

Flexys Solutions Ltd

Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2020
Pages for filing with Registrar

Flexys Solutions Ltd

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Flexys Solutions Ltd

Company Information

| | |
|--------------------------|---|
| Directors | J Hickman B J Dewis B M Smith |
| Registered office | Future Space North Gate (UWE) Filton Road Stoke Gifford Bristol BS34 8RB |
| Registered number | 10536443 |
| Accountants | Corrigan Accountants Limited The Tramshed 25 Lower Park Row Bristol BS1 5BN |

Flexys Solutions Ltd

(Registration number: 10536443)
Balance Sheet as at 31 March 2020

| | Note | 2020 £ | As restated 2019 £ |
|--|----------|-------------|--------------------------|
| Fixed assets | | | |
| Intangible assets | <u>5</u> | 1,089,645 | 504,114 |
| Tangible assets | <u>6</u> | 16,542 | 20,443 |
| | | 1,106,187 | 524,557 |
| Current assets | | | |
| Debtors | <u>7</u> | 260,832 | 264,090 |
| Cash at bank and in hand | | 399,794 | 859,768 |
| | | 660,626 | 1,123,858 |
| Creditors: Amounts falling due within one year | <u>8</u> | (223,727) | (179,494) |
| Net current assets | | 436,899 | 944,364 |
| Total assets less current liabilities | | 1,543,086 | 1,468,921 |
| Creditors: Amounts falling due after more than one year | <u>8</u> | (102,392) | - |
| Net assets | | 1,440,694 | 1,468,921 |
| Capital and reserves | | | |
| Called up share capital | | 6 | 5 |
| Share premium reserve | | 2,800,292 | 2,250,294 |
| Other reserves | | 32,525 | 12,612 |
| Profit and loss account | | (1,392,129) | (793,990) |
| Total equity | | 1,440,694 | 1,468,921 |

Flexys Solutions Ltd

(Registration number: 10536443)
Balance Sheet as at 31 March 2020

For the financial year ending 31 March 2020 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 accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken

Approved and authorised for issue by the Board on 6 July 2020 and signed on its behalf by:

.....
J Hickman
Director

.....
B M Smith
Director

Flexys Solutions Ltd

Statement of Changes in Equity for the Year Ended 31 March 2020

| | Share capital £ | Share premium £ | Other reserves £ | Profit and loss account £ | Total £ |
|---|----------------------------|----------------------------|-----------------------------|--|--------------------|
| At 1 April 2019 (as originally stated) | 5 | 2,250,294 | 12,612 | (1,298,104) | 964,807 |
| Prior period adjustment | - | - | - | 504,114 | 504,114 |
| At 1 April 2019 (As restated) | 5 | 2,250,294 | 12,612 | (793,990) | 1,468,921 |
| Loss for the year | - | - | - | (598,139) | (598,139) |
| Total comprehensive income | - | - | - | (598,139) | (598,139) |
| New share capital subscribed | 1 | 549,998 | - | - | 549,999 |
| Share based payment transactions | - | - | 19,913 | - | 19,913 |
| At 31 March 2020 | 6 | 2,800,292 | 32,525 | (1,392,129) | 1,440,694 |
| | Share capital £ | Share premium £ | Other reserves £ | Profit and loss account £ | Total £ |
| At 1 April 2018 | 5 | 1,499,995 | - | (400,860) | 1,099,140 |
| Loss for the year (As restated) | - | - | - | (393,130) | (393,130) |
| New share capital subscribed | - | 750,299 | - | - | 750,299 |
| Share based payment transactions | - | - | 12,612 | - | 12,612 |
| At 31 March 2019 | 5 | 2,250,294 | 12,612 | (793,990) | 1,468,921 |

Flexys Solutions Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020

1 Statutory information

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

The address of its registered office is:

Future Space
North Gate (UWE) Filton Road
Stoke Gifford
Bristol
BS34 8RB

2 Accounting policies

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented.

Statement of compliance

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

Basis of preparation

These financial statements have been prepared using the historical cost convention.

The financial statements are prepared in pounds sterling which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

The company's investment in research and development during this start-up phase of the business has resulted in a loss for the year. Despite these losses the company still had significant financial resources remaining at the Balance Sheet date from previous fund raising.

The directors are confident through a combination of increasing revenues, further investment and judicial cost control, the company will continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Flexys Solutions Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Turnover is shown net of value added tax, returns, rebates and discounts. The company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

Tax

The tax expense or credit for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tangible fixed assets

Tangible fixed assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation. The cost of tangible fixed assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

| | |
|--------------------|-------------|
| Office equipment | 33% on cost |
| Computer equipment | 33% on cost |

Intangible fixed assets

Development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the company can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the asset and the ability to measure reliably the expenditure during development.

Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried as cost less any accumulated amortisation and accumulated impairment losses.

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

| | |
|-------------------|----------|
| Development costs | 10 years |
|-------------------|----------|

Flexys Solutions Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits.

Trade debtors

Trade debtors are recognised initially at the transaction price. They are subsequently measured less any provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are recognised initially at the transaction price.

Compound financial instruments

Compound financial instruments consist of convertible loans that can be converted to share capital at the option of the holder.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method, and interest expense included within interest payable and similar charges. The equity component of a compound financial instrument is not re-measured subsequent to initial recognition except on conversion or expiry.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Flexys Solutions Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employees' services are received.

Share based payments

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the profit and loss account over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 21 (2019 - 18).

4 Prior year adjustment

The company's results for the year ended 31 March 2019 has been restated from the results previously reported. The loss for the year ended 31 March 2019 has been decreased by £504,114 in respect of amounts incorrectly recognised as an expense instead of an intangible fixed asset. As a result of this, the net book value of intangible fixed assets as at 31 March 2019 has been increased by £504,114 to correctly reflect the total expenditure incurred in relation to the internally generated intangibles, hence qualifying as a fixed asset.

Flexys Solutions Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020

5 Intangible fixed assets

| | Internally generated software development costs £ |
|--------------------------------|--|
| Cost | |
| At 1 April 2019 (as restated) | 560,127 |
| Additions internally developed | 712,826 |
| At 31 March 2020 | <u>1,272,953</u> |
| Amortisation | |
| At 1 April 2019 (as restated) | 56,013 |
| Amortisation charge | 127,295 |
| At 31 March 2020 | <u>183,308</u> |
| Carrying amount | |
| At 31 March 2020 | <u>1,089,645</u> |
| At 31 March 2019 (as restated) | <u>504,114</u> |

Flexys Solutions Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020

6 Tangible fixed assets

| | Office equipment £ | Computer equipment £ | Total £ |
|------------------------|--------------------------|----------------------------|------------|
| Cost | | | |
| At 1 April 2019 | 7,804 | 24,291 | 32,095 |
| Additions | - | 8,571 | 8,571 |
| At 31 March 2020 | 7,804 | 32,862 | 40,666 |
| Depreciation | | | |
| At 1 April 2019 | 2,832 | 8,820 | 11,652 |
| Charge for the year | 2,601 | 9,871 | 12,472 |
| At 31 March 2020 | 5,433 | 18,691 | 24,124 |
| Carrying amount | | | |
| At 31 March 2020 | 2,371 | 14,171 | 16,542 |
| At 31 March 2019 | 4,972 | 15,471 | 20,443 |

7 Debtors: amounts falling due within one year

| | 2020 £ | 2019 £ |
|--------------------------------|-----------|-----------|
| Trade debtors | 15,104 | 62,455 |
| Other debtors | 5,975 | 5,975 |
| Prepayments and accrued income | 1,984 | 8,858 |
| Corporation tax | 237,727 | 186,802 |
| Directors' loan accounts | 42 | - |
| | 260,832 | 264,090 |

Flexys Solutions Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020

8 Creditors: Amounts falling due within one year

| | Note | 2020 £ | 2019 £ |
|------------------------------|-----------|-----------|-----------|
| Trade creditors | | 35,972 | 30,431 |
| Taxation and social security | | 88,259 | 50,055 |
| Other creditors | | 9,812 | 9,324 |
| Accruals and deferred income | | 89,684 | 89,684 |
| | | 223,727 | 179,494 |
| Due after one year | | | |
| Loans and borrowings | <u>10</u> | 102,392 | - |

9 Share capital

Allotted, called up and fully paid shares

| | 2020 | | 2019 | |
|----------------------------------|--------|------|--------|------|
| | No. | £ | No. | £ |
| Ordinary shares of £0.00015 each | 38,660 | 5.80 | 34,997 | 5.25 |
| | | | | |

New shares allotted

During the year 3,663 Ordinary shares having an aggregate nominal value of £0.55 were allotted for an aggregate consideration of £549,999.

10 Loans and borrowings

| | 2020 £ | 2019 £ |
|---|-----------|-----------|
| Non-current loans and borrowings | | |
| Convertible loan | 102,392 | - |

During the year the company entered into a convertible loan agreement for £100,000. The loan is convertible into equity, subject to certain conditions, and the above balance represents the debt element of this compound financial instrument.

Flexys Solutions Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020

11 Obligations under leases

Operating leases

The total of future minimum lease payments is as follows:

| 2020 | 2019 |
|--------|--------|
| £ | £ |
| 42,484 | 38,432 |

12 Related party transactions

Transactions with directors

| | At 1 April 2019 | Advances to directors | At 31 March 2020 |
|----------|--------------------|--------------------------|---------------------|
| | £ | £ | £ |
| 2020 | | | |
| Director | - | 42 | 42 |

13 Share-based payments

Unapproved Options

Scheme details and movements

The company has issued options over its unissued shares to a director. Their vesting is conditional upon criterion including the option holder's continued employment by the company. The options are exercisable on an exit event. The term of the options are 5 years from the date of grant.

Included within administrative expenses is a share based payments expense of £12,612 (2019: £12,612).

Flexys Solutions Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020

The movements in the number of share options during the year were as follows:

| | 2020 Number | 2019 Number |
|------------------------------|----------------|----------------|
| Outstanding, start of period | 600 | - |
| Granted during the period | - | 600 |
| Outstanding, end of period | 600 | 600 |

The movements in the weighted average exercise price of share options during the year were as follows:

| | 2020 £ | 2019 £ |
|------------------------------|-----------|-----------|
| Outstanding, start of period | 0.01 | - |
| Granted during the period | - | 0.01 |
| Outstanding, end of period | 0.01 | 0.01 |

EMI Options

Scheme details and movements

The company has issued EMI options over its unissued share capital to certain employees. Their vesting is conditional upon criteria including the option holder's continued employment by the company. The options are exercisable on an exit event.

The term of the options are 10 years from the date of grant.

Included within administrative expenses is a share based payments expense of £7,301 (2019: £Nil).

The movements in the number of share options during the year were as follows:

| | 2020 Number |
|-----------------------------|----------------|
| Granted during the period | 1,190 |
| Forfeited during the period | (85) |
| Outstanding, end of period | 1,105 |

Flexys Solutions Ltd

Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020

The movements in the weighted average exercise price of share options during the year were as follows:

| | 2020 |
|-----------------------------|---------------|
| | £ |
| Granted during the period | 112.24 |
| Forfeited during the period | 112.24 |
| Outstanding, end of period | <u>112.24</u> |

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