945)</u></u>	<u><u>2,838,123</u></u>	<u><u>2,959,178</u></u>

The notes on pages 16 to 36 form part of these financial statements.

CONVERGENT TECHNOLOGY LIMITED**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2025**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2023	125,000	2,176,879	2,301,879
Profit for the year	-	912,736	912,736
Dividends (see note 12)	-	(678,421)	(678,421)
	<hr/>	<hr/>	<hr/>
At 1 April 2024	125,000	2,411,194	2,536,194
Profit for the year	-	1,334,537	1,334,537
Dividends (see note 12)	-	(877,030)	(877,030)
	<hr/>	<hr/>	<hr/>
At 31 March 2025	<u>125,000</u>	<u>2,868,701</u>	<u>2,993,701</u>

The notes on pages 16 to 36 form part of these financial statements.

CONVERGENT TECHNOLOGY LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025**

	2025	2024
	£	£
Cash flows from operating activities		
Profit for the financial year	1,269,843	832,658
Adjustments for:		
Depreciation of tangible assets	39,536	36,057
Impairments of fixed assets	3,576	-
Interest paid	4,777	9,988
Interest received	(32,951)	(16,967)
Taxation charge	479,694	(2,962)
Increase in debtors	(497,784)	(285,857)
Increase/(decrease) in creditors	686,589	(830,907)
Corporation tax (paid)/received	(216,144)	2,465
Net cash generated from operating activities	1,737,136	(255,525)
Cash flows from investing activities		
Purchase of intangible fixed assets	(19,815)	-
Purchase of tangible fixed assets	(2,898)	(35,163)
Interest received	32,951	16,967
Net cash from investing activities	10,238	(18,196)
Cash flows from financing activities		
Repayment of loans	(108,333)	(50,000)
Dividends paid	(877,030)	(678,421)
Interest paid	(4,777)	(9,988)
Net cash used in financing activities	(990,140)	(738,409)
Net increase/(decrease) in cash and cash equivalents	757,234	(1,012,130)
Cash and cash equivalents at beginning of year	1,634,428	2,646,558
Cash and cash equivalents at the end of year	2,391,662	1,634,428
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,391,662	1,634,428

The notes on pages 16 to 36 form part of these financial statements.

CONVERGENT TECHNOLOGY LIMITED

**CONSOLIDATED ANALYSIS OF NET FUNDS
FOR THE YEAR ENDED 31 MARCH 2025**

	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash at bank and in hand	1,634,428	757,234	2,391,662
Debt due after 1 year	(58,333)	58,333	-
Debt due within 1 year	(50,000)	50,000	-
	<u>1,526,095</u>	<u>865,567</u>	<u>2,391,662</u>

The notes on pages 16 to 36 form part of these financial statements.

CONVERGENT TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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 group management to exercise judgement in applying the group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

CONVERGENT TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis. The directors have assessed the group's ability to continue as a going concern and have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of the financial statements.

In making this assessment, the directors have considered:

- The group's current financial position, including cash flow forecasts and available financing facilities.
- The impact of any known or anticipated changes in the business environment, including economic and market conditions.
- The group's exposure to solvency and liquidity risks and the strategies in place to manage these risks.
- Any material uncertainties that may cast significant doubt on the group's ability to continue as a going concern.

Where relevant, sensitivity analyses and scenario planning have been undertaken to evaluate the robustness of the company's financial position under varying conditions.

Based on this assessment, the directors consider it appropriate to prepare the financial statements on a going concern basis. Accordingly, the financial statements do not include any adjustments that would result from the group being unable to continue as a going concern.

CONVERGENT TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.4 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 the consolidated statement of comprehensive income 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 consolidated statement of comprehensive income within 'administrative expenses'. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

CONVERGENT TECHNOLOGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025****2. Accounting policies (continued)****2.5 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Hardware

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

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the group 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 group's ability to choose the supplier and set its own pricing, for the provision of these goods, the group acts as a principle when selling hardware and hence recognises turnover gross of any costs.

Software

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

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of turnover can be measured reliably;
- it is probable that the group 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 group acts as an agent. As such the group recognises turnover net of any cost of sales.

Services

Turnover 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 turnover can be measured reliably;
- it is probable that the group 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 group's ability to choose the supplier and set its own pricing, for the provision of these services, the group acts as a principle when providing services and hence recognises turnover gross of any costs.

CONVERGENT TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.6 Operating leases: the group as lessee

Rentals paid under operating leases are charged to the consolidated statement of comprehensive income on a straight-line basis over the lease term.

2.7 Interest income

Interest income is recognised in the consolidated statement of comprehensive income using the effective interest method.

2.8 Finance costs

Finance costs are charged to the consolidated statement of comprehensive income 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.

2.9 Borrowing costs

All borrowing costs are recognised in the consolidated statement of comprehensive income in the year in which they are incurred.

2.10 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the consolidated statement of comprehensive income 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 group in independently administered funds.

CONVERGENT TECHNOLOGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025****2. Accounting policies (continued)****2.11 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income 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 and the group operate and generate 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.

2.12 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the revaluation model, intangible assets shall be carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated amortisation and subsequent impairment losses - provided that the fair value can be determined by reference to an active market.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the balance sheet date.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.13 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.

CONVERGENT TECHNOLOGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

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 the consolidated statement of comprehensive income.

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.15 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.

2.16 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated 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 group's cash management.

2.17 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.

2.18 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 the consolidated statement of comprehensive income.

CONVERGENT TECHNOLOGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025****2. Accounting policies (continued)****2.19 Financial instruments**

The group 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 group's balance sheet when the group 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 group'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 consolidated statement of comprehensive income. 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 the consolidated statement of comprehensive income.

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 consolidated statement of comprehensive income.

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 group after the deduction of all its liabilities.

CONVERGENT TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

2. Accounting policies (continued)

2.19 Financial instruments (continued)

Basic financial liabilities, which include trade and other creditors, bank loans, other loans and loans due to fellow group companies 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 group 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 group 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 group's contractual obligations expire or are discharged or cancelled.

2.20 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.

CONVERGENT TECHNOLOGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025****2. Accounting policies (continued)****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 turnover, the group 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, turnover is recognised at the gross amount to which the group expects to be entitled. Where it is considered to be the agent, turnover 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; and
- 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; and
 - iii. has discretion in establishing the price for the specified goods or service.

Specific judgements with respect to different turnover streams have been discussed in the turnover accounting policy in note 2.5.

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.

All turnover arose within the United Kingdom.

CONVERGENT TECHNOLOGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

5. Operating profit

The operating profit is stated after charging:

	2025	2024
	£	£
Exchange differences	4,663	57,544
Other operating lease rentals	210,726	207,979
Depreciation	39,536	36,057
	<u>39,536</u>	<u>36,057</u>

6. Auditor's remuneration

During the year, the group obtained the following services from the company's auditor:

	2025	2024
	£	£
Fees payable to the company's auditor for the audit of the consolidated and parent company's financial statements	30,700	30,000
	<u>30,700</u>	<u>30,000</u>

7. Employees

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

	Group 2025	Group 2024
	£	£
Wages and salaries	1,412,797	1,444,384
Social security costs	364,009	349,321
Commission	1,083,611	1,343,490
Cost of defined contribution scheme	72,204	79,960
	<u>2,932,621</u>	<u>3,217,155</u>

CONVERGENT TECHNOLOGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

7. Employees (continued)

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

	Group 2025 No.	Group 2024 No.	Company 2025 No.	Company 2024 No.
Sales and Operations	19	21	19	21
Admin	5	5	5	5
Directors	3	3	3	3
	<u>27</u>	<u>29</u>	<u>27</u>	<u>29</u>

8. Directors' remuneration

	2025 £	2024 £
Directors' emoluments	631,292	494,001
Group contributions to defined contribution pension schemes	20,000	10,133
	<u>651,292</u>	<u>504,134</u>

During the year retirement benefits were accruing to no directors (2024: Nil) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £356,309 (2024: £235,058).

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2024: £10,133).

9. Interest receivable

	2025 £	2024 £
Other interest receivable	<u>32,951</u>	<u>16,967</u>

10. Interest payable and similar expenses

	2025 £	2024 £
Bank interest payable	3,313	9,584
Other interest payable	1,464	404
	<u>4,777</u>	<u>9,988</u>

CONVERGENT TECHNOLOGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

11. Taxation

	2025	2024
	£	£
Corporation tax		
Current tax on profits for the year	493,299	255,823
Adjustments in respect of previous periods	-	(256,337)
Foreign tax		
Foreign tax on income for the year	38	40
	<u>38</u>	<u>40</u>
Total current tax	<u>493,337</u>	<u>(474)</u>
Deferred tax		
Origination and reversal of timing differences	(13,643)	(2,488)
	<u>(13,643)</u>	<u>(2,488)</u>
Tax on profit	<u>479,694</u>	<u>(2,962)</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2024: lower than) the standard rate of corporation tax in the UK of 25% (2024: 25%). The differences are explained below:

	2025	2024
	£	£
Profit before tax	1,749,537	829,696
Profit multiplied by standard rate of corporation tax in the UK of 25% (2024: 25%)	437,384	227,434
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	28,890	28,124
Capital allowances for year in excess of depreciation	894	(75)
Adjustments to tax charge in respect of prior periods	-	(256,337)
Other timing differences leading to an increase (decrease) in taxation	12,526	(2,488)
Changes in provisions leading to an increase (decrease) in the tax charge	-	380
Total tax charge for the year	<u>479,694</u>	<u>(2,962)</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

CONVERGENT TECHNOLOGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

12. Dividends

	2025	2024
	£	£
Dividends	877,030	678,421
	<u>877,030</u>	<u>678,421</u>

13. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The profit after tax of the parent company for the year was £1,334,537 (2024: £912,736).

14. Intangible assets

Group and Company

	Cryptocurrency
	£
Cost	
Additions	19,815
Revaluation	(3,575)
At 31 March 2025	<u>16,240</u>
Net book value	
At 31 March 2025	<u>16,240</u>
At 31 March 2024	<u>-</u>

CONVERGENT TECHNOLOGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

15. Tangible fixed assets

Group and Company

	Leasehold improvements £	Office equipment £	Computer equipment £	Total £
Cost				
At 1 April 2024	31,868	81,906	55,180	168,954
Additions	-	2,898	-	2,898
At 31 March 2025	<u>31,868</u>	<u>84,804</u>	<u>55,180</u>	<u>171,852</u>
Depreciation				
At 1 April 2024	13,023	38,650	31,087	82,760
Charge for the year	7,967	20,317	11,252	39,536
At 31 March 2025	<u>20,990</u>	<u>58,967</u>	<u>42,339</u>	<u>122,296</u>
Net book value				
At 31 March 2025	<u>10,878</u>	<u>25,837</u>	<u>12,841</u>	<u>49,556</u>
At 31 March 2024	<u>18,845</u>	<u>43,256</u>	<u>24,093</u>	<u>86,194</u>

16. Fixed asset investments

Group

	Unlisted investments £
Cost	
At 1 April 2024 and at 31 March 2025	43,450
Net book value	
At 31 March 2024 and at 31 March 2025	<u>43,450</u>

CONVERGENT TECHNOLOGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

16. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £	Unlisted investments £	Total £
Cost			
At 1 April 2024 and at 31 March 2025	21,418	43,450	64,868
Net book value			
At 31 March 2025	<u>21,418</u>	<u>43,450</u>	<u>64,868</u>
At 31 March 2024 and at 31 March 2025	<u>21,418</u>	<u>43,450</u>	<u>64,868</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
Convergent Technology Inc	45 Rockefeller Piz 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 2025 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	(53,452)	(15,161)
Convergent Technology Services GmbH	42,577	(29,848)

CONVERGENT TECHNOLOGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

17. Debtors

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Trade debtors	4,339,587	3,842,226	4,403,228	3,745,854
Amounts owed by group undertakings	-	-	141,981	108,612
Other debtors	1,419,535	1,417,298	1,323,877	1,392,217
Prepayments and accrued income	741,979	743,793	725,058	743,793
Tax recoverable	9,601	5,937	9,601	5,937
	<u>6,510,702</u>	<u>6,009,254</u>	<u>6,603,745</u>	<u>5,996,413</u>

18. Creditors: Amounts falling due within one year

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Bank loans	-	50,000	-	50,000
Trade creditors	3,186,369	2,618,844	3,163,129	2,516,970
Amounts owed to group undertakings	-	-	-	4,735
Corporation tax	576,817	295,960	568,124	287,069
Other taxation and social security	311,871	348,569	311,871	348,569
Other creditors	22,959	529,772	20,675	524,900
Accruals and deferred income	1,949,166	1,296,870	1,866,607	1,226,039
	<u>6,047,182</u>	<u>5,140,015</u>	<u>5,930,406</u>	<u>4,958,282</u>

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

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Bank loans	-	58,333	-	58,333
	<u>-</u>	<u>58,333</u>	<u>-</u>	<u>58,333</u>

CONVERGENT TECHNOLOGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

20. Loans

Analysis of the maturity of loans is given below:

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Amounts falling due within one year				
Bank loans	-	50,000	-	50,000
Amounts falling due 1-2 years				
Bank loans	-	50,000	-	50,000
Amounts falling due 2-5 years				
Bank loans	-	8,333	-	8,333
	<u>-</u>	<u>108,333</u>	<u>-</u>	<u>108,333</u>

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

The loan was repaid in full on 29 August 2024.

21. Financial instruments

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Financial assets				
Financial assets measured at amortised cost	<u>8,892,763</u>	<u>7,637,745</u>	<u>8,789,092</u>	<u>7,414,703</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>5,158,494</u>	<u>4,553,819</u>	<u>5,050,411</u>	<u>4,380,977</u>

Financial assets measured at amortised cost comprise cash and cash equivalents, trade debtors, amounts owed by group undertakings, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, amounts owed to group undertakings, other creditors and accruals.

CONVERGENT TECHNOLOGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

22. Deferred taxation

Group and Company

	2025 £
At beginning of year	18,893
Charged to the consolidated statement of comprehensive income	(13,643)
At end of year	<u><u>5,250</u></u>

The provision for deferred taxation is made up as follows:

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Accelerated capital allowances	8,001	19,663	8,001	19,663
Pension adjustment	(1,857)	(770)	(1,857)	(770)
Other timing differences	(894)	-	(894)	-
	<u><u>5,250</u></u>	<u><u>18,893</u></u>	<u><u>5,250</u></u>	<u><u>18,893</u></u>

23. Share capital

	2025 £	2024 £
Allotted, called up and fully paid		
125,000 (2024:125,000) Ordinary shares of £1 each	<u><u>125,000</u></u>	<u><u>125,000</u></u>

24. Reserves

Foreign exchange reserve

The foreign exchange reserve represents the cumulative effect of retranslating subsidiary undertakings at consolidation where functional currency is not the same as the parent company.

Profit and loss account

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

CONVERGENT TECHNOLOGY LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025****25. Pension commitments**

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £72,204 (2024: £79,960).

Contributions totaling £7,428 (2024: £9,407) were payable to the fund at the balance sheet date and are included in creditors.

26. Commitments under operating leases

At 31 March 2025 the group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2025 £	Group 2024 £	Company 2025 £	Company 2024 £
Not later than 1 year	252,133	289,138	252,133	289,138
Later than 1 year and not later than 5 years	628,500	631,633	628,500	631,633
Later than 5 years	223,693	367,693	223,693	367,693
	<u>1,104,326</u>	<u>1,288,464</u>	<u>1,104,326</u>	<u>1,288,464</u>

27. Other financial guarantees

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

28. Related party transactions

The Group has taken advantage of the FRS102 exemption from disclosures applicable to group undertakings where 100% of the voting rights are controlled within group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

During the year, the group paid £144,000 (2024: £144,000) in rent to a company under control of the directors. At year end a balance of £Nil (2024: £Nil) was outstanding.

During the year, the group paid £16,600 (2024: £20,720) for recruitment fees to a company under control of a close family member of a director. At year end a balance of £Nil (2024: £Nil) was outstanding.

29. Transactions with directors

Included within other debtors are the following balances due from Directors:

As at 1 April 2024	885,926
Advanced to Director	773,113
Repaid by Director	- 899,311
As at 31 March 2025	<u>759,728</u>

CONVERGENT TECHNOLOGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

30. Controlling party

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